

CITY OF KALAMUNDA

MONTHLY FINANCIAL REPORT

**(Containing the required statement of financial activity and statement of financial position)
For the period ended 30 September 2026**

***LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996***

TABLE OF CONTENTS

Statement of financial activity	2
Statement of financial position	3
Note 1 Basis of preparation	4
Note 2 Net current assets information	5
Note 3 Explanation of variances	6

CITY OF KALAMUNDA
STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

	Adopted Budget Estimates	YTD Budget Estimates	YTD Actual	Variance* \$ (c) - (b)	Variance* % ((c) - (b))/(b)	Var.
Note	(a) \$	(b) \$	(c) \$	(c) - (b) \$	((c) - (b))/(b) %	
OPERATING ACTIVITIES						
Revenue from operating activities						
General rates	56,393,941	55,665,702	55,589,507	(76,195)	(0.14%)	
Rates excluding general rates	282,505	282,505	179,416	(103,089)	(36.49%)	▼
Grants, subsidies and contributions	4,228,734	575,782	102,091	(473,691)	(82.27%)	▼
Fees and charges	21,141,795	17,631,741	17,706,702	74,961	0.43%	
Interest revenue	4,610,235	1,120,146	292,536	(827,610)	(73.88%)	▼
Other revenue	373,020	354,798	274,843	(79,955)	(22.54%)	▼
Profit on asset disposals	0	0	20,136	20,136		▲
	87,030,230	75,630,674	74,165,231	(1,465,443)	(1.94%)	
Expenditure from operating activities						
Employee costs	(39,468,343)	(9,867,086)	(8,257,897)	1,609,189	16.31%	▲
Materials and contracts	(36,464,595)	(9,116,149)	(6,797,657)	2,318,492	25.43%	▲
Utility charges	(2,242,957)	(222,285)	(233,959)	(11,674)	(5.25%)	
Depreciation	(19,384,390)	(4,846,098)	(4,882,340)	(36,243)	(0.75%)	
Finance costs	(255,177)	(63,794)	(54,964)	8,830	13.84%	▲
Insurance	(808,962)	(381,267)	(347,869)	33,398	8.76%	
Other expenditure	(779,256)	(174,318)	(172,263)	2,055	1.18%	
Loss on asset disposals	(150,000)	(37,500)	(17,368)	20,132	53.69%	▲
	(99,553,680)	(24,708,496)	(20,764,317)	3,944,179	15.96%	
Amounts excluded from operating activities	2(c) 19,712,390	5,102,470	4,949,572	(152,898)	(3.00%)	▼
Amount attributable to operating activities	7,188,940	56,024,648	58,350,486	2,325,838	4.15%	
INVESTING ACTIVITIES						
Inflows from investing activities						
Proceeds from capital grants, subsidies and contributions	26,021,714	6,505,429	2,395,069	(4,110,360)	(63.18%)	▼
Proceeds from financial assets at amortised cost - self supporting loans	910,765	0	0	0		
	26,932,479	6,505,429	2,395,069	(4,110,360)	(63.18%)	
Outflows from investing activities						
Acquisition of property, plant and equipment	(18,934,170)	(4,733,543)	(2,241,807)	2,491,736	52.64%	▲
Acquisition of infrastructure	(24,317,099)	(6,079,275)	(1,162,469)	4,916,805	80.88%	▲
Payments for financial assets at amortised cost - self supporting loans	(900,000)	0	0	0		
	(44,151,269)	(10,812,817)	(3,404,276)	7,408,541	68.52%	
Amount attributable to investing activities	(17,218,790)	(4,307,389)	(1,009,207)	3,298,182	76.57%	
FINANCING ACTIVITIES						
Inflows from financing activities						
Proceeds from new borrowings	2,539,000	0	0	0		
Transfer from reserves	11,398,055	48,057	48,057	0	0.00%	
	13,937,055	48,057	48,057	0	0.00%	
Outflows from financing activities						
Repayment of borrowings	(1,340,723)	(335,181)	(716,058)	(380,877)	(113.63%)	▼
Payments for principal portion of lease liabilities	(229,389)	(101,896)	(101,896)	0	0.00%	
Transfer to reserves	(6,105,414)	(448,278)	(448,278)	(0)	(0.00%)	
	(7,675,527)	(885,355)	(1,266,232)	(380,878)	(43.02%)	
Amount attributable to financing activities	6,261,528	(837,298)	(1,218,175)	(380,878)	(45.49%)	
MOVEMENT IN SURPLUS OR DEFICIT						
Surplus or deficit at the start of the financial year	2(a) 3,792,139	3,792,139	8,155,617	4,363,478	115.07%	▲
Amount attributable to operating activities	7,188,940	56,024,648	58,350,486	2,325,838	4.15%	▲
Amount attributable to investing activities	(17,218,790)	(4,307,389)	(1,009,207)	3,298,182	76.57%	▲
Amount attributable to financing activities	6,261,528	(837,298)	(1,218,175)	(380,878)	(45.49%)	▼
Surplus or deficit after imposition of general rates	23,817	54,672,100	64,278,720	9,606,620	17.57%	▲

KEY INFORMATION

- ▲▼ Indicates a variance between Year to Date (YTD) Budget and YTD Actual data outside the adopted materiality threshold.
 - ▲ Indicates a variance with a positive impact on the financial position.
 - ▼ Indicates a variance with a negative impact on the financial position.
- Refer to Note 3 for an explanation of the reasons for the variance.

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

This Financial Report albeit for the period ending 30 September 2026, should not be read as being the City's final 30 September 2026 financial position as the closing balances for the 30 June 2026 are still to be finalised and audited.

CITY OF KALAMUNDA
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

	Actual 30 June 2026	Actual as at 30 September 2025	Actual as at 30 September 2026
	\$		\$
CURRENT ASSETS			
Cash and cash equivalents	43,530,822	64,359,587	39,058,492
Trade and other receivables	41,318,873	57,231,656	64,805,504
Other financial assets	0	20,403,794	30,871,989
Inventories	180,515	157,569	274,036
Other assets	694,349	1,238,932	1,783,252
Non-current assets classified as held for sale	386,067	0	386,067
TOTAL CURRENT ASSETS	86,110,626	143,391,538	137,179,340
NON-CURRENT ASSETS			
Trade and other receivables	1,146,750	1,512,054	1,076,750
Other financial assets	332,493	159,239	332,493
Inventories	4,081,752	1,570,278	4,081,752
Property, plant and equipment	151,162,063	148,001,866	151,199,538
Infrastructure	492,063,977	487,367,080	491,515,800
Right-of-use assets	547,063	0	3,471,968
TOTAL NON-CURRENT ASSETS	649,334,098	638,610,517	651,678,301
TOTAL ASSETS	735,444,724	782,002,055	788,857,641
CURRENT LIABILITIES			
Trade and other payables	7,045,032	8,854,888	4,905,361
Other liabilities	7,415,024	8,210,886	8,401,122
Lease liabilities	232,742	159,178	130,845
Borrowings	1,338,329	947,226	235,891
Employee related provisions	6,112,256	5,166,244	6,072,326
TOTAL CURRENT LIABILITIES	22,143,383	23,338,422	19,745,545
NON-CURRENT LIABILITIES			
Trade and other payables	12,520	21,770	12,520
Lease liabilities	395,829	624,966	395,829
Borrowings	5,196,971	4,160,017	5,196,971
Employee related provisions	966,236	673,820	966,236
TOTAL NON-CURRENT LIABILITIES	6,571,556	5,480,573	6,571,556
TOTAL LIABILITIES	28,714,939	28,818,995	26,317,101
NET ASSETS	706,729,785	753,183,060	762,540,540
EQUITY			
Retained surplus	252,256,124	297,726,223	307,666,657
Reserve accounts	35,301,857	36,436,151	35,702,079
Revaluation surplus	419,171,804	419,020,686	419,171,804
TOTAL EQUITY	706,729,785	753,183,060	762,540,540

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

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

BASIS OF PREPARATION

This prescribed financial report has 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 with exception to the following:

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.

Local Government (Financial Management) Regulations 1996, regulation 34 prescribes contents of the financial report. Supplementary information does not form part of the financial report.

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.

PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 12 October 2026

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.

Material accounting policies

Material accounting policies utilised in the preparation of these statements are as described within the 2026-27 Annual Budget. Please refer to the adopted budget document for details of these policies.

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 believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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
 - Infrastructure
- Impairment losses of non-financial assets
- Expected credit losses on financial assets
- Assets held for sale
- Investment property
- Estimated useful life of intangible assets
- Measurement of employee benefits
- Measurement of provisions
- Estimation uncertainties and judgements made in relation to lease accounting

CITY OF KALAMUNDA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

2 NET CURRENT ASSETS INFORMATION

(a) Net current assets used in the Statement of Financial Activity

Current assets

Cash and cash equivalents
Trade and other receivables
Other financial assets
Inventories
Other assets
Assets classified as held for sale

Less: current liabilities

Trade and other payables
Other liabilities
Lease liabilities
Borrowings
Employee related provisions
Other provisions

Net current assets

Less: Total adjustments to net current assets

Closing funding surplus / (deficit)

Note	Adopted Budget Opening 1 July 2026	Actual as at 30 June 2026	Actual as at 30 September 2026
	\$	\$	\$
	52,219,395	43,530,822	39,058,492
	8,745,828	41,318,873	64,805,504
	17,010,189	0	30,871,989
	176,010	180,515	274,036
	531,158	694,349	1,783,252
	0	386,067	386,067
	78,682,580	86,110,626	137,179,340
	(8,038,842)	(7,045,032)	(4,905,361)
	(11,888,726)	(7,415,024)	(8,401,122)
	(106,163)	(232,742)	(130,845)
	(1,215,705)	(1,338,329)	(235,891)
	(5,178,352)	(6,112,256)	(6,072,326)
	(6,315)	0	0
	(26,434,103)	(22,143,383)	(19,745,545)
	52,248,477	63,967,243	117,433,795
2(b)	(52,224,660)	(55,811,626)	(53,155,075)
	23,817	8,155,617	64,278,720

(b) Current assets and liabilities excluded from budgeted deficiency

Adjustments to net current assets

Less: Reserve accounts
Less: Current assets not expected to be received at end of year
- Movement into receivable from EMRC
Add: Current liabilities not expected to be cleared at the end of the year
- Current portion of lease liabilities
- Current portion of borrowings
Add: Current liabilities covered by funds held in reserve account
- Current portion of contract liabilities
- Current portion of capital grant/contributions liabilities
- Current portion of employee benefit provisions

Total adjustments to net current assets

	(53,546,528)	(35,301,860)	(35,702,078)
	0	(30,718,215)	(30,718,215)
	106,163	232,742	130,845
	1,215,705	1,338,329	235,891
	0	(491,158)	(402,021)
	0	3,105,407	8,401,122
	0	6,023,129	4,899,382
2(a)	(52,224,660)	(55,811,626)	(53,155,075)

(c) Amounts excluded from operating activities

Less: Profit on asset disposals
Add: Loss on disposal of assets
Add: Depreciation
Non-cash movements in non-current assets and liabilities:
- Pensioner deferred rates
- Employee provisions

Total amounts excluded from operating activities

Adopted Budget Estimates 30 June 2027	YTD Budget Estimates 30 September 2026	YTD Actual 30 September 2026
\$	\$	\$
0	0	(20,136)
150,000	37,500	17,368
19,384,390	4,886,970	4,882,340
100,000	100,000	70,000
78,000	78,000	0
19,712,390	5,102,470	4,949,572

CURRENT AND NON-CURRENT CLASSIFICATION

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. Unless otherwise stated assets or liabilities are classified as current if expected to be settled within the next 12 months, being the local governments' operational cycle.

CITY OF KALAMUNDA

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD ENDED 30 SEPTEMBER 2026

3 EXPLANATION OF MATERIAL VARIANCES

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date actual materially.

The material variance adopted by Council for the 2026-27 year is \$100,000 or 10.00% whichever is the greater.

Description	Var. \$	Var. %	
	\$	%	
Revenue from operating activities			
Rates excluding general rates	(103,089)	(36.49%)	▼
Timing of DBGP which is due in March 2027		Timing	
Grants, subsidies and contributions	(473,691)	(82.27%)	▼
Timing of operational grants not yet received		Timing	
Interest revenue	(827,610)	(73.88%)	▼
Timing of funds invested. Rates 1st instalment due in August 2026.		Timing	
Other revenue	(79,955)	(22.54%)	▼
Delays in issuance of billings for some leased facilities.		Timing	
Profit on asset disposals	20,136		▲
Expenditure from operating activities			
Employee costs	1,609,189	16.31%	▲
Vacancies and provisions for leave pending finalisation		Timing	
Materials and contracts	2,318,492	25.43%	▲
Timing of maintenance and waste related services		Timing	
Finance costs	8,830	13.84%	▲
Lower demand for financing for fleet and plant		Timing	
Loss on asset disposals	20,132	53.69%	▲
Below threshold			
Amounts excluded from operating activities	(152,898)	(3.00%)	▼
The variance is due to reason that there is no difference in the closing balance (30/06/2026) and the balance as at 31/07/2026 in deferred rates and employee provisions (non-current).		Timing	
Inflows from investing activities			
Proceeds from capital grants, subsidies and contributions	(4,110,360)	(63.18%)	▼
Timing of acquittal of projects		Timing	
Acquisition of infrastructure	4,916,805	80.88%	▲
Timing of projects		Timing	
Outflows from financing activities			
Repayment of borrowings	(380,877)	(113.63%)	▼
Surplus or deficit at the start of the financial year	4,363,478	115.07%	▲
The final surplus for the year ended 30 June 2026 is being finalised. Once final surplus finalised, it will be included in the budget opening surplus.		Timing	
Surplus or deficit after imposition of general rates	9,606,620	17.57%	▲
The explanations are given above.			