



ATTACHMENTS

Audit, Risk and Improvement Committee

Monday 01 December 2025

5.00pm

Council Chambers

AUDIT, RISK AND IMPROVEMENT COMMITTEE
ATTACHMENTS – 01/12/2025

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CITY OF ALBANY
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

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

Amazing Albany, where anything is possible.

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

CITY OF ALBANY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	NOTE	2025 Actual \$	2025 Budget \$	2024 Actual \$
Revenue				
Rates	2(a),25	46,527,698	46,387,060	44,166,950
Grants, subsidies and contributions	2(a)	14,869,642	16,603,255	11,928,088
Fees and charges	2(a)	25,157,258	22,377,965	23,438,988
Interest revenue	2(a)	4,342,229	3,661,997	4,036,401
Other revenue	2(a)	326,412	181,000	174,338
		91,223,239	89,211,277	83,744,765
Expenses				
Employee costs	2(b)	(35,780,011)	(36,058,373)	(32,934,003)
Materials and contracts		(30,471,240)	(30,547,736)	(24,907,366)
Utility charges		(2,047,337)	(2,135,643)	(1,843,162)
Depreciation		(19,886,213)	(18,858,067)	(20,085,513)
Finance costs		(365,810)	(340,597)	(435,650)
Insurance		(1,150,940)	(1,115,524)	(881,340)
Other expenditure	2(b)	(6,664,316)	(6,337,974)	(3,360,047)
		(96,365,867)	(95,393,914)	(84,447,081)
		(5,142,628)	(6,182,637)	(702,316)
Capital grants, subsidies and contributions	2(a)	24,521,007	27,728,788	12,780,644
Profit on asset disposals		172,214	23,662	415,427
Loss on asset disposals		(116,658)	(582,423)	(1,629,849)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(11,542)	0	5,469
		24,565,021	27,170,027	11,571,691
Net result for the period	24(a)	19,422,393	20,987,390	10,869,375
Total comprehensive income for the period		19,422,393	20,987,390	10,869,375

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

CITY OF ALBANY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	NOTE	2025 \$	2024 \$
CURRENT ASSETS			
Cash and cash equivalents	3	15,085,170	14,654,711
Trade and other receivables	5	5,495,076	3,579,983
Other financial assets	4(a)	53,765,550	52,515,074
Inventories	6	1,190,556	1,424,647
Other assets	7	5,257,003	6,937,195
TOTAL CURRENT ASSETS		80,793,355	79,111,610
NON-CURRENT ASSETS			
Trade and other receivables	5	2,072,585	1,802,785
Other financial assets	4(b)	274,806	301,898
Property, plant and equipment	8	174,603,470	169,642,260
Infrastructure	9	451,086,623	436,231,601
Right-of-use assets	11(a)	363,324	544,786
TOTAL NON-CURRENT ASSETS		628,400,808	608,523,330
TOTAL ASSETS		709,194,163	687,634,940
CURRENT LIABILITIES			
Trade and other payables	12	12,779,988	9,946,337
Other liabilities	13	2,878,157	4,059,258
Lease liabilities	11(b)	230,711	211,623
Borrowings	14	1,013,885	1,264,027
Employee related provisions	15	7,404,571	7,158,944
Other provisions	16	209,434	242,391
TOTAL CURRENT LIABILITIES		24,516,746	22,882,580
NON-CURRENT LIABILITIES			
Other liabilities	13	921,311	906,187
Lease liabilities	11(b)	241,288	453,586
Borrowings	14	3,085,023	2,603,906
Employee related provisions	15	744,736	701,391
Other provisions	16	11,272,376	11,097,000
TOTAL NON-CURRENT LIABILITIES		16,264,734	15,762,070
TOTAL LIABILITIES		40,781,480	38,644,650
NET ASSETS		668,412,683	648,990,290
EQUITY			
Retained surplus		360,067,031	340,379,104
Reserve accounts	28	51,191,390	51,456,924
Revaluation surplus	18	257,154,262	257,154,262
TOTAL EQUITY		668,412,683	648,990,290

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

CITY OF ALBANY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2023		331,805,446	49,161,207	257,154,262	638,120,915
Comprehensive income for the period					
Net result for the period		10,869,375	0	0	10,869,375
Total comprehensive income for the period		10,869,375	0	0	10,869,375
Transfers from reserve accounts	28	29,247,814	(29,247,814)	0	0
Transfers to reserve accounts	28	(31,543,531)	31,543,531	0	0
Balance as at 30 June 2024		340,379,104	51,456,924	257,154,262	648,990,290
Comprehensive income for the period					
Net result for the period		19,422,393	0	0	19,422,393
Total comprehensive income for the period		19,422,393	0	0	19,422,393
Transfers from reserve accounts	28	28,446,977	(28,446,977)	0	0
Transfers to reserve accounts	28	(28,181,443)	28,181,443	0	0
Balance as at 30 June 2025		360,067,031	51,191,390	257,154,262	668,412,683

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

CITY OF ALBANY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	NOTE	2025 Actual \$	2024 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		46,225,160	43,927,744
Grants, subsidies and contributions		12,939,893	11,443,258
Fees and charges		25,281,233	23,684,336
Interest revenue		4,342,229	4,036,401
Goods and services tax received		3,833,327	3,277,579
Other revenue		326,412	174,338
		<u>92,948,254</u>	<u>86,543,656</u>
Payments			
Employee costs		(35,318,061)	(32,269,216)
Materials and contracts		(25,893,515)	(28,752,401)
Utility charges		(2,047,337)	(1,843,162)
Finance costs		(190,434)	(263,443)
Insurance paid		(1,150,940)	(881,340)
Goods and services tax paid		(4,370,683)	(3,100,138)
Other expenditure		(6,206,308)	(3,026,014)
		<u>(75,177,278)</u>	<u>(70,135,714)</u>
Net cash provided by operating activities	17(b)	<u>17,770,976</u>	<u>16,407,942</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment		(10,062,347)	(7,079,184)
Payments for construction of infrastructure		(25,778,766)	(17,222,839)
Capital grants, subsidies and contributions		18,969,257	10,805,021
Proceeds from/(payments) to financial assets at amortised cost		(1,250,000)	(26,000,000)
Proceeds from financial assets at amortised cost - self supporting loans		15,074	14,611
Proceeds from sale of property, plant & equipment		728,500	1,226,030
Net cash (used in) investing activities		<u>(17,378,282)</u>	<u>(38,256,361)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	27(a)	(1,264,025)	(1,522,655)
Payments for principal portion of lease liabilities	27(c)	(193,210)	(184,158)
Proceeds from new borrowings	27(a)	1,495,000	0
Net cash provided by (used in) financing activities		<u>37,765</u>	<u>(1,706,813)</u>
Net increase (decrease) in cash held		<u>430,459</u>	<u>(23,555,232)</u>
Cash at beginning of year		14,654,711	38,209,943
Cash and cash equivalents at the end of the year	17(a)	<u>15,085,170</u>	<u>14,654,711</u>

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

CITY OF ALBANY
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	46,371,506	46,237,060	44,016,290
Rates excluding general rates	25	156,192	150,000	150,660
Grants, subsidies and contributions		14,869,642	16,603,255	11,928,088
Fees and charges		25,157,258	22,377,965	23,438,988
Interest revenue		4,342,229	3,661,997	4,036,401
Other revenue		326,412	181,000	174,338
Profit on asset disposals		172,214	23,662	415,427
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(11,542)	0	5,469
		91,383,911	89,234,939	84,165,661
Expenditure from operating activities				
Employee costs		(35,780,011)	(36,058,373)	(32,934,003)
Materials and contracts		(30,471,240)	(30,547,736)	(24,907,366)
Utility charges		(2,047,337)	(2,135,643)	(1,843,162)
Depreciation		(19,886,213)	(18,858,067)	(20,085,513)
Finance costs		(365,810)	(340,597)	(435,650)
Insurance		(1,150,940)	(1,115,524)	(881,340)
Other expenditure		(6,664,316)	(6,337,974)	(3,360,047)
Loss on asset disposals		(116,658)	(582,423)	(1,629,849)
		(96,482,525)	(95,976,337)	(86,076,930)
Non cash amounts excluded from operating activities	26(a)	19,806,248	19,601,971	21,455,012
Amount attributable to operating activities		14,707,634	12,860,573	19,543,743
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		24,521,007	27,728,788	12,780,644
Proceeds from disposal of assets		728,500	1,241,700	1,226,030
Proceeds from financial assets at amortised cost - self supporting loans		15,074	15,074	14,611
		25,264,581	28,985,562	14,021,285
Outflows from investing activities				
Purchase of property, plant and equipment	8(a)	(10,062,347)	(14,274,168)	(7,079,184)
Purchase and construction of infrastructure	9(a)	(25,778,766)	(44,714,506)	(17,222,839)
		(35,841,113)	(58,988,674)	(24,302,023)
Non-cash amounts excluded from investing activities	26(b)	(4,352,816)	0	(2,956,497)
Amount attributable to investing activities		(14,929,348)	(30,003,112)	(13,237,235)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	27(a)	1,495,000	1,495,000	0
Transfers from reserve accounts	28	28,446,977	36,312,188	29,247,814
		29,941,977	37,807,188	29,247,814
Outflows from financing activities				
Repayment of borrowings	27(a)	(1,264,025)	(1,137,545)	(1,522,655)
Payments for principal portion of lease liabilities	27(c)	(193,210)	(198,894)	(184,158)
Transfers to reserve accounts	28	(28,181,443)	(26,544,114)	(31,543,531)
		(29,638,678)	(27,880,553)	(33,250,344)
Amount attributable to financing activities		303,299	9,926,635	(4,002,530)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	26(c)	6,232,680	7,215,904	3,928,702
Amount attributable to operating activities		14,707,634	12,860,573	19,543,743
Amount attributable to investing activities		(14,929,348)	(30,003,112)	(13,237,235)
Amount attributable to financing activities		303,299	9,926,635	(4,002,530)
Surplus or deficit after imposition of general rates	26(c)	6,314,265	0	6,232,680

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

CITY OF ALBANY
FOR THE YEAR ENDED 30 JUNE 2025
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CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

1. BASIS OF PREPARATION

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

Local Government Act 1995 requirements

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

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

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

- land and buildings classified as property, plant and equipment; or
- infrastructure; or
- vested improvements that the local government controls; and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116 Property, Plant and Equipment, which would require 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
- Measurement of employee benefits - note 15
- Measurement of provisions - note 16

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 of the financial report.

Initial application of accounting standards

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

- AASB 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

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

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

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

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

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CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue Recognition

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

For the year ended 30 June 2025

Nature	Contracts with customers	Capital grant / contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	46,527,698	0	46,527,698
Grants, subsidies and contributions	0	0	0	14,869,642	14,869,642
Fees and charges	23,755,818	0	1,401,440	0	25,157,258
Interest revenue	0	0	368,630	3,973,599	4,342,229
Other revenue	0	0	0	326,412	326,412
Capital grants, subsidies and contributions	0	24,507,750	13,257	0	24,521,007
Total	23,755,818	24,507,750	48,311,025	19,169,653	115,744,246

For the year ended 30 June 2024

Nature	Contracts with customers	Capital grant / contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	44,166,950	0	44,166,950
Grants, subsidies and contributions	0	0	0	11,928,088	11,928,088
Fees and charges	22,207,745	0	1,231,243	0	23,438,988
Interest revenue	0	0	336,094	3,700,307	4,036,401
Other revenue	0	0	0	174,338	174,338
Capital grants, subsidies and contributions	0	12,553,226	227,418	0	12,780,644
Total	22,207,745	12,553,226	45,961,705	15,802,733	96,525,409

Assets and services acquired below fair value

Contributed assets	4,352,816	2,956,496
Recognised volunteer services	163,336	189,576
	4,516,152	3,146,072

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

Interest revenue

Financial assets at amortised cost - self supporting loans	1,231	1,735
Interest on reserve account	2,275,777	2,129,245
Rates instalment and penalty interest	368,630	336,094
Sublease finance income	53,355	44,721
Other interest revenue	1,643,236	1,524,606
	4,342,229	4,036,401

Fees and charges relating to rates receivable

Charges on instalment plan	70,875	70,546
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The 2024 original budget estimate in relation to:
Charges on instalment plans was \$66,000.

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Other services – grant acquittals

Note	2025 Actual	2024 Actual
	\$	\$
	87,000	71,890
	38,955	10,000
	125,955	81,890

Employee Costs

- Employee benefit costs
- Other employee costs

26,528,783	24,136,452
9,251,228	8,797,551
35,780,011	32,934,003

Finance costs

- Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss
- Provisions: unwinding of discount
- Lease liabilities

177,449	247,386
175,376	172,207
12,985	16,057
365,810	435,650

Other expenditure

- Impairment losses on trade receivables
- Sundry expenses

458,008	334,033
6,206,308	3,026,014
6,664,316	3,360,047

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CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand

Term deposits

Total cash and cash equivalents

Held as

- Unrestricted cash and cash equivalents

- Restricted cash and cash equivalents

Note	2025 \$	2024 \$
	11,335,170	8,654,711
	3,750,000	6,000,000
17(a)	15,085,170	14,654,711
17(a)	6,143,780	7,697,787
	8,941,390	6,956,924
	15,085,170	14,654,711

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Restricted financial assets

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

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Self supporting loans receivable

Term deposits

Held as

- Unrestricted other financial assets at amortised cost

- Restricted other financial assets at amortised cost

Note	2025 \$	2024 \$
	53,765,550	52,515,074
	53,765,550	52,515,074
26(c)	15,550	15,074
	53,750,000	52,500,000
	53,765,550	52,515,074
17(a)	11,515,550	8,015,074
	42,250,000	44,500,000
	53,765,550	52,515,074
	16,043	31,593
	258,763	270,305
	274,806	301,898
	16,043	31,593
	16,043	31,593
	270,305	264,836
	(11,542)	5,469
	258,763	270,305

(b) Non-current assets

Financial assets at amortised cost

Financial assets at fair value through profit or loss

Financial assets at amortised cost

Self supporting loans receivable

Financial assets at fair value through profit or loss

Units in Local Government House Trust - opening balance

Movement attributable to fair value increment

Units in Local Government House Trust - closing balance

Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

MATERIAL ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

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

Financial assets at fair value through profit or loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 22.

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

5. TRADE AND OTHER RECEIVABLES

Current

	Note	2025 \$	2024 \$
Rates receivable		1,677,398	1,464,026
Trade and other receivables		3,151,633	1,885,010
GST receivable		1,001,669	464,311
Receivables for employee related provisions	15	115,414	95,132
Allowance for credit losses of trade and other receivables		(458,008)	(334,033)
Finance lease receivable		6,970	5,537
		5,495,076	3,579,983
Non-current			
Rates and statutory receivables		937,317	850,920
Finance lease receivable		1,135,268	951,865
		2,072,585	1,802,785

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

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:

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
	Note	\$	\$	\$
Contract assets/Grants receivable	7	3,895,053	4,938,747	1,242,401
Total trade and other receivables from contracts with customers		3,895,053	4,938,747	1,242,401

MATERIAL ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

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

Due to the short term nature of current receivables, their 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 22.

Finance lease receivables

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

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

6. INVENTORIES

Note	2025	2024
	\$	\$
Current		
Gravel, Fuel and Materials	988,340	1,226,228
Retail Stock - ALAC Sports Store	13,851	12,090
Retail Stock - Albany Visitor Centre	66,074	52,952
Retail Stock - Forts Store	111,497	119,824
Retail Stock - Library	503	470
Retail Stock - Town Hall	10,291	13,083
	1,190,556	1,424,647
The following movements in inventories occurred during the year:		
Balance at beginning of year	1,424,647	1,344,944
Inventories expensed during the year	(1,767,547)	(1,682,772)
Additions to inventory	1,533,456	1,762,475
Balance at end of year	1,190,556	1,424,647

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.

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

7. OTHER ASSETS

Other assets - current

Prepayments
Accrued income
Contract assets / grants receivable

2025	2024
\$	\$
492,797	540,967
869,153	1,457,481
3,895,053	4,938,747
5,257,003	6,937,195

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.

Contract assets

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

Impairment of assets associated with contracts with customers are detailed at Note 2(b).

Non-current assets held for sale (Continued)

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 heirachy set out in Note 23(i).

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Assets not subject to operating lease		Assets subject to operating lease		Total Property				Plant and equipment				Total property, plant and equipment
	Land	Buildings - non-specialised	Land	Buildings - non-specialised	Land	Buildings - non-specialised	Work in progress at cost - Buildings	Total Property	Furniture and equipment	Plant and equipment	Paintings	Work in progress at cost - PPE	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023	57,001,988	53,360,917	8,572,112	31,876,027	65,574,100	85,236,944	211,618	151,022,662	2,607,058	15,318,016	740,382	114,481	169,802,599
Additions*	240,142	2,231,956	0	169,870	240,142	2,401,826	1,007,506	3,649,474	544,931	3,966,800	0	133,898	8,295,103
Disposals	(1,399,781)	(230,800)	0	0	(1,399,781)	(230,800)	0	(1,630,581)	(532,639)	(1,906,304)	0	0	(4,069,524)
Depreciation	0	(2,378,284)	0	(813,603)	0	(3,191,887)	0	(3,191,887)	(405,920)	(788,111)	0	0	(4,385,918)
Transfers	0	58,843	0	0	0	58,843	(58,843)	0	0	114,482	0	(114,482)	0
Balance at 30 June 2024	55,842,349	53,042,632	8,572,112	31,232,294	64,414,461	84,274,926	1,160,281	149,849,668	2,213,430	16,704,883	740,382	133,897	169,642,260
Comprises:													
Gross balance amount at 30 June 2024	55,842,349	94,298,309	8,572,112	49,000,912	64,414,461	143,299,221	1,160,281	208,873,963	9,674,529	26,166,007	740,382	133,897	245,588,778
Accumulated depreciation at 30 June 2024	0	(41,255,677)	0	(17,768,618)	0	(59,024,295)	0	(59,024,295)	(7,461,099)	(9,461,124)	0	0	(75,946,518)
Balance at 30 June 2024	55,842,349	53,042,632	8,572,112	31,232,294	64,414,461	84,274,926	1,160,281	149,849,668	2,213,430	16,704,883	740,382	133,897	169,642,260
Additions*	0	4,152,889	0	0	0	4,152,889	0	4,152,889	772,040	5,323,023	0	924,995	11,172,947
Disposals	(91,000)	0	0	0	(91,000)	0	0	(91,000)	0	(1,771,012)	0	0	(1,862,012)
Depreciation	0	(1,693,879)	0	(748,662)	0	(2,442,541)	0	(2,442,541)	(761,028)	(1,146,156)	0	0	(4,349,725)
Transfers	0	1,160,281	0	0	0	1,160,281	(1,160,281)	0	91,372	0	0	(91,372)	0
Balance at 30 June 2025	55,751,349	56,661,923	8,572,112	30,483,632	64,323,461	87,145,555	0	151,469,016	2,315,814	19,110,738	740,382	967,520	174,603,470
Comprises:													
Gross balance amount at 30 June 2025	55,751,349	99,611,480	8,572,112	49,000,912	64,323,461	148,612,392	0	212,935,853	10,537,941	29,718,017	740,382	967,520	254,899,713
Accumulated depreciation at 30 June 2025	0	(42,949,557)	0	(18,517,280)	0	(61,466,837)	0	(61,466,837)	(8,222,127)	(10,607,279)	0	0	(80,296,243)
Balance at 30 June 2025	55,751,349	56,661,923	8,572,112	30,483,632	64,323,461	87,145,555	0	151,469,016	2,315,814	19,110,738	740,382	967,520	174,603,470
* Asset additions included additions received at substantially less than fair value:													
During the year ended 30 June 2024	218,567	446,349	0	0	218,567	446,349	0	664,916	0	551,003	0	0	1,215,919
During the year ended 30 June 2025	0	0	0	0	0	0	0	0	0	1,110,600	0	0	1,110,600

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Amount Measurements

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

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

During the period there were no changes in the valuation techniques used by the 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.

(ii) Cost

Furniture and equipment	N/A	Not applicable	Cost	Not applicable	Not applicable
Plant and equipment	N/A	Not applicable	Cost	Not applicable	Not applicable
Paintings	N/A	Not applicable	Cost	Not applicable	Not applicable

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

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.

	Roads	Footpaths	Drainage	Parks, gardens and reserves	Infrastructure - other	Infrastructure - rehabilitation assets	Work in progress at cost	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023	248,097,930	15,903,168	47,323,814	50,363,973	62,128,008	3,660,153	2,114,524	429,591,570
Additions*	10,494,740	1,729,960	2,984,026	2,025,475	611,685	0	1,117,530	18,963,416
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	0	1,565,678	0	1,565,678
Depreciation	(5,807,236)	(781,217)	(1,614,498)	(2,547,392)	(2,728,230)	(410,490)	0	(13,889,063)
Transfers	896,243	336,803	45,997	162,038	372,095	0	(1,813,176)	0
Balance at 30 June 2024	253,681,677	17,188,714	48,739,339	50,004,094	60,383,558	4,815,341	1,418,878	436,231,601
Comprises:								
Gross balance at 30 June 2024	446,865,963	39,845,792	100,970,670	90,292,851	133,642,505	9,364,892	1,418,878	822,401,551
Accumulated depreciation at 30 June 2024	(193,184,286)	(22,657,078)	(52,231,331)	(40,288,757)	(73,258,947)	(4,549,551)	0	(386,169,950)
Balance at 30 June 2024	253,681,677	17,188,714	48,739,339	50,004,094	60,383,558	4,815,341	1,418,878	436,231,601
Additions *	10,579,049	3,935,673	1,679,575	1,255,891	12,491,653	0	152,368	30,094,209
Work in progress expensed	0	0	0	0	0	0	(1,073,227)	(1,073,227)
Depreciation	(5,984,760)	(830,617)	(1,666,324)	(2,435,275)	(2,763,090)	(485,894)	0	(14,165,960)
Transfers	0	0	0	37,316	206,301	0	(243,617)	0
Balance at 30 June 2025	258,275,966	20,293,770	48,752,590	48,862,026	70,318,422	4,329,447	254,402	451,086,623
Comprises:								
Gross balance at 30 June 2025	457,445,012	43,781,464	102,650,246	91,586,058	146,340,459	9,364,892	254,402	851,422,533
Accumulated depreciation at 30 June 2025	(199,169,046)	(23,487,694)	(53,897,656)	(42,724,032)	(76,022,037)	(5,035,445)	0	(400,335,910)
Balance at 30 June 2025	258,275,966	20,293,770	48,752,590	48,862,026	70,318,422	4,329,447	254,402	451,086,623

* Asset additions included additions received at substantially less than fair value:

During the year ended 30 June 2024	1,474,327	0	0	266,250	0	0	0	1,740,577
During the year ended 30 June 2025	2,349,183	429,177	377,266	0	86,590	0	0	3,242,216

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

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					
Roads	3	Cost Approach using depreciated replacement cost	Management Valuation	June 2022	Construction costs and current condition, residual values and remaining useful life assessment inputs
Paths	3	Cost Approach using depreciated replacement cost	Management Valuation	June 2022	Construction costs and current condition, residual values and remaining useful life assessment inputs
Drainage	3	Cost Approach using depreciated replacement cost	Management Valuation	June 2022	Construction costs and current condition, residual values and remaining useful life assessment inputs
Parks, gardens and reserves	3	Cost Approach using depreciated replacement cost	Management Valuation	June 2022	Construction costs and current condition, residual values and remaining useful life assessment inputs
Infrastructure - Other	3	Cost Approach using depreciated replacement cost	Management Valuation	June 2022	Construction costs and current condition, residual values and remaining useful life assessment inputs
Infrastructure - rehabilitation assets	3	Cost Approach using depreciated replacement cost	Management Valuation	June 2022	Construction costs and current condition, residual values and remaining useful life assessment inputs

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

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

(ii) Current Replacement Cost

Work in progress at cost	N/A	Not applicable	Cost	Not applicable	Not applicable
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CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

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

(b) Fully Depreciated Assets in Use

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

	2025	2024
	\$	\$
Plant and equipment	631,896	726,861
	631,896	726,861

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

10. FIXED ASSETS (Continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition

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

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

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

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

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

Measurement after recognition

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

Reportable Value

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

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

Revaluation

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

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

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

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

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

Depreciation

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

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

Depreciation on revaluation

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

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

Impairment

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

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

Gains or losses on disposal

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

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

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	Right-of-use assets - plant and equipment	Right-of-use assets Total
		\$	\$
Balance at 1 July 2023		726,247	726,247
Depreciation		(181,461)	(181,461)
Balance at 30 June 2024		544,786	544,786
Gross balance amount at 30 June 2024		1,477,814	1,477,814
Accumulated depreciation at 30 June 2024		(933,028)	(933,028)
Balance at 30 June 2024		544,786	544,786
Depreciation		(181,462)	(181,462)
Balance at 30 June 2025		363,324	363,324
Gross balance amount at 30 June 2025		1,477,814	1,477,814
Accumulated depreciation at 30 June 2025		(1,114,490)	(1,114,490)
Balance at 30 June 2025		363,324	363,324

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

		2025 Actual	2024 Actual
		\$	\$
Depreciation on right-of-use assets		(181,462)	(181,461)
Finance charge on lease liabilities	27(c)	(12,985)	(16,057)
Total amount recognised in the statement of comprehensive income		(194,447)	(197,518)
Total cash outflow from leases		(206,195)	(200,215)

(b) Lease Liabilities

Current		230,711	211,623
Non-current		241,288	453,586
	27(c)	471,999	665,209

The City has one plant and equipment lease that has been recognised as a lease liability. The term of the lease is ten years and the lease has a minimum lease payment commitment, with a variable payment component based on consumption over and above the minimum commitment.

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

Secured liabilities and assets pledged as security

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

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

11. LEASES (Continued)

(a) Right-of-Use Assets (continued)

MATERIAL ACCOUNTING POLICIES

Leases

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 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 material accounting policies applying to vested improvements.

Right-of-use assets - depreciation

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

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

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

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

2025 Actual	2024 Actual
\$	\$
1,149,657	890,323
1,071,997	795,731
1,004,583	793,079
929,753	725,310
838,928	659,113
771,598	635,017
5,766,516	4,498,573
1,543,859	1,655,499

Amounts recognised in profit or loss for Property, Plant and Equipment Subject to Lease

Rental income

MATERIAL ACCOUNTING POLICIES

The City as Lessor

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

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

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

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

The City has leased land to the Albany Motorsport Venues Inc. as part of the construction of the Albany Motorsport Park through a concessionary lease agreement. The lease is for a period of 20 years and is disclosed as an operating lease in the City's financial statements. At the end of the lease, the Land and related improvements will, at the discretion of the City, revert back to the City.

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

12. TRADE AND OTHER PAYABLES

Current

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

2025	2024
\$	\$
6,473,547	3,754,886
22,397	25,166
510,273	337,295
778,197	1,110,266
576,065	684,854
2,609,507	2,297,724
1,810,002	1,736,146
12,779,988	9,946,337

MATERIAL ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

Prepaid rates

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

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

13. OTHER LIABILITIES

Current

Contract liabilities	849,779	144,262
Capital grant/contributions liabilities	2,028,378	3,914,996
	<u>2,878,157</u>	<u>4,059,258</u>

Non-current

Capital grant/contributions liabilities	921,311	906,187
	<u>921,311</u>	<u>906,187</u>

Reconciliation of changes in contract liabilities

Opening balance	144,262	908,343
Additions	849,779	95,262
Revenue from contracts with customers included as a contract liability at the start of the period	(144,262)	(859,343)
	<u>849,779</u>	<u>144,262</u>

The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$850,000 (2024: \$144,000)

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.

Reconciliation of changes in capital grant/contribution liabilities

Opening balance	4,821,183	3,110,119
Additions	1,206,244	3,575,387
Revenue from capital grant/contributions held as a liability at the start of the period	(3,077,738)	(1,864,323)
	<u>2,949,689</u>	<u>4,821,183</u>

Expected satisfaction of capital grant/contribution liabilities

Less than 1 year	2,028,378	3,914,996
1 to 2 years	0	0
2 to 3 years	0	0
3 to 4 years	0	0
4 to 5 years	0	0
> 5 years	921,311	906,187
	<u>2,949,689</u>	<u>4,821,183</u>

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

MATERIAL ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

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

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

14. BORROWINGS

	Note	2025			2024		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Long Term Borrowings		1,013,885	3,085,023	4,098,908	1,264,027	2,603,906	3,867,933
Total secured borrowings	27(a)	1,013,885	3,085,023	4,098,908	1,264,027	2,603,906	3,867,933

Secured liabilities and assets pledged as security

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

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

MATERIAL ACCOUNTING POLICIES

Borrowing costs

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

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

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

Risk

Information regarding exposure to risk can be found at Note 22.

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

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual leave

Long service leave

	2025	2024
	\$	\$
Annual leave	2,881,160	2,689,128
Long service leave	4,523,411	4,469,816
	7,404,571	7,158,944
Total current employee related provisions	7,404,571	7,158,944
Non-current provisions		
Employee benefit provisions		
Long service leave	744,736	701,391
	744,736	701,391
Total non-current employee related provisions	744,736	701,391
Total employee related provisions	8,149,307	7,860,335

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

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

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date

More than 12 months from reporting date

Note	2025	2024
	\$	\$
Less than 12 months after the reporting date	3,020,897	2,808,765
More than 12 months from reporting date	5,128,410	5,051,570
	8,149,307	7,860,335
Expected reimbursements of employee related provisions from other WA local governments included within other receivables	(115,414)	(95,132)

MATERIAL ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

16. OTHER PROVISIONS

	Provision for remediation	Provision for waste site rehabilitation	Total
	\$	\$	\$
Opening balance at 1 July 2024			
Current provisions	242,391	0	242,391
Non-current provisions	0	11,097,000	11,097,000
	242,391	11,097,000	11,339,391
 Additional/(Reduction of) provision	(32,957)	0	(32,957)
Charged to profit or loss			
- unwinding of discount	0	175,376	175,376
Balance at 30 June 2025	209,434	11,272,376	11,481,810
 Comprises			
Current	209,434	0	209,434
Non-current	0	11,272,376	11,272,376
	209,434	11,272,376	11,481,810

Other provisions

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

Provision for remediation

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

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

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

MATERIAL ACCOUNTING POLICIES

Provisions

Provisions are recognised when the City has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

17. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Note	2025 Actual \$	2024 Actual \$
Cash and cash equivalents	3	15,085,170	14,654,711
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	8,941,390	6,956,924
- Financial assets at amortised cost	4	42,250,000	44,500,000
		51,191,390	51,456,924
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	28	51,191,390	51,456,924
Total restricted financial assets		51,191,390	51,456,924

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

Net result		19,422,393	10,869,375
Non-cash items:			
Adjustments to fair value of financial assets at fair value through profit or loss		11,542	(5,469)
Depreciation/amortisation		19,886,213	20,085,513
(Profit)/loss on sale of asset		(55,556)	1,214,422
Grants received non-cash		(4,352,816)	(2,956,497)
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		(2,184,892)	17,090
(Increase)/decrease in other assets		1,680,192	(4,371,594)
(Increase)/decrease in inventories		234,091	(79,703)
Increase/(decrease) in trade and other payables		2,833,652	670,933
Increase/(decrease) in employee related provisions		288,972	615,813
Increase/(decrease) in other provisions		142,419	206,097
Increase/(decrease) in contract liabilities / unspent grants		(1,165,977)	946,983
Capital grants, subsidies and contributions		(18,969,257)	(10,805,021)
Net cash provided by/(used in) operating activities		17,770,976	16,407,942

(c) Undrawn Borrowing Facilities
Credit Standby Arrangements

Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	75,000	55,000
Credit card balance at balance date	0	0
Total amount of credit unused	75,000	55,000

Loan facilities

Loan facilities - current	1,013,885	1,264,027
Loan facilities - non-current	3,085,023	2,603,906
Total facilities in use at balance date	4,098,908	3,867,933

Unused loan facilities at balance date

NIL NIL

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

18. REVALUATION SURPLUS

	2025 Opening Balance	Total Movement on Revaluation	2025 Closing Balance	2024 Opening Balance	2024 Closing Balance
	\$	\$	\$	\$	\$
Land and buildings	71,122,805	0	71,122,805	71,122,805	71,122,805
Furniture and equipment	1,230,932	0	1,230,932	1,230,932	1,230,932
Plant and equipment	3,608,013	0	3,608,013	3,608,013	3,608,013
Paintings	406,769	0	406,769	406,769	406,769
Roads	95,260,987	0	95,260,987	95,260,987	95,260,987
Footpaths	2,699,385	0	2,699,385	2,699,385	2,699,385
Drainage	31,820,030	0	31,820,030	31,820,030	31,820,030
Parks, gardens and reserves	14,277,497	0	14,277,497	14,277,497	14,277,497
Other	36,727,844	0	36,727,844	36,727,844	36,727,844
	257,154,262	0	257,154,262	257,154,262	257,154,262

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CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

19. CONTINGENT LIABILITIES

The City, together with the Water Corporation, is part of a joint venture agreement ("JV") which owns a liquid waste facility. This facility is not in operation and is currently in care and maintenance. Indications from the Water Corporation is that this facility will not be used in the future. If at some point in the future the JV intends to decommission the facility, the JV will be liable for the associated decommissioning costs, however as at 30 June 2025 it is uncertain if and/or when this will occur. The City considers the decommissioning of the site a possible future obligation, however it is an uncertain future event that is not wholly within the control of the City.

20. CAPITAL COMMITMENTS

Contracted for:

- capital expenditure projects

Payable:

- not later than one year

2025	2024
\$	\$
4,026,139	3,965,645
4,026,139	3,965,645
4,026,139	3,965,645

The capital expenditure projects outstanding at the end of the current reporting period represent the Kalgan Fire Shed Construction, the Southern Ocean Surf Reef, the Little Grove Finger Jetty Replacement, and the Albany Motorsports Park Racetrack Construction.

The prior years commitments was for the Albany Surf Life Saving Club Redevelopment, Kalgan Fire Shed Construction, the Middleton Beach Public Toilet Refurbishment, the Construction of the Albany Tennis Centre and the Airport Drainage Upgrade.

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

21. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

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

Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
Mayor's annual allowance	97,115	97,115	93,380
Mayor's meeting attendance fees	51,412	51,412	49,373
Mayor's annual allowance for ICT expenses	3,500	3,500	3,493
Mayor's annual allowance for travel and accommodation expenses	50	50	50
	152,077	152,077	146,296
Deputy Mayor's annual allowance	24,279	24,279	22,717
Deputy Mayor's meeting attendance fees	34,278	34,278	30,364
Deputy Mayor's annual allowance for ICT expenses	3,500	3,500	3,493
Deputy Mayor's annual allowance for travel and accommodation expenses	50	50	50
	62,107	62,107	56,624
All other council member's meeting attendance fees	308,502	308,502	319,500
All other council member's annual allowance for ICT expenses	31,500	31,500	33,658
All other council member's annual allowance for travel and accommodation expenses	450	450	481
	340,452	340,452	353,639
21(b)	554,636	554,636	556,559

(b) Key Management Personnel (KMP) Compensation

City during the year are as follows:

Short-term employee benefits	1,097,525	994,722
Post-employment benefits	122,104	108,974
Employee - other long-term benefits	25,107	23,693
Council member costs	554,636	556,559
21(a)	1,799,372	1,683,948

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Council member costs

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

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

21. RELATED PARTY TRANSACTIONS

Transactions with related parties

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

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

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

	2025 Actual \$	2024 Actual \$
Sale of goods and services	10,731	2,465
Purchase of goods and services	1,056,125	15,778
Amounts outstanding from related parties:		
Trade and other receivables	1,378	0
Amounts payable to related parties:		
Trade and other payables	53,546	0

Related Parties

The City's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the City, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 21(a) and 21(b).

ii. Other Related Parties

During the previous year, a company controlled by a related party of a council member, was awarded a contract under the selective tender process on terms and conditions equivalent for those that prevail in arm's length transactions under the City's procurement process.

Short-term employee benefits related to an associate person of the CEO who was employed by the City under normal employment terms and conditions.

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.

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

22. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate
	%	\$	\$	\$
2025				
Cash and cash equivalents	4.25%	15,085,170	3,750,000	11,335,170
Financial assets at amortised cost - term deposits	4.62%	53,750,000	53,750,000	0
2024				
Cash and cash equivalents	4.62%	14,654,711	6,000,000	8,654,711
Financial assets at amortised cost - term deposits	5.07%	52,500,000	52,500,000	0

Sensitivity

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

Impact of a 1% movement in interest rates on profit or loss and equity*

* Holding all other variables constant

2025	2024
\$	\$
113,352	86,547

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).

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The City's major trade and other receivables comprise rates and charges 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.

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

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

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

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%	1.00%	2.50%	95.26%	
Gross carrying amount	2,539,143	66,998	2,965	480,017	3,089,123
Loss allowance	0	670	74	457,264	458,008
Other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	62,510	0	0	0	62,510
Loss allowance	0	0	0	0	0
30 June 2024					
Trade receivables					
Expected credit loss	12.77%	2.00%	68.13%	2.09%	
Gross carrying amount	1,385,123	160,794	225,542	15,279	1,786,738
Loss allowance	176,844	3,216	153,653	320	334,033
Other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	52,610	4,719	571	40,372	98,272
Loss allowance	0	0	0	0	0

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

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

	Trade receivables		Other receivables		Contract Assets	
	2025 Actual	2024 Actual	2025 Actual	2024 Actual	2025 Actual	2024 Actual
Opening loss allowance as at 1 July	\$ 334,033	\$ 88,687	\$ 0	\$ 0	\$ 0	\$ 0
Increase in loss allowance recognised in profit or loss during the year	149,881	308,432	0	0	0	0
Receivables written off during the year as uncollectible	(25,906)	(63,086)	0	0	0	0
Unused amount reversed	0	0	0	0	0	0
Closing loss allowance at 30 June	458,008	334,033	0	0	0	0

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

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

Contract Assets

The City's contract assets represent work completed, which have not been invoiced at year end. This is due to the City not having met all the performance obligations in the contract which give an unconditional right to receive consideration. The City applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. The City has determined that contract assets / grants receivables have significantly lower risk characteristics than other trade receivables. The City has therefore concluded that the expected credit loss rates for contract assets/grants receivable is nil.

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

22. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 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 amounts, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
2025					
Trade and other payables	12,779,988	0	0	12,779,988	12,779,988
Borrowings	1,173,961	2,148,911	1,365,366	4,688,238	4,098,908
Lease liabilities	230,711	241,288	0	471,999	471,999
	14,184,660	2,390,199	1,365,366	17,940,225	17,350,895
2024					
Trade and other payables	9,946,337	0	0	9,946,337	9,946,337
Borrowings	1,411,934	1,979,910	963,000	4,354,844	3,867,933
Lease liabilities	211,623	453,586	0	665,209	665,209
	11,569,894	2,433,496	963,000	14,966,390	14,479,479

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

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.

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

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

**CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

24. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

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

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

24. FUNCTION AND ACTIVITY

(a) Income and expenses

	2025 Actual	2024 Actual
	\$	\$
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions		
General purpose funding	50,935,153	48,280,720
Law, order, public safety	472,702	117,471
Health	118,049	123,027
Education and welfare	1,811,283	1,667,144
Community amenities	12,865,150	11,866,984
Recreation and culture	3,585,513	3,330,914
Transport	2,906,537	2,616,254
Economic services	2,419,287	2,255,380
Other property and services	1,412,138	1,979,678
	76,525,812	72,237,572
Grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	3,990	2,491
General purpose funding	4,010,143	5,462,609
Law, order, public safety	3,119,574	1,576,539
Education and welfare	60,788	68,018
Community amenities	302,220	177,827
Recreation and culture	17,000,967	7,010,191
Transport	11,243,471	9,348,947
Economic services	164,927	240,397
Other property and services	3,484,568	821,714
	39,390,648	24,708,733
Total Income	115,916,460	96,946,305
Expenses		
Governance	(4,656,150)	(4,887,920)
General purpose funding	(1,424,657)	(729,163)
Law, order, public safety	(5,292,768)	(3,702,089)
Health	(1,124,052)	(1,007,657)
Education and welfare	(2,540,768)	(2,400,512)
Community amenities	(15,804,491)	(14,637,512)
Recreation and culture	(30,224,306)	(24,782,784)
Transport	(25,947,791)	(24,575,067)
Economic services	(5,249,477)	(5,140,412)
Other property and services	(4,229,607)	(4,213,814)
Total expenses	(96,494,067)	(86,076,930)
Net result for the period	19,422,393	10,869,375
(b) Total Assets		
Governance	45,836,212	44,155,278
General purpose funding	818,674	845,766
Law, order, public safety	6,198,991	5,651,567
Health	217,011	226,077
Education and welfare	861,982	785,423
Community amenities	39,017,498	35,078,357
Recreation and culture	112,004,227	114,196,736
Transport	389,318,089	377,188,009
Economic services	16,324,300	16,666,994
Other property and services	73,860,548	71,931,155
Unallocated	24,736,631	20,909,578
	709,194,163	687,634,940

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

25. RATING INFORMATION

(a) General Rates

RATE TYPE				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	2024/25 Budget Interim Rate	2024/25 Budget Total Revenue	2023/24 Actual Total Revenue
Rate Description	Basis of valuation	Rate in \$	Number of Properties	\$	\$	\$	\$	\$	\$	\$	\$
Residential	Gross rental valuation	11.0873	16,324	365,857,188	40,563,684	352,018	40,915,702	40,570,682	210,000	40,780,682	38,879,734
Rural	Unimproved valuation	0.2815	837	1,071,051,510	3,015,010	0	3,015,010	3,015,010	0	3,015,010	3,098,656
Total general rates			17,161	1,436,908,698	43,578,694	352,018	43,930,712	43,585,692	210,000	43,795,692	41,978,390
Minimum Payment \$											
Residential	Gross rental valuation	1,222	1,104	7,082,600	1,349,088	0	1,349,088	1,349,088	0	1,349,088	1,337,150
Rural	Unimproved valuation	1,316	830	263,033,437	1,092,280	0	1,092,280	1,092,280	0	1,092,280	848,360
Total minimum payments			1,934	270,116,037	2,441,368	0	2,441,368	2,441,368	0	2,441,368	2,185,510
Total general rates and minimum payments			19,095	1,707,024,735	46,020,062	352,018	46,372,080	46,027,060	210,000	46,237,060	44,163,900
Ex-gratia Rates											
		Rate in \$									
		0.1089	4	1,249,120	156,192	0	156,192	150,000	0	150,000	150,660
Total amount raised from rates (excluding general rates)			4	1,249,120	156,192	0	156,192	150,000	0	150,000	150,660
Rates assessment write-offs							(574)			(3,000)	(147,610)
Total Rates							46,527,698			46,384,060	44,166,950
Rate instalment interest							154,969			130,000	148,226
Rate overdue interest							213,661			157,575	187,868

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

*Rateable Value at time of raising of rate.

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

26. DETERMINATION OF SURPLUS OR DEFICIT

	Note	2024/25 (30 June 2025 Carried Forward) \$	2024/25 Budget (30 June 2025 Carried Forward) \$	2023/24 (30 June 2024 Carried Forward) \$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals		(172,214)	(23,662)	(415,427)
Less: Fair value adjustments to financial assets at fair value through profit or loss		11,542	0	(5,469)
Add: Implicit interest		0	185,143	0
Less: Gain on Sublease		(191,480)	0	0
Add: Loss on disposal of assets		116,658	582,423	1,629,849
Add: Depreciation	10(a)	19,886,213	18,858,067	20,085,513
Non-cash movements in non-current assets and liabilities:				
Pensioner deferred rates		(86,394)	0	(144,433)
Finance Lease Receivable		8,078	0	5,537
Employee benefit provisions		43,345	0	71,581
Other provisions		175,376	0	172,207
Capital grant/contributions liabilities		15,124	0	55,654
Lease liabilities		0	0	0
Non-cash amounts excluded from operating activities		19,806,248	19,601,971	21,455,012
(b) Non-cash amounts excluded from investing activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to investing activities				
Non cash capital grants, subsidies and contributions		(4,352,816)	0	(2,956,497)
Non-cash amounts excluded from investing activities		(4,352,816)	0	(2,956,497)
(c) Surplus or deficit after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserve accounts	28	(51,191,390)	(40,562,114)	(51,456,924)
Less: Financial assets at amortised cost - self supporting loans	4(a)	(15,550)	(15,074)	(15,074)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	14	1,013,885	1,019,890	1,264,027
- Current portion of lease liabilities	11(b)	230,711	202,474	211,621
Total adjustments to net current assets		(49,962,344)	(39,354,824)	(49,996,350)
Net current assets used in the Statement of Financial Activity				
Total current assets		80,793,355	61,500,688	79,111,610
Less: Total current liabilities		(24,516,746)	(22,145,864)	(22,882,580)
Less: Total adjustments to net current assets		(49,962,344)	(39,354,824)	(49,996,350)
Surplus or deficit after imposition of general rates		6,314,265	0	6,232,680

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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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
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ALAC Redevelopment		784,416	0	(178,116)	606,300	0	(189,606)	416,694	606,300	0	(189,606)	416,694
ALAC Redevelopment		881,754	0	(152,576)	729,178	0	(163,631)	565,547	729,178	0	(163,632)	565,546
Town Square Upgrade		60,320	0	(60,320)	0	0	0	0	0	0	0	0
Forts Entrance and Public Space		60,320	0	(60,320)	0	0	0	0	0	0	0	0
Centennial Park Stage 1		250,598	0	(124,117)	126,481	0	(126,481)	0	0	0	0	0
Town Hall		798,842	0	(261,576)	537,266	0	(266,253)	271,013	537,266	0	(266,253)	271,013
Emu Point Boat Pens		1,257,754	0	(64,512)	1,193,242	0	(66,173)	1,127,069	1,193,242	0	(66,174)	1,127,068
Roadworks - 03/04		68,980	0	(68,980)	0	0	0	0	0	0	0	0
Roadworks - 04/05		319,698	0	(155,250)	164,448	0	(164,448)	0	164,448	0	(164,448)	0
Stirling Terrace Upgrade		48,256	0	(48,256)	0	0	0	0	0	0	0	0
Forts Cafe, Retail & Admin Upgrade		72,385	0	(72,385)	0	0	0	0	0	0	0	0
Visitor Centre Building		434,703	0	(104,044)	330,659	0	(107,074)	223,585	330,659	0	(107,074)	223,585
Admin Building 1		181,306	0	(88,045)	93,261	0	(93,261)	0	93,261	0	(93,261)	0
Land - Lake Warburton Road		171,256	0	(84,158)	87,098	0	(87,098)	0	87,097	0	(87,097)	0
Artificial Surf Reef		0	0	0	0	1,495,000	0	1,495,000	0	1,495,000	0	1,495,000
Total		5,390,588	0	(1,522,655)	3,867,933	1,495,000	(1,264,025)	4,098,908	3,741,451	1,495,000	(1,137,545)	4,098,906

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

27. BORROWING AND LEASE LIABILITIES (Continued)

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
ALAC Redevelopment	30	WATC*	6.35%	28/06/2027	\$ (40,347)	\$ (35,537)	\$ (52,938)
ALAC Redevelopment	32	WATC*	7.12%	26/06/2028	(54,425)	(49,056)	(66,442)
Town Square Upgrade	33	WATC*	4.39%	2/04/2024	0	0	(1,724)
Forts Entrance and Public Space	36	WATC*	4.39%	2/04/2024	0	0	(1,724)
Centennial Park Stage 1	37	WATC*	3.81%	1/07/2024	0	0	(9,481)
Town Hall	44	WATC*	1.78%	6/06/2026	(11,231)	(10,073)	(17,767)
Emu Point Boat Pens	46	WATC*	2.56%	6/06/2039	(38,216)	(35,845)	(40,360)
Roadworks - 03/04	23	CBA**	6.62%	29/06/2024	0	0	(3,548)
Roadworks - 04/05	28	WATC*	5.84%	28/06/2025	(9,114)	(7,800)	(19,268)
Stirling Terrace Upgrade	34	WATC*	4.39%	2/04/2024	0	0	(1,379)
Forts Cafe, Retail & Admin Upgrade	35	WATC*	4.39%	2/04/2024	0	0	(2,068)
Visitor Centre Building	43	WATC*	2.89%	15/06/2027	(10,743)	(10,041)	(14,513)
Admin Building 1	25	WATC*	5.84%	29/04/2025	(4,064)	(4,726)	(9,999)
Land - Lake Warburton Road	40	WATC*	2.37%	23/06/2025	(2,638)	(2,376)	(6,175)
Artificial Surf Reef	47	WATC*	4.27%	29/05/2032	(6,671)	0	0
Total					(177,449)	(155,454)	(247,386)
Total Finance Cost Payments					(177,449)	(155,454)	(247,386)

* WA Treasury Corporation

** Commonwealth Bank of Australia

(b) New Borrowings - 2024/25

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2025 Actual	2025 Budget	2025 Actual	2025 Budget		
				%	\$	\$	\$	\$	\$	\$
Artificial Surf Reef	WATC	NEW	7	4.27%	1,495,000	1,495,000	1,495,000	1,495,000	(6,671)	0
					1,495,000	1,495,000	1,495,000	1,495,000	(6,671)	0

CITY OF ALBANY
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27. BORROWING AND LEASE LIABILITIES (Continued)

(c) Lease Liabilities

Actual										Budget			
Purpose	Note	Principal at 1 July 2023	New Leases During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024	New Leases 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	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
ALAC Biofuels		830,013	0	(184,057)	645,956	0	(193,101)	452,855	661,812	0	(202,474)	459,338	
Emu Point Reserve		19,354	0	(101)	19,253	0	(109)	19,144	19,253	0	(101)	19,152	
Total Lease Liabilities	11(b)	849,367	0	(184,158)	665,209	0	(193,210)	471,999	681,065	0	(202,575)	478,490	
Lease Finance Cost Payments													
Purpose	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	Lease Term						
				\$	\$	\$							
ALAC Biofuels	Blue Sky Renewables	1.63%	30/06/2027	(12,091)	(8,873)	(15,158)	10 Years						
Emu Point Reserve	Department of Planning, et al	4.90%	1/07/2071	(894)	(894)	(899)	50 Years						
Total Finance Cost Payments				(12,985)	(9,767)	(16,057)							

CITY OF ALBANY
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FOR THE YEAR ENDED 30 JUNE 2025

28. RESERVE ACCOUNTS

	2025 Actual Opening Balance	2025 Actual Transfer to	2025 Actual Transfer (from)	2025 Actual Closing Balance	2025 Budget Opening Balance	2025 Budget Transfer to	2025 Budget Transfer (from)	2025 Budget Closing Balance	2024 Actual Opening Balance	2024 Actual Transfer to	2024 Actual Transfer (from)	2024 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by legislation/agreement												
(a) Public Open Space	271,200	0	0	271,200	163,800	0	0	163,800	93,800	177,400	0	271,200
(b) Emu Point Marina	70,504	54,605	(42,436)	82,673	101,103	50,000	(15,000)	136,103	66,103	40,780	(36,379)	70,504
	341,704	54,605	(42,436)	353,873	264,903	50,000	(15,000)	299,903	159,903	218,180	(36,379)	341,704
Restricted by council												
(c) Airport	6,901,135	3,137,478	(1,417,473)	8,621,140	7,361,274	2,697,933	(1,432,194)	8,627,013	5,832,068	3,155,518	(2,086,451)	6,901,135
(d) Albany Entertainment Centre	0	0	0	0	0	0	0	0	383,618	0	(383,618)	0
(e) ALAC Synthetic Surface "Carpet"	0	0	0	0	0	0	0	0	76,910	25,000	(101,910)	0
(f) Parking, Bridges & Marine Infrastructure	816,886	296,238	0	1,113,124	801,600	296,238	(100,000)	997,838	278,455	538,431	0	816,886
(g) Emu Point Boat Pens Development	0	0	0	0	0	0	0	0	355,331	169,592	(524,923)	0
(h) Masterplan Funding	0	0	0	0	0	0	0	0	68,311	0	(68,311)	0
(i) National Anzac Centre	710,352	1,058,551	(773,853)	995,050	675,303	119,449	(176,383)	618,369	623,871	920,471	(833,990)	710,352
(j) Parks, Recreations Grounds and Trails	1,948,247	342,735	(306,741)	1,984,241	1,848,715	342,735	(880,435)	1,311,015	1,813,164	1,044,787	(909,704)	1,948,247
(k) Plant & Equipment	2,513,022	610,536	(500,000)	2,623,558	2,003,592	557,266	(821,000)	1,739,858	1,993,478	519,544	0	2,513,022
(l) Roadworks, Drainage & Paths	4,181,845	3,591,005	(2,387,217)	5,385,633	4,692,736	3,481,218	(6,741,211)	1,432,743	5,703,875	550,627	(2,072,657)	4,181,845
(m) Waste Management	8,124,752	1,545,188	(1,513,592)	8,156,348	7,471,463	1,425,517	(4,833,504)	4,063,476	7,687,672	1,528,338	(1,091,258)	8,124,752
(n) Refuse Collection & Waste Minimisation	4,371,981	11,567,724	(12,142,978)	3,796,727	4,653,474	10,400,343	(11,652,866)	3,400,951	4,773,078	10,569,270	(10,970,367)	4,371,981
(o) Building Restoration	2,634,032	540,669	(1,341,615)	1,833,086	2,521,779	540,669	(1,460,000)	1,602,448	1,134,051	1,499,981	0	2,634,032
(p) Debt Management	5,994,260	643,219	(1,494,967)	5,142,512	5,633,507	328,276	(1,753,164)	4,208,619	5,524,177	1,370,083	(900,000)	5,994,260
(q) Land Acquisition	1,181,807	62,093	0	1,243,900	770,566	20,000	0	790,566	735,191	446,616	0	1,181,807
(r) Coastal Management	2,106,069	362,077	0	2,468,146	2,009,558	187,907	(95,000)	2,102,465	1,758,136	347,933	0	2,106,069
(s) Information Technology	1,830,061	497,299	(840,000)	1,487,360	1,778,952	146,553	(840,000)	1,085,505	931,052	899,009	0	1,830,061
(t) Destination Marketing & Economic Development	0	0	0	0	0	0	0	0	477,742	0	(477,742)	0
(u) Albany Heritage Park Infrastructure	0	0	0	0	0	0	0	0	432,034	0	(432,034)	0
(v) Unspent Grants	5,166,119	3,250,579	(5,166,119)	3,250,579	5,166,118	5,372,763	(5,166,118)	5,372,763	5,761,712	5,166,119	(5,761,712)	5,166,119
(w) Cheynes Beach	0	0	0	0	0	0	0	0	324,397	100,821	(425,218)	0
(x) Centennial Park Stadium and Pavilion Renewal	385,368	105,323	(29,272)	461,419	330,625	112,344	(90,799)	352,170	309,080	98,611	(22,323)	385,368
(y) Great Southern Contiguous Local Authorities Group (CLAG)	7,000	1,000	0	8,000	7,000	1,000	0	8,000	6,000	1,000	0	7,000
(z) Town Hall	0	0	0	0	0	0	0	0	201,445	137,543	(338,988)	0
(aa) Developer Contributions (Non current)	906,187	15,124	0	921,311	1,002,925	0	0	1,002,925	850,531	68,913	(13,257)	906,187
(ab) Albany's Bicentenary	1,336,097	500,000	(490,714)	1,345,383	1,336,097	463,903	(254,514)	1,545,486	836,097	500,000	0	1,336,097
(ac) Albany Day Care	0	0	0	0	0	0	0	0	129,828	1,667,144	(1,796,972)	0
	51,115,220	28,126,838	(28,404,541)	50,837,517	50,065,284	26,494,114	(36,297,188)	40,262,210	49,001,304	31,325,351	(29,211,435)	51,115,220
	51,456,924	28,181,443	(28,446,977)	51,191,390	50,330,187	26,544,114	(36,312,188)	40,562,113	49,161,207	31,543,531	(29,247,814)	51,456,924

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

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28. RESERVE ACCOUNTS (continued)

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

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

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29. TRUST FUNDS

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

	1 July 2024	Amounts Received	Amounts Paid	30 June 2025
	\$	\$	\$	\$
Commission Sales - AVC	21,222	0	(21,222)	0
Lotteries House Photocopier	11,799	0	(5,111)	6,688
Lotteries House Management	143,120	0	0	143,120
Unclaimed Monies	5,456	0	(2,118)	3,338
WAPC - POS	35,825	0	0	35,825
Public Appeals Revenue	5,054	0	0	5,054
	222,476	0	(28,451)	194,025

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