

City of Kalamunda

FINANCIAL REPORT

for the year ended 30 June 2025

*Connected Communities, Valuing Nature and Creating our
Future Together*



Financial Report
for the year ended 30 June 2025

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Content Overview

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

"Connected Communities, Valuing Nature and Creating our Future Together"

Principal place of business:
2, Railway Road
Kalamunda, 6076
Western Australia

Financial Report

for the year ended 30 June 2025

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

Statement by CEO

The accompanying financial report of the City of Kalamunda has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2025 and the financial position as at 30 June 2025.

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

Signed on the 11th day of November 2025.



Chief Executive Officer

Anthony Vuleta



Statement of comprehensive income

for the year ended 30 June 2025

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
Revenue				
Rates	25,2a	47,826,877	47,751,765	44,727,353
Grants, subsidies and contributions	2a	4,053,796	3,150,415	4,348,284
Fees and charges *	2a	20,963,017	18,916,194	19,145,641
Interest revenue	2a	4,901,525	2,572,500	3,285,422
Other revenue	2a	249,360	118,900	266,234
		77,994,575	72,509,774	71,772,934
Expenses				
Employee costs	2b	33,089,341	31,536,135	27,559,877
Materials and contracts *		29,288,600	29,929,150	25,109,704
Utility charges		2,081,016	2,041,698	2,027,109
Depreciation	10a	17,057,410	17,140,236	16,875,730
Finance costs	2b	231,980	210,451	259,317
Insurance		769,689	840,371	766,237
Other expenditure	2b	288,139	322,324	1,813,505
		82,806,175	82,020,365	74,411,479
Operating result from continuing operations		(4,811,600)	(9,510,591)	(2,638,545)
Capital grants, subsidies and contributions	2a	15,744,985	26,632,701	16,094,453
Profit on asset disposals	10b	78,865	1,690,000	28,543
Loss on asset disposals	10b	(3,042,432)	–	(4,901,126)
		12,781,418	28,322,701	11,221,870
Net result for the period		7,969,818	18,812,110	8,583,325
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	16	19,504,964	–	(1,416,177)
Total other comprehensive income for the period		19,504,964	–	(1,416,177)
Total comprehensive income for the period		27,474,782	18,812,110	7,167,148

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

(*) Refer to note 23(d) for restatement of comparatives.



Statement of financial position

as at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	3	41,495,162	43,325,236
Trade and other receivables	5	37,482,521	4,330,692
Other financial assets	4a	11,265,826	10,716,382
Inventories	6	151,049	856,993
Other assets	7a	757,396	179,783
Non-current assets classified as held for sale	7b	1,376,067	—
Total current assets		92,528,021	59,409,086
Non-current assets			
Trade and other receivables	5	1,154,548	30,705,485
Other financial assets	4b	181,376	198,669
Inventories	6	4,011,293	844,918
Property, plant and equipment	8	142,322,300	116,037,134
Infrastructure	9	489,298,042	491,469,353
Right of use assets	11a	773,851	617,671
Other assets	7a	—	10,584
Total non-current assets		637,741,410	639,883,814
Total assets		730,269,431	699,292,900
Liabilities			
Current liabilities			
Trade and other payables	12	11,327,436	10,132,019
Capital grant/contributions liabilities	13	7,818,066	5,052,941
Lease liabilities	11b	226,505	108,852
Borrowings	14	1,104,249	1,230,983
Employee related provisions	15	5,476,981	4,812,535
Other provisions		—	9,281
Total current liabilities		25,953,237	21,346,611
Non-current liabilities			
Trade and other payables	12	23,660	17,824
Lease liabilities	11b	624,966	585,785
Borrowings	14	4,160,017	5,264,266
Employee related provisions	15	673,820	719,465
Total non-current liabilities		5,482,463	6,587,340
Total liabilities		31,435,700	27,933,951
Net assets		698,833,731	671,358,949
Equity			
Retained surplus		244,000,526	236,349,067
Reserve accounts	28	35,812,515	35,494,156
Revaluation surplus	16	419,020,690	399,515,726
Total equity		698,833,731	671,358,949

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



Statement of changes in equity

for the year ended 30 June 2025

	Note	Retained surplus \$	Reserve accounts \$	Revaluation surplus \$	Total Equity \$
Balance as at 1 July 2023		239,846,057	23,413,841	400,931,903	664,191,801
Comprehensive income for the period					
Net result for the period		8,583,325	–	–	8,583,325
Other comprehensive income for the period					
Increase/(decrease) in asset revaluation surplus		–	–	(1,416,177)	(1,416,177)
Other comprehensive income for the period		–	–	(1,416,177)	(1,416,177)
Total comprehensive income for the period		8,583,325	–	(1,416,177)	7,167,148
Transfers from reserve accounts	28	1,100,720	(1,100,720)	–	–
Transfers to reserve accounts	28	(13,181,035)	13,181,035	–	–
Balance as at 30 June 2024		236,349,067	35,494,156	399,515,726	671,358,949
Balance as at 1 July 2024		236,349,067	35,494,156	399,515,726	671,358,949
Comprehensive income for the period					
Net result for the period		7,969,818	–	–	7,969,818
Other comprehensive income for the period					
Increase/(decrease) in asset revaluation surplus		–	–	19,504,964	19,504,964
Other comprehensive income for the period		–	–	19,504,964	19,504,964
Total comprehensive income for the period		7,969,818	–	19,504,964	27,474,782
Transfers from reserve accounts	28	20,328,527	(20,328,527)	–	–
Transfers to reserve accounts	28	(20,646,886)	20,646,886	–	–
Balance as at 30 June 2025		244,000,526	35,812,515	419,020,690	698,833,731

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

(*) This includes correction of a prior year error of \$1.28 million (refer to notes 8a and 16)



Statement of cash flows

for the year ended 30 June 2025

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
Cash flows from operating activities				
Receipts				
Rates		47,107,026	47,626,765	43,879,255
Grants, subsidies and contributions		4,053,796	3,150,415	5,974,026
Fees and charges		20,041,934	18,916,194	18,621,952
Interest revenue		3,733,978	2,572,500	3,285,422
Goods and services tax received		4,422,004	3,955,000	4,458,086
Other revenue		255,675	118,900	(9,395)
Total receipts		79,614,413	76,339,774	76,209,346
Payments				
Employee costs		(32,470,540)	(30,259,468)	(27,278,202)
Materials and contracts		(32,150,134)	(30,124,141)	(24,856,555)
Utility charges		(2,081,016)	(2,041,698)	(2,027,109)
Finance costs		(237,972)	(210,449)	(266,817)
Insurance paid		(769,689)	(840,371)	(766,237)
Goods and services tax paid		(5,220,730)	(3,955,000)	(4,024,995)
Other expenditure		(288,162)	(322,324)	(1,349,832)
Total payments		(73,218,243)	(67,753,451)	(60,569,747)
Net cash provided by operating activities	17b	6,396,170	8,586,323	15,639,599
Cash flows from investing activities				
Payments for financial assets at amortised cost		(539,254)	–	(534,530)
Payments for purchase of property, plant & equipment	8a	(11,916,109)	(30,849,330)	(3,703,465)
Payments for construction of infrastructure	9a	(12,968,844)	(15,636,512)	(15,877,461)
Payments for development of land held for resale		–	(60,000)	–
Proceeds from sale of land held for resale		–	1,750,000	–
Proceeds from capital grants, subsidies and contributions		18,510,110	25,077,054	16,094,453
Proceeds from financial assets at amortised cost - self supporting loans		–	9,646	16,374
Proceeds from sale of property, plant & equipment		110,228	–	91,573
Proceeds from financial assets at fair values through other comprehensive income		–	–	3,363
Net cash (used in) investing activities		(6,803,869)	(19,709,142)	(3,909,693)
Cash flows from financing activities				
Repayment of borrowings	27a	(1,230,983)	(1,330,983)	(1,260,928)
Payments for principal portion of lease liabilities	27c	(191,392)	(209,473)	(79,237)
Proceeds from new borrowings	27a	–	4,454,000	–
Net cash (used in) financing activities		(1,422,375)	2,913,544	(1,340,165)
Net increase /(decrease) in cash held		(1,830,074)	(8,209,275)	10,389,741
Cash at beginning of year		43,325,236	39,268,275	32,935,495
Cash and cash equivalents at the end of the year	3	41,495,162	31,059,000	43,325,236

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



Statement of financial activity

for the year ended 30 June 2025

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	25	47,567,173	47,500,315	44,486,859
Rates excluding general rates	25	259,704	251,450	240,494
Grants, subsidies and contributions		4,053,796	3,150,415	4,348,284
Fees and charges		20,963,017	18,916,194	19,145,641
Interest revenue		4,901,525	2,572,500	3,285,422
Other revenue		249,360	118,900	266,234
Profit on asset disposals		78,865	1,690,000	28,543
		78,073,440	74,199,774	71,801,477
Expenditure from operating activities				
Employee costs		33,089,341	31,536,135	27,559,877
Materials and contracts		29,288,600	29,929,150	25,109,704
Utility charges		2,081,016	2,041,698	2,027,109
Depreciation		17,057,410	17,140,236	16,875,730
Finance costs		231,980	210,449	259,317
Insurance		769,689	840,371	766,237
Other expenditure		288,139	322,324	1,813,505
Loss on asset disposals		3,042,432	—	4,901,126
		85,848,607	82,020,363	79,312,605
Adjustment for cash budget requirements:				
Non-cash amounts excluded from operating activities				
Non-cash amounts excluded from operating activities	26	17,098,935	15,701,903	24,039,658
Amount attributable to operating activities		9,323,768	7,881,314	16,528,530
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		15,744,985	26,632,701	16,094,453
Proceeds from disposal of assets		110,228	1,750,000	91,573
Proceeds from financial assets at amortised cost - self supporting loans	27a	9,643	9,646	16,374
		15,864,856	28,392,347	16,202,400
Outflows from investing activities				
Acquisition of property, plant and equipment	8a	(11,916,109)	(30,849,330)	(3,703,465)
Acquisition of infrastructure	9a	(12,968,844)	(15,636,512)	(15,877,461)
Right of use assets received - non cash	11a	(348,228)	(335,655)	(193,962)
Payments for intangible assets		—	(60,000)	—
		(25,233,181)	(46,881,497)	(19,774,888)
Non-cash amounts excluded from investing activities	26	335,655	335,655	187,697
Amount attributable to investing activities		(9,032,670)	(18,153,495)	(3,384,791)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	27a	—	4,454,000	—
Transfers from reserve accounts	28	20,328,527	20,951,528	1,100,720
Proceeds from new leases - non cash	27c	348,228	335,655	187,697
		20,676,755	25,741,183	1,288,417
Outflows from financing activities				
Repayment of borrowings	27a	(1,230,983)	(1,330,983)	(1,260,928)
Payments for principal portion of lease liabilities	27c	(191,392)	(209,473)	(79,237)
Transfers to reserve accounts	28	(20,646,886)	(13,597,148)	(13,181,035)
		(22,069,261)	(15,137,604)	(14,521,200)
Non-cash amounts excluded from financing activities		(335,655)	(335,655)	(175,080)
Amount attributable to financing activities		(1,728,161)	10,267,924	(13,407,863)

Statement of financial activity

for the year ended 30 June 2025

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	26	8,711,043	40,990	8,975,167
Amount attributable to operating activities		9,323,768	7,881,314	16,528,530
Amount attributable to investing activities		(9,032,670)	(18,153,495)	(3,384,791)
Amount attributable to financing activities		(1,728,161)	10,267,923	(13,407,863)
Surplus/(deficit) after imposition of general rates	26	7,273,980	36,732	8,711,043

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

Notes to and forming part of the Financial Report for the year ended 30 June 2025

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Notes to and forming part of the Financial Report

for the year ended 30 June 2025

Note 1. Basis of preparation

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

Local Government Act 1995 requirements

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

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

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

- land and buildings classified as property, plant and equipment; or
- infrastructure; or
- vested improvements that the local government controls;

and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116 Property, Plant and Equipment, which would have required the City to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

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

Critical accounting estimates and judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the

application of policies and reported amounts of assets and liabilities, income and expenses.

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

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

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

- Fair value measurement of assets carried at reportable value including:
 - Property, plant and equipment - note 8
 - Infrastructure - note 9
 - Expected credit losses on financial assets - note 21
 - Measurement of employee related provisions - note 15

Fair value hierarchy information can be found in Note 23.

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 29 to these financial statements.

Initial application of accounting standards

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

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
- AASB 2023-3 Amendments to Australian Accounting Standards - Disclosure of Non-current Liabilities with Covenants: Tier 2
- AASB 2024-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements: Tier 2 Disclosures
- AASB 2023-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements

Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 1. Basis of preparation (continued)

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

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

These amendment may result in changes to the fair value of certain non-financial assets on revaluation. The impact has not been quantified as it is not considered practicable to determine the amount of the difference in fair value attributable to the change in the standard.

New accounting standards for application in future years

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

- *AASB 2014-10 Amendments to Australian Accounting Standards-Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- *AASB 2024-4b Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*
- *AASB 2022-9 Amendments to Australian Accounting Standards - Insurance Contracts in the Public Sector*
- *AASB 2023-5 Amendments to Australian Accounting Standards - Lack of Exchangeability*
- *AASB 18 (FP) Presentation and Disclosure in Financial Statements - (Appendix D) [for for-profit entities]*
- *AASB 18 (NFP/super) Presentation and Disclosure in Financial Statements - (Appendix D) [for not-for-profit and superannuation entities]*
- *AASB 2024-2 Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments*
- *AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11*

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

Notes to and forming part of the Financial Report

for the year ended 30 June 2025

Note 2. Revenue and expenses

(a) Revenue

Contracts with customers

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

Revenue category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/refunds/warranties	Timing of revenue recognition
Grants, subsidies or contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service
Fee and charges for other goods and services	Library fees and reinstatements	Single point in time	Payment in full in advance	None	At point of service

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

Notes to and forming part of the Financial Report

for the year ended 30 June 2025

Note 2. Revenue and expenses (continued)

(a) Revenue (continued)

Revenue Recognition

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

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

Nature	Contracts with customers	Capital grant/ contributions	Statutory requirements	Other	Total
For the year ended 30 June 2025					
Rates	—	—	47,826,877	—	47,826,877
Grants, subsidies and contributions	148,387	—	—	3,905,409	4,053,796
Fees and charges *	1,500,828	—	16,072,571	3,389,618	20,963,017
Interest revenue	—	—	596,792	4,304,733	4,901,525
Other revenue	—	—	107,570	141,790	249,360
Capital grants, subsidies and contributions	—	10,492,700	—	5,252,285	15,744,985
Total	1,649,215	10,492,700	64,603,810	16,993,835	93,739,560
For the year ended 30 June 2024					
Rates	—	—	44,727,353	—	44,727,353
Grants, subsidies and contributions	—	—	—	4,348,284	4,348,284
Fees and charges *	1,353,842	—	15,180,741	2,611,057	19,145,640
Interest revenue	—	—	572,181	2,713,240	3,285,421
Other revenue	—	—	115,356	150,877	266,233
Capital grants, subsidies and contributions	128,175	9,126,645	—	6,839,634	16,094,454
Total	1,482,017	9,126,645	60,595,631	16,663,092	87,867,385

(*) Refer to note 23(d) for restatement of comparatives

	2025 Actual \$	2025 Budget \$	2024 Actual \$
Interest revenue			
Interest on reserve account	1,525,211	1,267,500	1,147,490
Investments - other funds *	2,258,590	200,000	872,376
Rates overdue interest	304,126	200,000	306,065
Rates instalment interest	201,962	189,000	188,809
Pensioner Deferred Interest	48,444	35,000	34,690
Financial assets at amortised cost - self supporting loans	1,146	3,000	2,765
Other interest revenue	562,046	678,000	733,227
Total	4,901,525	2,572,500	3,285,422

(*) Includes interest on investments include \$1,167,546 interest from unwinding of EMRC receivable (refer note 5)

Notes to and forming part of the Financial Report

for the year ended 30 June 2025

Note 2. Revenue and expenses (continued)

(b) Expenses

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
Auditors remuneration				
- Audit of the annual financial report ^{1, 2}		115,055	100,000	125,300
- Other services - grant acquittals and internal audit		22,248	50,000	20,650
Total		137,303	150,000	145,950

(1) The 2024-25 amount \$115,055 includes \$109,205 for the audit of annual financial report 2024-25 and remaining \$5,850 represents additional audit fee for 2023-24.

(2) The 2023-24 amount \$125,300 includes \$102,300 for the audit of annual financial report 2023-24 and remaining \$23,000 represents additional audit fee for 2022-23. Therefore the actual audit fee for 2023-24 was \$108,150 (including \$5,850 mentioned at 1 above).

Employee costs

Employee benefit costs	29,573,233	28,072,165	24,707,206
Other employee costs	3,516,108	3,463,970	2,852,671
Total	33,089,341	31,536,135	27,559,877

Finance costs

Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	192,079	210,450	222,886
Lease liabilities	39,901	—	36,431
Total	231,980	210,450	259,317

Other expenditure

Sundry expenses	281,847	322,324	780,374
Loss on Eastern Metropolitan Regional Council (EMRC) divestment	—	—	1,033,131
Allowance for expected credit loss on trade receivables	6,292	—	—
Total	288,139	322,324	1,813,505

Notes to and forming part of the Financial Report

for the year ended 30 June 2025

Note 3. Cash and cash equivalents

	Note	2025 \$	2024 \$
Cash at bank and on hand		32,549,052	39,695,754
Term deposits		8,946,110	3,629,482
Total cash and cash equivalents	17a	41,495,162	43,325,236
Held as			
- Unrestricted cash and cash equivalents		9,115,323	13,484,875
- Restricted cash and cash equivalents	17a	32,379,839	29,840,361
Total		41,495,162	43,325,236

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions.

Restrictions are specified in an agreement, contract or legislation.

This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 4. Other financial assets

	Note	2025 \$	2024 \$
(a) Current assets			
Financial assets at amortised cost		11,265,826	10,716,382
Total current financial assets		11,265,826	10,716,382
Financial assets at amortised cost			
Self supporting loans receivable		15,081	9,646
Term deposits	17a	11,250,745	10,706,736
		11,265,826	10,716,382
Held as			
- Unrestricted other financial assets at amortised cost		15,081	9,646
- Restricted other financial assets at amortised cost	17a	11,250,745	10,706,736
Total		11,265,826	10,716,382
(b) Non current assets			
Financial assets at amortised cost		22,137	32,327
Financial assets at fair value through other comprehensive income		159,239	166,342
Total non-current financial assets		181,376	198,669
Financial assets at amortised cost			
Self supporting loans receivable		22,137	32,327
		22,137	32,327
Financial assets at fair value through other comprehensive income			
Units in Local Government House Trust		159,239	166,342
		159,239	166,342

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 27(a) as self supporting loans. Fair value of financial assets at fair value through profit and loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

MATERIAL ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at a mortised 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 23(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.

Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 4. Other financial assets (continued)

Financial assets at fair value through profit or loss

The City has elected to classify the following financial assets at fair value through profit or loss:

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 21.

Notes to and forming part of the Financial Report

for the year ended 30 June 2025

Note 5. Trade and other receivables

	Note	2025 \$	2024 \$
Current			
Rates and statutory receivables		2,554,038	3,273,621
Trade receivables		2,052,568	534,137
Allowance for credit losses of trade receivables	21b	(6,315)	—
GST receivable		1,039,625	240,899
Other receivables		722,420	—
Receivables for employee related provisions	15	401,970	282,035
Eastern Metropolitan Regional Council (EMRC) receivable		30,718,215	—
		37,482,521	4,330,692
Non-current			
Rates and statutory receivables		1,154,548	1,154,816
Eastern Metropolitan Regional Council (EMRC) receivable		—	29,550,669
		1,154,548	30,705,485

EMRC receivable:

The City of Kalamunda was a participant in the Eastern Metropolitan Regional Council (EMRC) and had a share in the Net Assets of EMRC. The City's interest in the EMRC was calculated by the EMRC as of 30 June 2023 was 17.29% representing its share of Net Assets \$30,718,215. On the 22 November 2022, the City issued its Notice of Withdrawal from the EMRC. The effective date of the withdrawal is after 30 June 2023. Consequently, the withdrawal took effect 1 July 2023. The City's equity entitlement is subject to a different valuation methodology and process prescribed in the Establishment Agreement for withdrawing participants. This process is ongoing and final amounts is payable after July 2025 under the agreement. As such the nature of receivable, it has been transferred from non-current to current receivable (refer to note 5) and discounted value \$29,550,669 had been unwound to \$30,718,215. The difference of \$1,167,546 is accounted for as interest income of the year. (refer to note 2a).

Notes to and forming part of the Financial Report

for the year ended 30 June 2025

Note 5. Trade and other receivables (continued)

Disclosure of opening and closing balances related to contracts with customers

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

	30 June 2025 Actual \$	30 June 2024 Actual \$	1 July 2023 Actual \$
Trade and other receivables from contracts with customers	2,052,568	534,137	419,903
Allowance for credit losses of trade receivables	(6,315)	(4,601)	(3,275)
Total trade and other receivables from contracts with customers	2,046,253	529,536	416,628

MATERIAL ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade and other receivables

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

Other Receivables

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

Measurement

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

Classification and subsequent measurement

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

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 21.

Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 6. Inventories

	Note	2025 \$	2024 \$
Current			
Fuel and materials		151,049	131,633
Land held for resale			
- Cost of acquisition		–	725,360
Total current inventories		151,049	856,993
Non-current			
Land held for resale			
- Cost of acquisition		3,995,247	828,872
- Development costs		16,046	16,046
Total non-current inventories		4,011,293	844,918

The following movements in inventories occurred during the year:

Balance at beginning of year		1,701,910	1,047,014
Movement in Stock (Fuel / Consumables)		19,417	–
Reclassification of land inventory to Non-Current Asset Held for Sale	7b	(1,026,067)	–
Additions to inventory		3,467,082	654,896
Balance at end of year		4,162,342	1,701,910

MATERIAL ACCOUNTING POLICIES

General

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

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

Land held for resale

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

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

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

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

Notes to and forming part of the Financial Report

for the year ended 30 June 2025

Note 7. Other assets

	2025	2024
	\$	\$

7a Other assets

Other assets - current

Prepayments	757,396	179,783
Total other assets - current	757,396	179,783

Other assets - non-current

Prepayments	—	10,584
Total other assets - non-current	—	10,584

		2025	2024
	Note	\$	\$

7b Non-current assets held for sale

Non-current assets held for sale - current

Land transferred from Property, plant & Equipment	8	350,000	—
Land reclassified from Inventory	6	1,026,067	—
Total Non-current assets held for sale - current		1,376,067	—

Land classified as non-current assets held for sale

The City has decided to dispose of some vacant land parcels. The land is currently being marketed for sale and expected to be sold in the next 12 months. In last years financial statements such land assets were reported as inventory under AASB 102. The management has undertaken a review of this treatment and found that such land assets held for sale should be reported under AASB 5 as Non-current assets held for sale and have reclassified these assets accordingly.

MATERIAL ACCOUNTING POLICIES

Other current assets

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

Non-current assets held for sale

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

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

The fair value of land and buildings was determined using the sales comparison approach using comparable properties in the area. This is a level 2 measurement as per the fair value hierarchy set out in Note 23(i).

Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 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	Assets not subject to operating lease		Improvements to Land - vested in and under the control of Council	Total Property		Total Property		Plant and equipment		Total property, plant and equipment
		Land	Buildings specialised		Land	Buildings specialised	Public Arts	Work in progress	Furniture and equipment	Plant and equipment	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Measurement basis											
Balance at 1 July 2023		31,649,795	75,212,867	4,817,104	31,649,795	75,212,867	1,152,900	1,642,029	108,504,691	329,476	121,247,427
Additions		—	374,789	—	—	374,789	31,300	2,820,301	335,217	141,860	3,703,467
Disposals	10b	—	(1,138,730)	—	—	(1,138,730)	—	—	(14,327)	(56,820)	(1,209,877)
Correction of prior year error *		—	(1,285,124)	—	—	(1,285,124)	—	—	—	—	(1,285,124)
Assets classified as held for sale	7b	(640,000)	—	—	(640,000)	—	—	—	—	—	(640,000)
Depreciation	10a	—	(3,412,263)	—	—	(3,412,263)	—	—	(37,823)	(1,101,210)	(4,551,296)
Transfers from Work in Progress		—	1,621,374	—	—	1,621,374	8,930	(2,553,284)	—	—	(922,980)
WIP transfers to operating expenses	17b	—	—	—	—	—	—	(304,482)	—	—	(304,482)
Balance at 30 June 2024		31,009,795	71,372,913	4,817,104	31,009,795	71,372,913	1,193,130	1,604,564	103,987,272	612,543	116,037,135
Comprises:											
Gross balance amount at 30 June 2024		31,009,795	84,433,742	5,020,351	31,009,795	84,433,742	1,193,130	1,604,564	117,048,101	9,474,514	134,884,072
Accumulated depreciation at 30 June 2024		—	(13,060,828)	(203,247)	—	(13,060,828)	—	—	(1,535,433)	(4,047,430)	(18,846,938)
Balance at 30 June 2024	8b	31,009,795	71,372,914	4,817,104	31,009,795	71,372,914	1,193,130	1,604,564	103,987,273	612,543	116,037,134
Balance at 1 July 2024		31,009,795	71,372,913	4,817,104	31,009,795	71,372,913	1,193,130	1,604,564	103,987,272	612,543	116,037,135
Revaluation increments transferred to revaluation surplus	16	6,191,205	13,320,862	—	6,191,205	13,320,862	—	—	19,512,067	—	19,512,067
Additions		—	192	—	—	192	85,000	7,176,972	521,796	4,132,148	11,916,108
Disposals	10b	—	(166,168)	—	—	(166,168)	—	—	—	(76,844)	(243,012)
Assets classified as held for sale	7b	(350,000)	—	—	(350,000)	—	—	—	—	—	(350,000)
Depreciation	10a	—	(3,409,463)	—	—	(3,409,463)	—	—	(37,373)	(984,777)	(4,431,613)
Transfers from Work in Progress		—	639,908	—	—	639,908	—	(982,054)	223,761	—	(118,385)
WIP transfers to operating expenses	17b	—	—	—	—	—	—	—	—	—	—
Balance at 30 June 2025		36,851,000	81,758,244	4,817,104	36,851,000	81,758,244	1,278,130	7,799,482	126,408,726	1,320,727	142,322,300
Comprises:											
Gross balance amount at 30 June 2025		36,851,000	81,758,244	5,020,351	36,851,000	81,758,244	1,278,130	7,799,482	2,893,533	13,293,113	148,893,853
Accumulated depreciation at 30 June 2025		—	—	(203,247)	—	—	—	—	(1,572,805)	(4,795,501)	(6,571,553)
Balance at 30 June 2025	8b	36,851,000	81,758,244	4,817,104	36,851,000	81,758,244	1,278,130	7,799,482	1,320,728	8,497,612	142,322,300

(*) In 2023-24, the prior year error of \$1.28 million was due to an overstatement of revaluation surplus and property, plant and equipment (buildings) during previous year's infrastructure assets revaluation (refer to Note 16)

Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 8. Property, plant and equipment (continued)

(b) Carrying Amount Measurements

Asset class	Note	Carrying amount 2025 \$	Carrying amount 2024 \$	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair Value - as determined at the last valuation date								
Land and buildings								
Land		36,851,000	31,009,795	Level 2	Market approach using recent observable market data for similar assets	Independent registered valuer	June 2025	Average price for square meter / sales proceeds of comparable properties.
Total land	8a	36,851,000	31,009,795					
Buildings - specialised		81,758,244	71,372,914	Level 3	Improvements to building valued using cost approach using current replacement cost	Independent registered valuer	June 2025	Improvements to building using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Total buildings	8a	81,758,244	71,372,914					

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

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

Asset class	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(ii) Cost				
Furniture and equipment	Not Applicable	Cost	Not Applicable	Not Applicable
Plant and equipment	Not Applicable	Cost	Not Applicable	Not Applicable

Notes to and forming part of the Financial Report

for the year ended 30 June 2025

Note 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	Infrastructure roads \$	Infrastructure footpaths \$	Infrastructure drains \$	Infrastructure parks and ovals \$	Infrastructure other \$	Work in progress \$	Total infrastructure \$
Balance as at 1 July 2023		225,971,056	30,568,564	176,582,754	18,649,538	35,614,352	3,252,149	490,638,413
Additions		3,036,962	794,401	1,776,007	232,892	593,281	9,443,918	15,877,461
(Disposals)		(2,154,608)	(286,269)	(102,831)	(406,534)	(804,037)	–	(3,754,279)
Depreciation	10a	(4,766,302)	(1,192,416)	(3,470,752)	(1,296,371)	(1,489,381)	–	(12,215,222)
Transfers from Work in Progress		2,905,382	512,365	385,957	5,277,403	1,840,999	(9,999,126)	922,980
Balance at 30 June 2024		224,992,490	30,396,645	175,171,135	22,456,928	35,755,214	2,696,941	491,469,353
Comprises:								
Gross balance amount at 30 June 2024		229,758,792	31,589,062	178,641,888	23,753,299	37,244,594	2,696,941	503,684,576
Accumulated depreciation at 30 June 2024		(4,766,302)	(1,192,417)	(3,470,753)	(1,296,371)	(1,489,380)	–	(12,215,223)
Balance at 30 June 2024		224,992,490	30,396,645	175,171,135	22,456,928	35,755,214	2,696,941	491,469,353
Balance as at 1 July 2024		224,992,490	30,396,645	175,171,135	22,456,928	35,755,214	2,696,941	491,469,353
Additions		1,182,960	412,119	3,937,428	13,346	1,176,380	6,246,612	12,968,845
(Disposals)		(1,085,840)	(63,323)	(1,250,211)	(69,428)	(361,981)	–	(2,830,783)
Depreciation	10a	(4,770,659)	(1,200,030)	(3,506,389)	(1,446,367)	(1,504,311)	–	(12,427,756)
Transfers from Work in Progress		3,912,057	151,455	113,694	991,879	728,548	(5,779,250)	118,383
Balance at 30 June 2025		224,231,008	29,696,866	174,465,657	21,946,358	35,793,850	3,164,303	489,298,042
Comprises:								
Gross balance amount at 30 June 2025		233,767,969	32,089,314	181,442,799	24,689,096	38,787,542	3,164,303	513,941,023
Accumulated depreciation at 30 June 2025		(9,536,961)	(2,392,448)	(6,977,142)	(2,742,738)	(2,993,692)	–	(24,642,981)
Balance at 30 June 2025		224,231,008	29,696,866	174,465,657	21,946,358	35,793,850	3,164,303	489,298,042

Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 9. Infrastructure (continued)

(b) Carrying Amount Measurements

Asset class	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair Value - as determined at the last valuation date					
Infrastructure - roads	Level 3	Cost approach using current replacement cost	Independent valuation	June 2023	Observable input based on depreciation replacement cost (Level 3)
Infrastructure - footpaths	Level 3	Cost approach using current replacement cost	Independent valuation	June 2023	Observable input based on depreciation replacement cost (Level 3)
Infrastructure - drains	Level 3	Cost approach using current replacement cost	Independent valuation / Management Valuation	June 2023	Observable input based on depreciation replacement cost (Level 3)
Infrastructure - parks and ovals	Level 3	Cost approach using current replacement cost	Independent valuation	June 2023	Observable input based on depreciation replacement cost (Level 3)
Infrastructure - other	Level 3	Cost approach using current replacement cost	Independent valuation	June 2023	Observable input based on depreciation replacement cost (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 local government to determine the fair value of infrastructure using level 3 inputs.

Notes to and forming part of the Financial Report

for the year ended 30 June 2025

Note 10. Fixed assets

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
(a) Depreciation				
Buildings - specialised	8a	3,409,463	3,386,253	3,412,263
Furniture and equipment	8a	37,372	38,567	37,823
Plant and equipment	8a	984,777	1,099,743	1,101,210
Infrastructure - roads	9a	4,770,659	4,807,766	4,766,302
Infrastructure - footpaths	9a	1,200,031	1,192,196	1,192,416
Infrastructure - drainage	9a	3,506,390	3,481,424	3,470,752
Infrastructure - parks and ovals	9a	1,446,368	1,379,723	1,296,371
Infrastructure - other	9a	1,504,311	1,540,106	1,489,381
Right-of-use assets - plant and equipment	11	146,948	46,821	57,831
Right of use assets - land and buildings	11	51,091	167,637	51,381
Total depreciation		17,057,410	17,140,236	16,875,730

Notes to and forming part of the Financial Report

for the year ended 30 June 2025

Note 10. Fixed assets (continued)

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 (Years)
Furniture and equipment	5 to 10
Plant and equipment	5 to 20

Buildings

Component	
Sub - structure	18 to 90
Super - structure	15 to 75
Roof Structure	8 to 30
Roof Cladding	10 to 38
Fitouts & Fittings	15 to 75
Fitouts (Floor Coverings)	12 to 60
Services (Mechanical)	10 to 38
Services (Electrical)	10 to 38
Services (Fire)	10 to 38
Services (Transport)	48 to 60
Services (Hydraulics)	10 to 38
Services (Security)	30 to 38
Site Infrastructure	40

Infrastructure

Category	Component	Material	Useful life (Years)
Roads	Surface	Cement	50
		Brick Paving	50
		Asphalt	25
		Single Seal	20
	Pavement Base	Laterite	60
		Rockbase	60
	Pavement Subbase	Limestone	120
Footpaths		Concrete	50
		Brick Paving	50
		Gravel	50
		Asphalt	25
		Timber	15
Drainage Pipes	Stormwater	Concrete	80
	Subsoil	PVC	60
Drainage Pits	Stormwater	Concrete	80
	Weirs	Stone mortared	100
Parks and Gardens	Including Playground Equipment		10 to 80

Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 10. Fixed assets (continued)

(b) Disposal of assets

The following assets were disposed of during the year.

		Net book value			Sales price			Profit			(loss)		
		2025	2025	2024	2025	2025	2024	2025	2025	2024	2025	2025	2024
		Actual	Budget	Actual	Actual	Budget	Actual	Actual	Budget	Actual	Actual	Budget	Actual
	Note	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By asset class													
Property, plant and equipment													
	8a												
Buildings - specialised		166,168	—	1,138,730	—	—	—	—	—	—	(166,468)	—	(1,138,730)
Plant and equipment		76,844	—	56,820	110,228	—	85,363	78,865	—	28,543	(45,181)	—	—
Furniture and equipment		—	—	14,327	—	—	6,210	—	—	—	—	—	(8,117)
Infrastructure													
	9a												
Infrastructure - roads		1,085,840	—	2,154,608	—	—	—	—	—	—	(1,085,840)	—	(2,154,608)
Infrastructure - footpaths		63,323	—	286,269	—	—	—	—	—	—	(63,323)	—	(286,269)
Infrastructure - drainage		1,250,211	—	102,831	—	—	—	—	—	—	(1,250,211)	—	(102,831)
Infrastructure - parks and ovals		69,428	—	406,534	—	—	—	—	—	—	(69,428)	—	(406,534)
Infrastructure - other		361,981	—	804,037	—	—	—	—	1,690,000	—	(361,981)	—	(804,037)
Total by asset class		3,073,795	—	4,964,156	110,228	—	91,573	78,865	1,690,000	28,543	(3,042,432)	—	(4,901,126)
By program													
Plant and equipment													
Other property and services (loss)													
		—	—	14,327	—	—	6,210	—	—	—	—	—	(8,117)
Other Asset class													
Community amenities		76,844	—	56,820	110,228	1,750,000	85,363	78,865	1,690,000	28,543	(45,481)	—	—
Recreation and culture		235,596	—	1,545,264	—	—	—	—	—	—	(235,596)	—	(1,545,264)
Transport		2,761,355	—	3,347,745	—	—	—	—	—	—	(2,761,355)	—	(3,347,745)
Total By program		3,073,795	—	4,964,156	110,228	1,750,000	91,573	78,865	1,690,000	28,543	(3,042,432)	—	(4,901,126)

Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 10. Fixed assets (continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition

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

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

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

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

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

Measurement after recognition

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

Reportable Value

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

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

Revaluation

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

improvements (i.e. vested improvements) on land vested in the City.

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

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

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

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

Depreciation

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

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

Depreciation on revaluation

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

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

Impairment

In accordance with *Local Government (Financial Management) Regulations 17A(4C)*, the City is not required to comply with *AASB136 Impairment of Assets* to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

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

Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 10. Fixed assets (continued)

recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposal

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

Notes to and forming part of the Financial Report

for the year ended 30 June 2025

Note 11. Leases

(a) Right of use assets

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

	Note	Land and buildings \$	Plant & Equipment \$	Total \$
2024				
Balance at 1 July 2023		433,578	99,344	532,922
Additions		—	168,594	168,594
Adjustments to right-of-use assets due to re-measurement of lease liability		25,368	—	25,368
Depreciation	10a	(51,382)	(57,831)	(109,213)
Balance at 30 June 2024		407,564	210,107	617,671
Gross balance amount at 30 June 2024		493,837	282,269	776,106
Accumulated depreciation at 30 June 2024		(86,273)	(72,162)	(158,435)
Balance at 30 June 2024		407,564	210,107	617,671
2025				
Balance at 1 July 2024		407,564	210,107	617,671
Additions		—	335,655	335,655
Adjustments to right-of-use assets due to re-measurement of lease liability		18,564	—	18,564
Depreciation	10a	(51,091)	(146,948)	(198,039)
Balance at 30 June 2025		375,037	398,814	773,851
Gross balance amount at 30 June 2025		512,401	617,924	1,130,325
Accumulated depreciation at 30 June 2025		(137,364)	(219,110)	(356,474)
Balance at 30 June 2025		375,037	398,814	773,851

Amounts included in the statement of comprehensive income related to leases

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

	Note	2025 Actual \$	2024 Actual \$
Expenses			
Depreciation on right-of-use assets	10a	(198,039)	(109,213)
Finance charge on lease liabilities	27c	(39,901)	(36,431)
Total amount recognised in the statement of comprehensive income		(237,940)	(145,644)
Total cash outflow from leases		(231,295)	(115,669)

Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 11. Leases (continued)

(b) Lease liabilities

Current	26	226,505	108,852
Non-current		624,966	585,785
Total lease liabilities	27c	851,471	694,637

Secured liabilities and assets pledged as security

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

MATERIAL ACCOUNTING POLICIES

Leases

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 27(c).

Right-of-use assets - measurement

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

Refer to Note 10 under revaluation for details on the 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 depreciated over the useful life of the underlying asset.

Notes to and forming part of the Financial Report

for the year ended 30 June 2025

Note 12. Trade and other payables

	2025 \$	2024 \$
Current		
Sundry creditors	5,126,509	4,622,444
Accrued interest on long term borrowings	52,368	60,737
Prepaid rates	2,926,353	2,756,546
Accrued payroll liabilities	1,236,899	585,151
Bonds and deposits held	1,558,059	1,772,680
Public Open Space funds - received prior to 10 April 2006	14,245	13,661
Accrued expenses	389,893	297,690
Retention Money	523	523
Other	22,587	22,587
Total current trade and other payables	11,327,436	10,132,019
Non-current		
Deferred Salary Scheme - Employee Contribution	23,660	17,824
Total non-current trade and other payables	23,660	17,824

MATERIAL ACCOUNTING POLICIES

Financial liabilities

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

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

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

Statutory liabilities

Statutory liabilities, are amounts owed to regulatory authorities due to statutory obligations such as FBT and PAYG. GST payable is offset against GST receivable and any net GST payable is included as a statutory liability.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Prepaid rates

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

Notes to and forming part of the Financial Report

for the year ended 30 June 2025

Note 13. Other liabilities

	2025 \$	2024 \$
(a) Other liabilities		
Current		
Capital grant/contributions liabilities		
Liabilities under transfers to acquire or construct non-financial assets to be controlled by the City	4,800,774	3,577,802
Forrestfield Industrial Area Scheme Stage 1	3,017,292	1,475,139
	<u>7,818,066</u>	<u>5,052,941</u>
Total other liabilities	<u>7,818,066</u>	<u>5,052,941</u>

Reconciliation of changes in contract liabilities

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

Capital grants received from State and Commonwealth Government

Balance at the start of the year	3,577,802	2,158,523
Net Movement during the financial year	1,222,972	1,419,279
Balance at the end of the year	<u>4,800,774</u>	<u>3,577,802</u>

Forrestfield Industrial Area Scheme Stage 1

Balance at the start of the year	1,475,139	1,260,533
Net Movement during the financial year	1,542,153	214,606
Balance at the end of the year	<u>3,017,292</u>	<u>1,475,139</u>

Expected satisfaction of capital grant/contribution liabilities

Less than 1 year	7,818,066	5,052,941
	<u>7,818,066</u>	<u>5,052,941</u>

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

MATERIAL ACCOUNTING POLICIES

Contract Liabilities

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

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

Capital grant/contribution liabilities

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

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

Notes to and forming part of the Financial Report

for the year ended 30 June 2025

Note 14. Borrowings

Note	2025			2024		
	Current \$	Non-current \$	Total \$	Current \$	Non-current \$	Total \$
Secured						
Long Term Borrowings	1,104,249	4,160,017	5,264,266	1,230,983	5,264,266	6,495,249
Total secured borrowings	17d,27a 1,104,249	4,160,017	5,264,266	1,230,983	5,264,266	6,495,249

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the City of Kalamunda. Other loans relate to transferred receivables. Refer to Note 5.

The City of Kalamunda has complied with the financial covenants of its borrowing facilities during the 2025 and 2024 years.

MATERIAL ACCOUNTING POLICIES

Borrowing costs

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 21.

Details of individual borrowings required by regulations are provided at Note 27(a).

Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 15. Employee related provisions

	2025 \$	2024 \$
(a) Employee related provisions		
Current provisions		
Employee benefit provisions		
Annual leave	2,547,308	2,343,420
Long service leave	2,929,673	2,469,115
	<u>5,476,981</u>	<u>4,812,535</u>
Total current employee related provisions	<u>5,476,981</u>	<u>4,812,535</u>
Non-current provisions		
Employee benefit provisions		
Long service leave	673,820	719,465
	<u>673,820</u>	<u>719,465</u>
Total non-current employee related provisions	<u>673,820</u>	<u>719,465</u>
Total employee related provisions	<u>6,150,801</u>	<u>5,532,000</u>

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

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

	Note	2025 \$	2024 \$
Amounts are expected to be settled on the following basis:			
Less than 12 months after the reporting date		4,735,268	2,641,526
More than 12 months from reporting date		1,415,533	2,890,474
		<u>6,150,801</u>	<u>5,532,000</u>

Expected reimbursements of employee related provisions from other WA local governments included within other receivables	5	401,970	282,035
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MATERIAL ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 15. Employee related provisions (continued)

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.

Notes to and forming part of the Financial Report

for the year ended 30 June 2025

Note 16. Revaluation surplus

	2025	2025	2025	Total	2025	2024	2024	2024	Total	2024
	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Movement on Revaluation	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land and improvements to Land - vested in and under the control of Council	32,334,929	6,191,205	—	6,191,205	38,526,134	32,334,929	—	—	—	32,334,929
Revaluation surplus - Buildings - specialised	59,896,897	13,320,862	—	13,320,862	73,217,759	59,896,897	—	—	—	59,896,897
Revaluation surplus - Plant and equipment	570,671	—	—	—	570,671	570,671	—	—	—	570,671
Revaluation surplus - Public Art Works	1,152,904	—	—	—	1,152,904	1,152,904	—	—	—	1,152,904
Revaluation surplus - Infrastructure	305,393,981	—	—	—	305,393,981	306,679,105	—	(1,285,124)	(1,285,124)	305,393,981
Revaluation surplus - Local Government House Investment	166,344	—	(7,103)	(7,103)	159,241	162,981	3,363	—	3,363	166,344
	399,515,726	19,512,067	(7,103)	19,504,964	419,020,690	400,797,487	3,363	(1,285,124)	(1,281,761)	399,515,726
Revaluation surplus - Share from investments in associates	—	—	—	—	—	134,416	—	(134,416)	(134,416)	—
	399,515,726	19,512,067	(7,103)	19,504,964	419,020,690	400,931,903	3,363	(1,419,540)	(1,416,177)	399,515,726

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.

Vested land no longer required to be recognised. Land under golf courses, showgrounds, racecourses or any other sporting or recreational facility of State, or regional, significance should no longer be recognised

(*) In 2023-24, the prior year error of \$1.28 million was due to an overstatement of revaluation surplus and property, plant and equipment (buildings) during previous year's infrastructure assets revaluation (refer to Note 8)

Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 17. Notes to the statement of cash flows

(a) Reconciliation of cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand 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	2025 Actual \$	2024 Actual \$
Cash and cash equivalents	3	41,495,162	43,325,236

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	32,379,839	29,840,361
- Financial assets at amortised cost	4	11,250,744	10,706,736
		43,630,583	40,547,097

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

Restricted reserve accounts	28	35,812,517	35,494,156
Capital grant liabilities	13	7,818,066	5,052,941
Total restricted financial assets		43,630,583	40,547,097

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

Net result		7,969,818	8,583,325
Non-cash items:			
Capital WIP reclassified to operating expenses	8a	—	304,481
Depreciation/amortisation	10a	17,057,410	16,875,730
(Profit)/loss on sale of asset	10b	2,963,567	4,872,583
Adjustment to Forrestfield Industrial Area Scheme Stage 1		—	214,605
EMRC Divestment Loss		—	1,033,131
Cashflow impact of lease remeasurement		—	(6,265)
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		(3,600,891)	(852,962)
(Increase)/decrease in inventories		(2,460,431)	(14,897)
(Increase)/decrease in other assets		(567,029)	358,346
Increase/(decrease) in trade and other payables		1,195,258	(1,226,991)
Increase/(decrease) in accrued interest payable		—	(7,500)
Increase/(decrease) in other provisions		(9,281)	9,281
Increase/(decrease) in employee related provisions		618,801	171,905
Increase/(decrease) in other liabilities		—	1,419,280
Capital grants, subsidies and contributions		(15,744,985)	(16,094,453)
Non-current assets classified as held for sale	7b	(1,026,067)	—
Net cash provided by/(used in) operating activities		6,396,170	15,639,599

Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 17. Notes to the statement of cash flows (continued)

	Note	2025 Actual \$	2024 Actual \$
(c) Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit		500,000	3,000,000
Credit card limit		75,000	85,000
Credit card balance at balance date		(17,296)	(3,470)
Total amount of credit unused		557,704	3,081,530
(d) Loan facilities			
Loan facilities - current	14	1,104,249	1,230,983
Loan facilities - non-current	14	4,160,017	5,264,266
Total facilities in use at balance date		5,264,266	6,495,249

Notes to and forming part of the Financial Report

for the year ended 30 June 2025

Note 18. Contingent liabilities

In compliance with the *Contaminated Sites Act 2003* Section 11, the City has listed the following sites to be possible sources of contamination.

Alan Anderson Reserve

180, Lawnbrook Road, Walliston, WA, 6076

Ledger Road Reserve

42, Ledger Road, Gooseberry Hill, WA, 6076

Old Quarry Dam

Lot 1879 on plan 168945, Piesse Brook, WA, 6076

Brand Road

65, Brand Road, High Wycombe, WA, 6057

101, Brae Road, High Wycombe, WA, 6057

29, Smokebush Place, High Wycombe, WA, 6057

39, Smokebush Place, High Wycombe, WA, 6057

Road Reserve, High Wycombe, WA, 6057 adjacent to;

39, Smokebush Place, High Wycombe, WA, 605

29, Smokebush Place, High Wycombe, WA, 6057

65, Brand Road, High Wycombe, WA, 6057

101, Brae Road, High Wycombe, WA, 6057

51, Brand Road, High Wycombe, WA, 6057

Dawson Avenue

155, Dawson Avenue, Forrestfield, WA, 6058

191, Dawson Avenue, Forrestfield, WA, 6058

Pioneer Park

120, Dawson Avenue, Forrestfield, WA, 6058

170, Dawson Avenue, Forrestfield, WA, 6058

Maida Vale Reserve

20, Ridge Hill Road, Maida Vale, WA, 6057

Transfer Station (Including Pistle & Riffle Club)

155, Lawnbrook Road, Walliston, WA, 6076

Hartfield Park Reserve

199, Hale Road, Forrestfield, WA, 6058

East Terrace Reserve

24, East Terrace, Kalamunda, WA, 6076

30, East Terrace, Kalamunda, WA, 6076

The City is in the process of conducting investigations to determine the presence and extent of contamination, assess the risk, and agree with the Department of Water and Environmental Regulation on the need and criteria for remediation of any confirmed unacceptable risk. The City is unable to estimate the potential costs associated with remediation of these sites. This approach is consistent with the Department of Water and Environmental Regulation Guidelines.

The City uses the funds in the Waste Avoidance and Resource Recovery reserve (Note 28) to facilitate the evaluation and annual maintenance of contaminated sites and any future remediation work.

Notes to and forming part of the Financial Report

for the year ended 30 June 2025

Note 19. Capital commitments

	2025	2024
	\$	\$
(a) Capital expenditure commitments		
Contracted for:		
- capital expenditure projects	7,011,517	1,776,506
Total capital expenditure commitments	7,011,517	1,776,506
Payable:		
- not later than one year	7,011,517	1,776,506
Total capital expenditure commitments	7,011,517	1,776,506

At the end of each financial year the City reviews the position of its incomplete capital expenditure projects and the position of unexpended specific purpose grants. The City recognises the costs of major capital projects to be carried forward to the next financial year and transfers adequate funds to the unexpended capital works and specific purpose grants reserve. The reserve is fully cash backed and categorised under restricted cash.

Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 20. Related party transactions

		2025 Actual \$	2025 Budget \$	2024 Actual \$
	Note			
(a) Council Member Remuneration				
Fees, expenses and allowances to be paid or reimbursed to elected council members.				
Mayor's meeting attendance fees		33,706	33,706	32,373
Mayor's annual allowance for ICT expenses		3,500	3,500	3,496
Mayor's annual allowance for travel and accommodation expenses		100	100	100
All other council member's meeting attendance fees		175,959	175,959	176,221
All other council member's annual allowance for ICT expenses		20,900	24,500	21,920
All other council member's annual allowance for travel and accommodation expenses		700	700	729
Mayor's annual allowance		68,552	68,552	65,839
Deputy Mayor's annual allowance		17,138	17,138	16,461
Deputy Mayor's meeting attendance fees		25,137	25,137	24,170
Deputy Mayor's annual allowance for ICT expenses		3,500	3,500	3,500
Deputy Mayor's annual allowance for travel and accommodation expenses		100	100	100
Total	20b	349,292	352,892	344,909

Notes to and forming part of the Financial Report

for the year ended 30 June 2025

Note 20. Related party transactions (continued)

	Note	2025 Actual \$	2024 Actual \$
(b) Key management personnel			
Key Management Personnel (KMP) Compensation			
The total of compensation paid to KMP of the City during the year are as follows:			
Short-term employee benefits		1,350,421	1,106,441
Employee - other long-term benefits		371,460	341,533
Post-employment benefits		151,672	121,331
Employee - termination benefits		117,661	73,949
Council member costs	20a	349,292	344,909
Total		2,340,506	1,988,163

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 estimated cost of providing for the City's superannuation contributions made during the year.

Other long-term benefits

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

Termination benefits

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

Council member costs

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

(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.

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 and are detailed in Notes 20(a) and 20(b).

ii. Other Related Parties

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

iii. Entities subject to significant influence by the City

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

Notes to and forming part of the Financial Report

for the year ended 30 June 2025

Note 21. Financial risk management

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted average interest rate %	Carrying amounts \$	Fixed interest rate \$	Variable interest rate \$	Non interest bearing \$
2025					
Cash and cash equivalents	3.91%	41,495,162	8,946,110	30,902,201	1,646,851
Financial assets at amortised cost - term deposits	4.45%	11,250,745	11,250,745	—	—
2024					
Cash and cash equivalents	4.35%	43,325,236	3,629,482	34,059,150	5,636,604
Financial assets at amortised cost - term deposits	5.10%	10,706,736	10,706,736	—	—

Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 21. Financial risk management (continued)

Sensitivity

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

	2025 \$	2024 \$
Impact of a 1% movement in interest rates on profit or loss and equity *	309,022	340,592

(*) 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 27(a).

(b) Credit risk

Trade and Other Receivables

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

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

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

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2024 or 1 July 2025 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of users to settle the receivables.

The loss allowance as at 30 June 2025 and 30 June 2024 was determined as follows for trade and other receivables.

	Current \$	More than 30 days past due \$	More than 60 days past due \$	More than 90 days past due \$	Total \$
30 June 2025					
Trade receivables					
Expected credit loss	0.00%	1.74%	1.74%	1.74%	
Gross carrying amount	2,005,131	5,922	17,080	24,435	2,052,568
Loss allowance	5,490	103	297	425	6,315
30 June 2024					
Trade receivables					
Expected credit loss	0.04%	0.05%	0.05%	0.86%	
Gross carrying amount	463,464	19,855	18,620	32,199	534,138
Loss allowance	185	10	9	277	481

Notes to and forming part of the Financial Report

for the year ended 30 June 2025

Note 21. Financial risk management (continued)

(c) Liquidity risk

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 17(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 \$
2025					
Trade and other payables	11,327,436	–	–	11,327,436	11,351,096
Borrowings ^(*)	1,274,072	4,402,843	149,931	5,826,846	5,264,266
Lease liabilities	260,402	536,904	162,094	959,400	851,471
	12,861,910	4,939,747	312,025	18,113,682	17,466,833
2024					
Trade and other payables	10,132,019	–	–	10,132,019	10,132,019
Borrowings ^(*)	1,431,432	4,469,332	1,357,514	7,258,278	6,495,249
Lease liabilities	144,241	521,918	162,446	828,605	694,637
	11,707,692	4,991,250	1,519,960	18,218,902	17,321,905

(*) Borrowings include the principal and interest repayments due.

Notes to and forming part of the Financial Report
for the year ended 30 June 2025

Note 22. Events occurring after the end of the reporting period

There have been no significant events after the reporting period that are to be included in 2024-25 Financial Report.

Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 23. Other Material Accounting Policies

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

In the current year, the City reported gross income and expenditure for the Kalamunda Water Park managed by an agent. This had been previously reported on a net basis; therefore, comparatives have been restated in accordance with AASB 15.B35B. The grossed up amount of \$0.52 million is immaterial and has no impact on the result for the year 2024.

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level 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.

Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 23. Other Material Accounting Policies (continued)

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

- land and buildings classified as property, plant and equipment;
- infrastructure; or

- vested improvements that the local government controls, in circumstances where there has been an impairment indication of a general decrease in asset values.

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

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

Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 24. Function and activity

(a) Service objectives and descriptions

City operations as disclosed in these financial statements encompass the following service orientated functions and activities.

NAME AND OBJECTIVES

DESCRIPTION

GOVERNANCE

To provide a decision-making process for the efficient allocation of scarce resources.

Includes the activities of members of Council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the task of assisting council members and ratepayers on matters which do not concern specific local government services.

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.

Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home care programs and youth services.

COMMUNITY AMENITIES

To provide services required by the community.

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

RECREATION AND CULTURE

To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

TRANSPORT

To provide safe, effective and efficient transport services to the community.

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

ECONOMIC SERVICES

To help promote the local government and its economic wellbeing.

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.

OTHER PROPERTY AND SERVICES

To monitor and control operating accounts.

Private works operation, plant repair and costs.

Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 24. Function and activity (continued)

(b) Income and expenses

	2025 Actual \$	2024 Actual \$
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions		
General purpose funding	53,038,052	48,303,016
Law, order, public safety	330,521	324,462
Health	1,080,706	967,204
Education and welfare	–	17,450
Community amenities	15,981,745	15,116,683
Recreation and culture	723,318	1,550,271
Economic services	449,475	385,504
Other property and services	2,415,827	264,916
	74,019,644	66,929,506
Grants, subsidies and contributions and capital grants, subsidies and contributions		
General purpose funding	1,900,038	2,898,398
Law, order, public safety	435,140	179,835
Education and welfare	116,902	8,908
Community amenities	1,263,153	154,871
Recreation and culture	4,370,008	5,014,160
Transport	10,349,777	8,188,709
Economic services	19,574	–
Other property and services	1,344,189	2,815,914
	19,798,781	19,260,795
Total income	93,818,425	86,190,301
Expenses		
Governance	(822,652)	(2,596,455)
General purpose funding	(3,003,492)	(924,242)
Law, order, public safety	(2,732,023)	(2,531,512)
Health	(1,908,296)	(1,986,868)
Education and welfare	(457,002)	(426,582)
Community amenities	(19,305,133)	(16,779,206)
Recreation and culture	(27,973,734)	(24,251,678)
Transport	(18,251,021)	(17,665,327)
Economic services	(1,412,476)	(1,168,175)
Other property and services	(9,982,778)	(9,276,931)
	(85,848,607)	(77,606,976)
Net result for the period	7,969,818	8,583,325

Notes to and forming part of the Financial Report

for the year ended 30 June 2025

Note 24. Function and activity (continued)

(c) Assets

	2025 Actual \$	2024 Actual \$
Governance	8,835,181	8,825,417
General purpose funding	31,622,378	28,519,904
Law, order, public safety	1,281,711	1,281,711
Health	3,595,340	3,650,820
Education and welfare	2,743,831	2,743,831
Community amenities	113,481,158	114,325,337
Recreation and culture	122,721,496	108,543,599
Transport	418,255,507	420,445,987
Economic services	2,425	2,425
Other property and services	27,730,404	10,953,869
Total assets	730,269,431	699,292,900

Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 25. Rating information

	Basis of valuation	Rate in \$	Number of properties	2024/25 Actual Rateable value \$	2024/25 Actual Rate revenue \$	2024/25 Actual Interim rates \$	2024/25 Actual Total revenue \$	2024/25 Budget rate revenue \$	2023/24 Actual Total revenue \$
Rates type									
(a) General Rates									
Rates Description									
General GRV	Gross rental valuation	0.06679	21,625	481,173,400	32,147,216	182,737	32,329,953	32,581,862	30,438,371
Industrial/Commercial GRV	Gross rental valuation	0.08142	611	149,715,755	12,211,250	122,209	12,333,459	12,009,930	11,152,979
Vacant GRV	Gross rental valuation	0.10261	440	7,299,140	742,129	209,253	951,382	954,462	976,736
General UV	Unimproved valuation	0.00384	291	205,305,000	788,470	2,945	791,415	786,720	742,095
Industrial/Commercial UV	Unimproved valuation	0.00469	48	36,075,000	169,084	–	169,084	171,881	166,068
Total general rates			23,015	879,568,295	46,058,149	517,144	46,575,293	46,504,855	43,476,249
Minimum payment									
General GRV	Gross rental valuation	1,020.00	843	15,270,894	831,510	–	831,510	727,260	689,670
Industrial/Commercial GRV	Gross rental valuation	1,280.00	44	3,129,917	56,060	–	56,060	53,760	58,560
Vacant GRV	Gross rental valuation	810.00	122	3,125,332	99,450	–	99,450	210,600	258,720
General UV	Unimproved valuation	1,020.00	1	1,325,000	1,020	–	1,020	–	–
Industrial/Commercial UV	Unimproved valuation	1,280.00	3	290,167	3,840	–	3,840	3,840	3,660
Total minimum payments			1,013	23,141,310	991,880	–	991,880	995,460	1,010,610
Total general rates and minimum payments			24,028	902,709,605	47,050,029	517,144	47,567,173	47,500,315	44,486,859
Ex-gratia rates									
Ex-gratia Rates		–	–	–	259,704	–	259,704	251,450	240,494
Total amount raised from rates (excluding general rates)			–	–	259,704	–	259,704	251,450	240,494
							47,826,877		44,727,353
Total rates							47,826,877		44,727,353

(b) Rates related information

continued on next page ...

Notes to and forming part of the Financial Report
for the year ended 30 June 2025

Note 25. Rating information (continued)

Rates instalment interest	201,962	188,809
Rates overdue interest	304,126	306,065

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

(*) Rateable Value at time of raising of rates.

Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 26. Determination of surplus or deficit

		2024/25	2024/25	2023/24
		30 June 2025	Budget	30 June 2024
		Carried Forward	Carried Forward	Carried Forward
Note	\$	\$	\$	\$

(a) Non-cash amounts excluded from operating activities

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

Adjustments to operating activities

Less: Profit on asset disposals	10b	(78,865)	(1,690,000)	(28,543)
Add: Loss on disposal of assets	10b	3,042,432	—	4,901,126
Add: Depreciation	10a	17,057,410	17,140,236	16,875,730
Add: Capital WIP transferred to expenses	8a	—	—	304,481
Add /(Less): Loss / (Gain) on EMRC divestment	2a	(1,167,547)	—	1,033,131
Pensioner deferred rates		—	(25,000)	—

Non-cash movements in non-current assets and liabilities:

Financial assets at amortised cost		17,293	—	—
Employee benefit provisions		(45,645)	276,667	207,398
Capital grant / contributions liabilities		1,440,232	—	—
Inventory		(3,166,375)	—	725,360
Bad debts written off		—	—	20,975

Non-cash amounts excluded from operating activities

17,098,935	15,701,903	24,039,658
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(b) Non-cash amounts excluded from investing activities

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

Adjustments to investing activities

Right of use assets received - non cash	11a	335,655	335,655	193,962
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Non-cash amounts excluded from investing activities

335,655	335,655	193,962
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(c) Non-cash amounts excluded from financing activities

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

Adjustments to financing activities

Non cash proceeds from new leases	27c	(335,655)	(335,655)	(187,697)
Infrastructure opening balance variance adjusted		—	—	12,617

Non-cash amounts excluded from financing activities

(335,655)	(335,655)	(175,080)
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Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 26. Determination of surplus or deficit (continued)

		2024/25	2024/25	2023/24
		30 June 2025	Budget	30 June 2024
		Carried Forward	Carried Forward	Carried Forward
Note		\$	\$	\$
(d) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserve accounts	28	(35,812,515)	(28,001,717)	(35,494,156)
Less: Financial assets at amortised cost - self supporting loans		(5,439)	—	(9,646)
Less: Forrestfield Industrial Area Scheme Stage 1		49,659	621,771	—
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	14	1,104,249	1,204,248	1,230,983
- Current portion of lease liabilities	11	226,505	215,951	108,852
- Employee benefit provisions		5,476,981	—	4,812,535
Movement into Receivable from EMRC - Current		(30,718,215)	—	—
Movement in current inventory opening balance		(725,360)	—	—
Capital Grant / Contributions liabilities		1,103,331	—	—
Total adjustments to net current assets		(59,300,804)	(25,959,747)	(29,351,432)
Net current assets used in the Statement of Financial Activity				
Total current assets		92,528,021	47,957,783	59,409,086
Less: Total current liabilities		(25,953,237)	(21,961,304)	(21,346,611)
Less: Total adjustments to net current assets		(59,300,804)	(25,959,747)	(29,351,432)
Surplus or deficit after imposition of general rates		7,273,980	36,732	8,711,043

Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 27. Borrowing and lease liabilities

(a) Borrowings

Purpose	Note	Actual					Budget					
		Principal at 1 July 2023	New loans during 2023-24	Principal repayments during 2023-24	Principal at 30 June 2024	New loans during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	Principal at 1 July 2024	New loans during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025
Depot Waste Trucks		645,165	—	(61,075)	584,090	—	(64,562)	519,528	584,090	—	(64,562)	519,529
Forrestfield North Development Project - Loan 1		218,072	—	(52,099)	165,973	—	(53,680)	112,293	165,972	—	(53,680)	112,292
Wattle Grove South Planning Study		40,444	—	(20,147)	20,297	—	(20,297)	—	20,297	—	(20,297)	—
High Wycombe Roads - testing and design		20,222	—	(10,074)	10,148	—	(10,148)	—	10,148	—	(10,148)	—
Forrestfield North Structure Planning		97,065	—	(48,353)	48,712	—	(48,712)	—	48,712	—	(48,712)	—
MKSEA Kalamunda Wedge - Development Contribution Plan		16,177	—	(8,059)	8,118	—	(8,119)	(1)	8,119	—	(8,119)	—
MKSEA - Preliminary investigations and consultation		28,311	—	(14,103)	14,208	—	(14,208)	—	14,208	—	(14,208)	—
Foothills Netball Association		41,178	—	(6,456)	34,722	—	(6,880)	27,842	34,722	—	(6,880)	27,842
Kalamunda Swimming Pool		1,037,875	—	(98,251)	939,624	—	(103,860)	835,764	939,623	—	(103,860)	835,763
Future Aquatic facility study (Needs analysis)		40,444	—	(20,147)	20,297	—	(20,297)	—	20,297	—	(20,297)	—
Operations Centre		1,063,002	—	(123,267)	939,735	—	(131,754)	807,981	939,735	—	(131,754)	807,981
Fleet - Major Plant Replacement Program		1,522,811	—	(298,397)	1,224,414	—	(301,448)	922,966	1,224,414	—	(301,448)	922,966
Fleet - Light Plant Replacement Program		52,286	—	(52,286)	—	—	—	—	—	—	—	—
New road Project - Kalamunda Town Centre Upgrade Stage 1		356,435	—	(49,050)	307,385	—	(49,661)	257,724	307,384	—	(49,661)	257,724
Fleet - Minor Plant Replacement Program		178,783	—	(59,177)	119,606	—	(59,593)	60,013	119,606	—	(59,593)	60,013
Fleet - Major Plant Replacement Program		545,659	—	(88,305)	457,354	—	(89,344)	368,010	457,355	—	(89,344)	368,011
Fleet - Light Plant Replacement Program		69,373	—	(34,593)	34,780	—	(34,780)	—	34,780	—	(34,780)	—
New road Project - Kalamunda Town Centre Upgrade Stage 1		811,300	—	(96,398)	714,902	—	(97,790)	617,112	714,902	—	(97,790)	617,112
Female Change Rooms		730,170	—	(86,758)	643,412	—	(88,011)	555,401	643,412	—	(88,011)	555,401
Forrestfield North Development Project - Loan 2		183,058	—	(17,558)	165,500	—	(18,196)	147,304	165,500	—	(18,196)	147,304
Scott Reserve Redevelopment		—	—	—	—	—	—	—	—	2,000,000	—	2,000,000
Major Plant Replacement		—	—	—	—	—	—	—	—	869,000	(35,412)	833,588
Light Vehicles Asset Replacement		—	—	—	—	—	—	—	—	1,585,000	(64,588)	1,520,412
Total		7,697,830	—	(1,244,553)	6,453,277	—	(1,221,340)	5,231,937	6,453,276	4,454,000	(1,321,340)	9,585,938
Self Supporting Loans												
Forrestfield United Soccer Club		51,105	—	(9,132)	41,973	—	(9,643)	32,330	41,973	—	(9,646)	32,327
Maida Vale Tennis Club		7,243	—	(7,243)	—	—	—	—	—	—	—	—
Total Self Supporting Loans		58,348	—	(16,375)	41,973	—	(9,643)	32,330	41,973	—	(9,646)	32,327
continued on next page ...												

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Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 27. Borrowing and lease liabilities (continued)

(a) Borrowings

Purpose	Note	Actual						Budget				
		Principal at 1 July 2023	New loans during 2023-24	Principal repayments during 2023-24	Principal at 30 June 2024	New loans during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	Principal at 1 July 2024	New loans during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025
Total Borrowings	14	7,756,178	—	(1,260,928)	6,495,250	—	(1,230,983)	5,264,267	6,495,249	4,454,000	(1,330,986)	9,618,265

Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 27. Borrowing and lease liabilities (continued)

(a) Borrowings

Borrowing Finance Cost Payments

Purpose	Loan number	Institution ^(*)	Interest rate	Date final payment is due	Actual for year ending 30 June 2025	Budget for year ending 30 June 2025	Actual for year ending 30 June 2024
Depot Waste Trucks	228	WATC	5.63%	14/09/31	30,903	31,988	34,448
Forrestfield North Development Project - Loan 1	230	WATC	3.01%	28/04/27	4,325	4,595	5,886
Wattle Grove South Planning Study	231	WATC	0.74%	19/05/25	95	113	245
High Wycombe Roads - testing and design	232	WATC	0.74%	19/05/25	48	56	122
Forrestfield North Structure Planning	233	WATC	0.74%	19/05/25	228	271	587
MKSEA Kalamunda Wedge - Development Contribution Plan	234	WATC	0.74%	19/05/25	38	45	98
MKSEA - Preliminary investigations and consultation	235	WATC	0.74%	19/05/25	66	79	171
Foothills Netball Association	216	WATC	6.37%	10/11/28	2,031	2,104	2,462
Kalamunda Swimming Pool	227	WATC	5.63%	14/09/31	49,713	51,459	55,417
Future Aquatic facility study (Needs analysis)	236	WATC	0.74%	19/05/25	95	113	245
Operations Centre	221	WATC	6.77%	15/01/30	57,172	61,427	66,467
Fleet - Major Plant Replacement Program	237	WATC	1.02%	19/05/28	11,360	11,722	14,415
Fleet - Light Plant Replacement Program	238	WATC	1.02%	19/05/24	—	—	228
New road Project - Kalamunda Town Centre Upgrade Stage 1	239	WATC	1.24%	19/05/30	3,586	3,658	4,197
Fleet - Minor Plant Replacement Program	240	WATC	0.70%	10/06/26	711	736	1,128
Fleet - Major Plant Replacement Program	241	WATC	1.17%	10/06/29	5,044	5,104	6,084
Fleet - Light Plant Replacement Program	242	WATC	0.54%	10/06/25	131	141	318
New road Project - Kalamunda Town Centre Upgrade Stage 1	243	WATC	1.44%	10/06/31	9,853	9,934	11,246
Female Change Rooms	244	WATC	1.44%	10/06/31	8,868	8,941	10,121
Forrestfield North Development Project - Loan 2	245	WATC	3.60%	05/05/32	5,698	5,800	6,340
Scott Reserve Redevelopment		WATC	6.50%		—	—	—
Major Plant Replacement		WATC/APRA	7.00%		—	3,541	—
Light Vehicles Asset Replacement		WATC/APRA	7.00%		—	6,459	—
Total					189,965	208,286	220,225
Self Supporting Loans Finance Cost Payments							
Forrestfield United Soccer Club	214	WATC	5.56%	30/05/28	2,114	2,162	2,623
Maida Vale Tennis Club	217	WATC	5.95%	12/11/24	—	—	38
Total Self Supporting Loans Finance Cost Payments					2,114	2,162	2,661
Total Finance Cost Payments					192,079	210,448	222,886

(*) WA Treasury Corporation

Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 27. Borrowing and lease liabilities (continued)

(b) New Borrowings - 2024/25

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					Actual	Budget	Actual	Budget		
				%	\$	\$	\$	\$	\$	\$
Scott Reserve Redevelopment *	WATC	Fixed Term	5 Years	6.50%	—	2,000,000	—	2,000,000	—	—
Major Plant Replacement	WATC/APRA	Fixed Term	5 Years	7.00%	—	869,000	—	869,000	—	—
Light Vehicles Asset Replacement	WATC/APRA	Fixed Term	5 Years	7.00%	—	1,585,000	—	1,585,000	—	—
					—	4,454,000	—	4,454,000	—	—

Unspent borrowings balance:

The City had no unspent borrowings as of 30 June 2025 neither did the City borrow any money during the year.

Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 27. Borrowing and lease liabilities (continued)

(c) Lease liabilities

Purpose	Note	Actual						Budget				
		Principal at 1 July 2023	New leases and Re-measur- ement During 2023-24	Principal repayments during 2023-24	Principal at 30 June 2024	New leases and Re-measur- ement During 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	Principal at 1 July 2024	New leases during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Photocopiers and printers lease		11,281	—	(11,281)	—	—	—	—	—	—	—	—
Cardio equipment lease		89,000	—	(21,953)	67,047	—	(22,828)	44,219	67,047	—	(22,828)	44,219
Forrestfield library building lease		485,897	26,312	(26,552)	485,657	18,564	(50,651)	453,570	459,166	—	(45,988)	413,178
Photocopiers lease		—	127,907	(14,036)	113,871	—	(29,589)	84,282	114,183	—	(29,732)	84,451
Body Bike Lease		—	33,478	(5,416)	28,062	—	(7,793)	20,269	—	—	—	—
Computers		—	(1)	—	(1)	329,664	(80,532)	249,131	—	335,655	(110,924)	224,731
Total lease liabilities	11b	586,178	187,696	(79,238)	694,636	348,228	(191,393)	851,471	640,396	335,655	(209,472)	766,579

(*) The Forrestfield Library building lease was re-measured in the FY 2023-24 due to rent increase. The lease liability has increased by \$26,312. Refer Note. 11a for ROU impact.

Purpose	Lease number	Institution	Lease interest rate	Date final payment is due	Actual for year ending 30 June 2025	Budget for year ending 30 June 2025	Actual for year ending 30 June 2024	Lease term
					\$	\$	\$	
Photocopiers and printers lease	1	Vestone Capital Pty Ltd	0.74%	30/09/23	—	—	(14)	36 Months
Cardio equipment lease	2	CHG-Meridian Australia Pty Ltd	3.95%	09/05/27	(2,200)	(2,200)	(3,076)	60 Months
Forrestfield library building lease	3	Hype Park Management Ltd	5.20%	09/10/32	(23,531)	(22,272)	(26,792)	120 Months
Photocopiers lease	4	CHG-Meridian Australia Pty Ltd	7.67%	31/12/27	(7,452)	(7,309)	(4,485)	48 months
Body Bike Lease	5	CHG-Meridian Australia Pty Ltd	9.24%	30/09/27	(2,179)	—	(2,063)	48 months
Computers	6	Vestone Capital	2.09%	30/09/27	(4,538)	(2,458)	—	36 months
Total Finance Cost Payments					(39,900)	(34,239)	(36,430)	

Notes to and forming part of the Financial Report for the year ended 30 June 2025

Note 28. Reserve accounts

	2025 Opening Balance Actual \$	2025 Transfer to Actual \$	2025 Transfer (from) Actual \$	2025 Closing Balance Actual \$	2025 Opening Balance Budget \$	2025 Transfer to Budget \$	2025 Transfer (from) Budget \$	2025 Closing Balance Budget \$	2024 Opening Balance Actual \$	2024 Transfer to Actual \$	2024 Transfer (from) Actual \$	2024 Closing Balance Actual \$
Restricted by legislation/agreement												
(a) Waste Avoidance and Resource Recovery Reserve	1,413,882	687,685	(743,165)	1,358,402	1,411,376	666,309	(1,200,000)	877,685	1,588,716	73,315	(248,149)	1,413,882
(b) Forrestfield Industrial Scheme Stage 1 Reserve	1,475,139	1,695,808	(153,654)	3,017,293	1,505,497	1,060,053	(369,000)	2,196,550	1,260,533	501,850	(287,244)	1,475,139
(c) Forrestfield Industrial Area Reserve	134,718	5,831	–	140,549	134,570	4,798	–	139,368	128,743	5,975	–	134,718
(d) Public Open Space Funds Reserve - High Wycombe	250,922	10,413	–	261,335	253,239	8,923	–	262,162	240,229	10,693	–	250,922
(e) Public Open Space Funds Reserve - Maida vale	2,263	94	–	2,357	2,284	80	–	2,364	2,167	96	–	2,263
(f) Public Open Space Funds Reserve - Kalamunda	171,472	307,413	–	478,885	138,642	7,846	–	146,488	131,520	171,031	(131,079)	171,472
(g) Public Open Space Funds Reserve - Forrestfield	201,216	8,348	–	209,564	257,071	10,694	–	267,765	243,865	79,013	(121,662)	201,216
(h) Public Open Spaces Funds Reserve - Walliston	–	283,091	–	283,091	–	–	–	–	–	–	–	–
	3,649,612	2,998,683	(896,819)	5,751,476	3,702,679	1,758,703	(1,569,000)	3,892,382	3,595,773	841,973	(788,134)	3,649,612
Restricted by council												
(i) Waste Management Reserve	7,573,286	295,526	(4,541,000)	3,327,812	7,564,846	268,422	(5,006,000)	2,827,268	5,346,986	2,226,300	–	7,573,286
(j) Long Service Leave Reserve	2,603,016	113,684	(306,000)	2,410,700	2,599,092	92,667	(300,000)	2,391,759	2,486,534	116,482	–	2,603,016
(k) Land and Property Enhancement and Maintenance Reserve	3,616,352	124,667	(3,116,613)	624,406	3,614,177	127,594	(3,120,000)	621,771	1,373,607	2,242,745	–	3,616,352
(l) EDP IT Equipment Reserve	4,549,401	1,198,523	(1,195,170)	4,552,754	4,546,689	1,160,121	(2,493,619)	3,213,191	1,718,880	2,830,521	–	4,549,401
(m) Local Government Elections Reserve	223,010	9,764	–	232,774	222,373	8,074	–	230,447	105,412	117,598	–	223,010
(n) Insurance Contingency Reserve	–	–	–	–	–	–	–	–	191,155	8,927	(200,082)	–
(o) Revaluation Reserve	–	–	–	–	–	–	–	–	107,513	4,991	(112,504)	–
(p) Nominated Employee Leave Provisions Reserve	2,316,727	101,159	(400,000)	2,017,886	2,313,237	82,476	(400,000)	1,995,713	2,213,057	103,670	–	2,316,727
(q) Asset Enhancement Reserve	5,129,379	9,143,684	(3,263,067)	11,009,996	5,125,604	5,984,868	(3,263,067)	7,847,405	2,386,882	2,742,497	–	5,129,379
(r) Unexpended Capital Works and Specific Purpose Grants Reserve	5,224,788	250,519	(2,642,751)	2,832,556	5,218,992	–	(3,952,842)	1,266,150	3,661,771	1,563,017	–	5,224,788
(s) Environmental Reserve	10,108	447	–	10,555	10,094	360	–	10,454	9,657	451	–	10,108
(t) Public Art Reserve	598,477	114,230	–	712,707	438,313	17,864	(100,000)	356,177	216,614	381,863	–	598,477
(u) Land Development Reserve	–	6,190,000	(3,899,750)	2,290,250	–	3,690,000	(441,000)	3,249,000	–	–	–	–
(v) Voted Works Reserve	–	100,000	(67,357)	32,643	–	100,000	–	100,000	–	–	–	–
(w) Rhonda Hardy Memorial Reserve	–	6,000	–	6,000	–	6,000	(6,000)	–	–	–	–	–
(x) High Wycombe South Future DCP Reserve	–	–	–	–	–	300,000	(300,000)	–	–	–	–	–
	31,844,544	17,648,203	(19,431,708)	30,061,039	31,653,417	11,838,446	(19,382,528)	24,109,335	19,818,068	12,339,062	(312,586)	31,844,544
	35,494,156	20,646,886	(20,328,527)	35,812,515	35,356,096	13,597,149	(20,951,528)	28,001,717	23,413,841	13,181,035	(1,100,720)	35,494,156

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

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

(*) Discontinued reserve as at 30 June 2024

Notes to and forming part of the Financial Report

for the year ended 30 June 2025

Note 28. Reserve accounts (continued)

Name of reserve	Purpose of the reserve
Restricted by legislation/agreement	
(a) Waste Avoidance and Resource Recovery Reserve	Any surplus raised in the year for the purpose of managing the contaminated sites will be placed in the reserve for utilisation in future years
(b) Forrestfield Industrial Scheme Stage 1 Reserve	The reserve is established to meet the City's reporting obligation under clause 6.5.16 of the City of Kalamunda Local Planning Scheme No. 3. The funds that were managed under the Trust for the scheme were transferred to the newly established reserve on 23rd June 2015. The reserve will be maintained to reflect all transactions related to the scheme for the benefit of the scheme members.
(c) Forrestfield Industrial Area Reserve	To fund infrastructure requirements for the Forrestfield area.
(d) Public Open Space Funds Reserve - High Wycombe	To hold money received for the development and maintenance of Public Open Spaces as required by section 154 of the Planning and Development Act 2005
(e) Public Open Space Funds Reserve - Maida Vale	To hold money received for the development and maintenance of Public Open Spaces as required by section 154 of the Planning and Development Act 2005
(f) Public Open Space Funds Reserve - Kalamunda	To hold money received for the development and maintenance of Public Open Spaces as required by section 154 of the Planning and Development Act 2005
(g) Public Open Space Funds Reserve - Forrestfield	To hold money received for the development and maintenance of Public Open Spaces as required by section 154 of the Planning and Development Act 2005
(h) Public Open Space Funds Reserve - Walliston	To hold money received for the development and maintenance of Public Open Spaces as required by section 154 of the Planning and Development Act 2005
Restricted by council	
(i) Waste Management Reserve	To fund financing operations for the development of the City's sanitation service
(j) Long Service Leave Reserve	To provide cash-backing for all long service leave entitlements.
(k) Land and Property Enhancement and Maintenance Reserve	To fund land and property purchases, upgrade and maintenance of existing properties.
(l) EDP IT Equipment Reserve	To fund the upgrade / replacement of the City's computer hardware and software requirements.
(m) Local Government Elections Reserve	To fund the cost of future elections.
(n) Insurance Contingency Reserve	To fund insurance premium variations and potential call backs.
(o) Revaluation Reserve	To fund triennial rating revaluations.
(p) Nominated Employee Leave Provisions Reserve	To fund future nominated staff leave entitlements.
(q) Asset Enhancement Reserve	To fund future replacement of City's' Infrastructure and plant and equipment needs.
(r) Unexpended Capital Works and Specific Purpose Grants Reserve	To carry forward available funding for uncompleted projects and specific purpose grants, that will be completed and expended in ensuing financial years.
(s) Environmental Reserve	To fund environment strategies and projects.
(t) Public Art Reserve	To fund future Public Art projects.
(u) Land Development Reserve	To fund land development opportunities to create new revenue streams and unlock future development avenues which would promote the aspirations outlined in the Strategic Community Plan.
(v) Voted Work Reserve	To fund community requests promoted via an Elected Member notice of motion during the financial year.
(w) Rhonda Hardy Memorial Reserve	To promote leadership and innovation within City Staff to improve the level of skills, knowledge and experience currently held by the organisation.
(x) High Wycombe South Future DCP Reserve	To prefund infrastructure works to encourage development in specified area, costs to be recovered from future development contributions.

Notes to and forming part of the Financial Report

for the year ended 30 June 2025

Note 29. Trust funds

	1-Jul-2024	Amounts received	Amounts paid	30 June 2025
	\$	\$	\$	\$
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:				
Wattle Grove - Cell 9 *	5,781,521	885,251	(447,055)	6,219,717
Cash-in-lieu of public open space	231,344	9,901	—	241,245
NBN Tower Pickering Brook	55,195	25,072	(50,000)	30,267
	6,068,060	920,224	(497,055)	6,491,229

(*) The Wattle Grove CELL 9 Trust includes an amount of \$3.9 million payable to the Department of Education for their contribution to the Trust in the form of the Wattle Grove Primary School land.

Financial Report
for the year ended 30 June 2025

Independent auditor's report

Insert Independent Auditor's Report here