



City of Nedlands

LATE ITEM

Audit Risk and Improvement Committee Meeting

Wednesday, 06 August 2025



9.2 Draft June 2025 Financial Report

Report Number	ARC77.08.25
Meeting & Date	Audit Risk and Improvement Committee – 06 August 2025
Applicant	City of Nedlands
Employee Disclosure under section 5.70 Local Government Act 1995	Nil
Report Author	Mark Ponton – Accountant
Director	John Vojkovich - Acting Director Corporate Services
Attachments	Attachment 1 - Statement of Financial Activity – 30 June 2025 Statement of Net Current Assets – 30 June 2025 Statement of Comprehensive Income – 30 June 2025 Statement of Financial Position – 30 June 2025 Reserve Movements – 30 June 2025 Borrowings – 30 June 2025

Purpose

Administration is required to provide Council with a monthly financial report in accordance with regulation 34(1) of the *Local Government (Financial Management) Regulations 1996*. The monthly financial variance from the budget of each business unit is reviewed with the respective manager and the Executive to identify the need for any remedial action. Material variances are highlighted to Council in the attached Monthly Financial Report.

Recommendation

The Committee RECEIVES the Monthly Financial Report for 30 June 2025.

Voting Requirement

Simple Majority

Background

The opening position is a preliminary result for the year ended 30 June 2024 as the Financial Statements for 2023/24 are still being finalised with the auditor and as a result will be subject to change. Further to this the results for June 2025 were delayed due to the Authority accounting system outage and the absence of key staff in the Finance team. While the accounts presented in this report have been reconciled, any subsequent adjustments for June 2025 will be adjusted to the audited Financial Statements.



This monthly financial report has been prepared on the same basis as any other month in the reporting cycle and does not include any year end accounting adjustments. These accounting adjustments will be made in the accounting ledger in Period 13 which preserves the integrity of monthly reporting to Council.

The report references budget differences in the variance analysis. The materials supporting the preparation of the approved budget are not available at the level of granularity to provide meaningful comparisons.

The report is presented in a draft format and will be finalised for presentation at the Ordinary Council Meeting on 19 August 2025. The following activities will be completed in preparing a final report:

- Capital Works Program Investments Report
- Investment Report
- Accounts Payable including fuel card and purchasing card

Discussion

The monthly financial management report meets the requirements of regulation 34(1), 34(3), and 34(5) of the *Local Government (Financial Management) Regulations 1996*.

The attached report shows the month end position as at the end of June 2025.

The municipal closing surplus as of 30 June 2025 is \$4,747,131 which is a \$4,683,181 favourable variance, compared to a budgeted surplus for the same period of \$63,950.

The operating revenue at the end of June 2025 was \$39,866,363 which represents a \$1,244,577 favourable variance compared to the year-to-date budget of \$38,621,786, primarily in Rates and Fees and Charges.

The operating expense at the end of June 2025 was \$41,136,341 which represents a \$645,538 favourable variance compared to the year-to-date budget of \$41,781,879, primarily in Employee costs and Materials & Contracts.

The attached Statement of Financial Activity compares Actuals with Amended Budget by Nature or Type as per regulation 34 (3) of the *Local Government Financial Management Regulations 1996*. Material variances, as defined by a previous decision of Council, from the budget of revenue and expenditure are detailed below.

Operating Activities

Operating grants, subsidies, and contributions

Favourable variance of \$619,914, mainly due to timing of receipt of WALGA grants.

Fees and charges



Favourable variance of \$409,552 primarily due to waste minimisation revenue upfront billing and monthly budget phasing/timing due to budget differences.

Interest earnings

Unfavourable variance of \$305,017 primarily due to budget differences.

Other revenue

Favourable variance of \$188,163 primarily due to budget differences.

Profit on disposal of assets

Favourable variance of \$169,555, mainly due to profit on sale of Machinery.

Employee costs

No variance analysis required as variance to budget is less than 10%.

Materials and contracts

Favourable variance of \$1,666,446 primarily due to budget differences.

Utility charges

Unfavourable variance of \$115,041 due to underbudget for the cost of electricity.

Depreciation and amortisation

No variance analysis required as variance to budget is less than 10%.

Insurance expenses

No variance analysis required as variance to budget is less than 10%.

Interest expenses

Favourable variance of \$65,651 due to budget differences.

Other expenditure

Unfavourable variance of \$392,197 due to various item expenditure throughout the business.

Investing Activities

Non-operating grants, subsidies, and contributions

Unfavourable variance of \$2,568,761 primarily due to timing of grant receipts for example financial assistance grants and Main road project funds are received after completion. Budget timing also contributes to the variance.

Proceeds from disposal of assets

Favourable variance of \$169,555 due to budget differences.

Purchase of property, plant, and equipment

Favourable variance of \$474,469 primarily due to budget phasing of capital projects and a lower staff cohort to deliver projects.

**Purchase and construction of infrastructure**

Favourable variance of \$5,445,029 primarily due to invoice delays and organisational movements. Various projects carried forward to 25-26 financial year to be completed before December 2025.

Financing Activities**Repayment of borrowings**

No variance analysis required as variance to budget is less than \$50,000.

Proceeds from borrowings

No variance analysis required as variance to budget is less than \$50,000.

Payment for principal portion of lease liability

Budgeted figure to be reviewed based on lease agreement.

Transfer to and from reserves

Unfavourable variance of \$110,500 for transfers to reserves and unfavourable variance for transfers from reserves of \$89,093 is due to timing of city projects which will be reviewed and assessed before the end of the financial year.

Rates Receivable

Outstanding rates debtors are \$812,185 as of 30 June 2025 compared to \$831,520 as of 30 June 2024. Breakdown as follows:

Receivable	30 June 2025 (\$)	30 June 2024 (\$)	Variance (\$)
Rates & UGP	301,267	346,138	(44,871)
Rubbish & Pool	69,352	69,237	116
Pensioner Rebates	379,232	358,257	20,975
ESL	62,334	57,888	4,446
Total	812,185	831,520	(19,335)

Employee Data

Description	Number
Headcount (Active Employees including FT, PT, & Casual)	157
Occupied FTE (FT & PT)	126
Occupied FTE (Casual)	10
No. of contract employees (Temporary/Agency)	10

The figures are reported at the end of the calendar month of June 2025.

Consultation



Nil

Strategic Implications

This item is strategically aligned to the City of Nedlands Council Plan 2023-33 vision and desired outcomes as follows:

Vision	Sustainable and responsible for a bright future
Pillar	Performance
Outcome	11. Effective leadership and governance.

Budget/Financial Implications

At the Special Council Meeting on 11 August 2022, item CPS36.08.22, Council adopted the following thresholds for the reporting of material financial variances in the monthly statement of financial activity reports:

- a. Operating items – Greater than 10% and a value greater than \$20,000
- b. Capital items – Greater than 10% and a value greater than \$50,000

pursuant to regulation 34(5) of the *Local Government (Financial Management) Regulations 1996*, and *Australian Accountings Standard AASB 1031 Materiality*.

Legislative and Policy Implications

[Local Government Act 1995, Local Government \(Financial Management\) Regulations 1996](#), and *Australian Accounting Standards*.

Decision Implications

Nil

The municipal surplus as of 30 June 2025 is \$4,747,131 which is favourable, compared to a budgeted surplus for the same period of \$63,950.

The operating revenue at the end of June 2025 was \$39,866,363 which represents a \$1,244,577 favourable variance compared to the year-to-date budget of \$38,621,786 primarily in Operating grants, subsidies and contributions, and Fees and Charges.



The operating expense at the end of June 2025 was \$41,136,341, which represents a \$645,538 favourable variance compared to the year-to-date budget of \$41,781,879, primarily in Materials and Contracts.

Further Information

Nil



City of Nedlands Statement of Financial Activity

By Nature or Type
For the Period 01-Jul-2024 to 30-Jun-2025

	Amended Budget	Amended Budget YTD	Actuals YTD	Variance (\$) YTD	Variance (%) YTD
Operating Activities					
Net current assets - Opening surplus/(deficit)	2,685,487	2,685,487	2,241,427	(444,060)	(16.54)%
Revenue					
Operating grants, subsidies and contributions	193,023	193,023	812,937	619,914	321.16 %
Fees and charges	8,737,755	8,737,755	9,147,307	409,552	4.69 %
Interest earnings	1,495,430	1,495,430	1,190,413	(305,017)	(20.40)%
Other revenue	221,265	221,265	409,428	188,163	85.04 %
Profit on disposal of assets	220,821	220,821	390,376	169,555	76.78 %
	10,868,294	10,868,294	11,950,461	1,082,167	9.96 %
Expenses					
Employee costs	(15,650,697)	(15,650,697)	(16,306,382)	(655,685)	(4.19)%
Materials and contracts	(14,732,299)	(14,732,299)	(13,065,853)	1,666,446	11.31 %
Utility charges	(856,644)	(856,644)	(971,685)	(115,041)	(13.43)%
Depreciation and amortisation	(9,206,862)	(9,206,862)	(9,133,304)	73,558	0.80 %
Insurance expenses	(465,614)	(465,614)	(462,808)	2,806	0.60 %
Interest expenses	(221,309)	(221,309)	(155,658)	65,651	29.66 %
Other expenditure	(648,454)	(648,454)	(1,040,651)	(392,197)	(60.48)%
Loss on disposal of assets	0	0	(958)	(958)	No Budget
	(41,781,879)	(41,781,879)	(41,137,299)	644,580	(1.54)%
Non-cash amounts excluded from operating activities	8,589,061	8,986,041	8,830,692	(155,349)	(1.73)%
Amount attributable to operating activities	(19,639,037)	(19,242,057)	(18,114,719)	1,127,338	5.86 %
Investing Activities					
Non-operating grants, subsidies and contributions	3,372,555	3,372,555	803,794	(2,568,761)	(76.17)%
Proceed on Sale of Assets	438,852	220,821	390,376	169,555	76.78 %
Purchase of property, plant, and equipment	(1,038,935)	(1,038,935)	(564,466)	474,469	45.67 %
Purchase and construction of infrastructure	(11,243,648)	(11,243,648)	(5,798,619)	5,445,029	48.43 %
Amount attributable to investing activities	(8,471,176)	(8,689,207)	(5,168,914)	3,520,293	40.51 %
Financing Activities					
Repayment of borrowings	(863,531)	(863,531)	(901,182)	(37,651)	(4.36)%
Proceeds from borrowings	4,257,158	4,257,158	4,257,158	0	0.00 %
Recoup from self supporting loans	16,312	16,312	12,234	(4,078)	(25.00)%
Payments for principal portion of lease liability	(17,076)	(17,076)	(161,261)	(144,185)	(844.38)%
Transfers to reserves	(4,685,691)	(4,685,691)	(4,796,191)	(110,500)	(2.36)%
Transfers from reserves	1,313,729	1,313,729	1,402,822	89,093	6.78 %
	0				
Amount attributable to financing activities	20,901	20,901	(186,420)	(207,321)	(991.92)%
Surplus/(deficit) before imposition of general rates	(27,974,313)	(27,910,363)	(23,470,054)	4,440,309	15.91 %
Total amount raised by general rates	27,974,313	27,974,313	28,306,278	331,965	1.19 %
Surplus/(deficit) after imposition of general rates	0	63,950	4,836,224	4,772,274	7462.51 %



City of Nedlands

Net Current Assets

	Balance As At 1-Jul-24	Balance As At 30-Jun-25
Current Assets		
Cash and cash equivalents	13,897,174	19,956,300
Other Financial Assets	18,076	(4,565)
Trade and other receivables	2,365,181	2,208,910
Inventories	13,627	13,627
Other assets	552,655	461,046
Total Current Assets	16,846,713	22,635,318
Current Liabilities		
Trade and other payables	(3,616,785)	(4,742,763)
Lease Liabilities	(161,257)	(202,581)
Borrowings	(515,036)	0
Grant and contract liabilities	0	(629,167)
Provisions	(2,651,605)	(981,408)
Other liabilities	(359,269)	(97,395)
Total Current Liabilities	(7,303,952)	(6,653,314)
Adjustments to NCA		
Less: Reserves	(7,959,557)	(11,352,926)
Less: Restricted Cash	0	0
Less: Self Supporting Loans	(18,076)	4,565
Add: Borrowings	515,037	(0)
Add: Leases	161,261	202,581
Total Adjustments	(7,301,334)	(11,145,781)
Net Current Assets	2,241,427	4,836,224



City of Nedlands

Statement of Comprehensive Income

By Nature or Type
For the Period 01-Jul-2024 to 30-Jun-2025

	Adopted Budget	Amended Budget	Amended Budget YTD	Actuals YTD
Revenue				
Rates	27,859,313	27,974,313	27,974,313	28,306,278
Operating grants, subsidies and contributions	150,112	193,023	193,023	812,937
Fees and charges	9,289,708	8,737,755	8,737,755	9,147,307
Interest earnings	1,045,430	1,495,430	1,495,430	1,190,413
Other revenue	195,751	221,265	221,265	409,428
	38,540,314	38,621,786	38,621,786	39,866,363
Expenses				
Employee costs	(16,632,549)	(15,650,697)	(15,650,697)	(16,306,382)
Materials and contracts	(14,143,981)	(14,732,299)	(14,732,299)	(13,065,853)
Utility charges	(805,723)	(856,644)	(856,644)	(971,685)
Depreciation and amortisation	(9,210,126)	(9,206,862)	(9,206,862)	(9,133,304)
Insurance expenses	(461,818)	(465,614)	(465,614)	(462,808)
Other expenditure	(648,454)	(648,454)	(648,454)	(1,040,651)
Interest expenses	(128,062)	(221,309)	(221,309)	(155,658)
	(42,030,713)	(41,781,879)	(41,781,879)	(41,136,341)
Net Operating	(3,490,399)	(3,160,093)	(3,160,093)	(1,269,978)
Non-operating grants, subsidies and contributions	3,574,980	3,372,555	3,372,555	803,794
Profit on Disposal of Assets	220,821	220,821	220,821	390,376
Loss on Disposal of Assets	0	0	0	(958)
	3,795,801	3,593,376	3,593,376	1,193,211
Net Result for the Period	305,402	433,283	433,283	(76,767)
Other Comprehensive Income				
	0	0	0	0
Total Other Comprehensive Income	0	0	0	0
Total Comprehensive Income for the Period	305,402	433,283	433,283	(76,767)



City of Nedlands

Statement of Financial Position

	Balance As At 1-Jul-24	Balance As At 30-Jun-25
Assets		
Current Assets		
Cash and cash equivalents	13,897,174	19,956,300
Other Financial Assets	18,076	(4,565)
Trade and other receivables	2,365,181	2,208,910
Inventories	13,627	13,627
Other assets	552,655	461,046
Total Current Assets	16,846,713	22,635,318
Non Current Assets		
Trade and other receivables	916,010	889,496
Other Financial Assets	163,834	163,834
Property, plant and equipment	102,515,441	101,158,972
Infrastructure	244,810,907	243,468,577
Right of Use Assets	470,860	339,894
Intangible assets	0	22,422
Total Non Current Assets	348,877,052	346,043,194
Total Assets	365,723,765	368,678,513
Liabilities		
Current Liabilities		
Trade and other payables	(3,616,785)	(4,742,763)
Lease Liabilities	(161,257)	(202,581)
Borrowings	(515,036)	0
Grant and contract liabilities	0	(629,167)
Provisions	(2,651,605)	(981,408)
Other liabilities	(359,269)	(97,395)
Total Current Liabilities	(7,303,952)	(6,653,314)
Non Current Liabilities		
Borrowings	(410,319)	(4,200,121)
Lease Liabilities	(320,985)	(213,341)
Provisions	(495,935)	(495,935)
Total Non Current Liabilities	(1,227,239)	(4,909,397)
Total Liabilities	(8,531,191)	(11,562,711)
Equity		
Retained surplus	(82,073,728)	(78,603,586)
Reserves - cash backed	(7,959,557)	(11,352,926)
Revaluation surplus	(267,159,289)	(267,159,289)
Total Equity	(357,192,574)	(357,115,801)



City of Nedlands Reserve Movements

For the Period 01-Jul-2024 to 30-Jun-2025

Reserve	Amended Budget				Actuals YTD			
	Opening Balance	Transfer To	Transfer From	Closing Balance	Opening Balance	Transfer To	Transfer From	Closing Balance
Plant Replacement Reserve	130,810	0	0	130,810	292,395	0	0	292,395
City Development Reserve	668,977	0	(600,000)	68,977	788,898	0	(600,000)	188,898
North Street Reserve	1,455	0	0	1,455	158,951	0	0	158,951
Welfare Reserve	301,573	0	(142,290)	159,283	350,538	0	(142,290)	208,248
Service Reserve	17,364	0	0	17,364	28,968	0	0	28,968
Insurance Reserve	67,939	0	0	67,939	67,939	0	0	67,939
Underground Power Projects	3,012,310	975,076	(131,988)	3,855,398	3,125,714	975,076	(131,988)	3,968,802
Waste Management Reserve	580,585	1,329,745	0	1,910,330	1,008,922	1,329,745	0	2,338,667
Building Replacement Reserve	358,292	278,593	(306,750)	330,135	651,904	278,593	(306,750)	623,747
Swanbourne Development Reserve	0	0	0	0	1,490	0	0	1,490
Public Art Reserve	47,334	0	0	47,334	47,334	0	0	47,334
Business System Reserve	34,960	0	0	34,960	113,143	0	0	113,143
All Abilities Play Space	442,993	0	(25,000)	417,993	467,250	0	(25,000)	442,250
Major Projects	0	1,502,277	(50,000)	1,452,277	200,000	1,502,277	(50,000)	1,652,277
Lawler Park Infrastructure Reserve	0	0	0	0	0	0	0	0
Cash-in-lieu of Public Open Space	298,763	0	0	298,763	409,317	110,500	0	519,817
PRCC Reserve	102,122	0	(7,701)	94,421	96,794	0	(96,794)	0
Riverwall Maintenance Reserve	150,000	0	(50,000)	100,000	150,000	0	(50,000)	100,000
Laneway Reserve	0	600,000	0	600,000	0	600,000	0	600,000
Reserve Total	6,215,477	4,685,691	(1,313,729)	9,587,439	7,959,557	4,796,191	(1,402,822)	11,352,926



City of Nedlands Borrowings

For the Period 01-Jul-2024 to 30-Jun-2025

Loan Description				Adopted Budget				Amended Budget				Actuals YTD					
	Loan Number	Institution	Interest Rate	Opening Balance	New Loans	Repayment	Closing Balance	Opening Balance	New Loans	Repayment	Closing Balance	Opening Balance	New Loans	Repayment	Closing Balance	Interest	
Building Infrastructure	183	WATC	2.78%	184,059	0	(200,683)	(16,624)	184,059	0	(200,683)	(16,624)	184,059	0	(184,058)	1	(3,201)	
Building Infrastructure	184	WATC	3.12%	229,386	0	(151,733)	77,653	229,386	0	(151,733)	77,653	229,386	0	(151,732)	77,654	(5,393)	
Building Infrastructure	185	WATC	3.12%	108,563	0	(71,812)	36,751	108,563	0	(71,812)	36,751	108,563	0	(71,812)	36,752	(2,552)	
Dalkeith Bowling Club	186	WATC	3.07%	19,929	0	(15,882)	4,047	19,929	0	(15,882)	4,047	19,929	0	(15,882)	4,047	(430)	
Underground Power - West Hollywood	188	WATC	3.07%	306,788	0	(73,254)	233,534	306,788	0	(73,254)	233,534	306,788	0	(72,415)	234,373	(10,257)	
Underground Power - Alfred & Mt Claremont	189	WATC	3.07%	44,808	0	(10,699)	34,109	44,808	0	(10,699)	34,109	44,808	0	(11,731)	33,077	(344)	
Underground Power - Alderbury	190	WATC	3.07%	31,822	0	(7,598)	24,224	31,822	0	(7,598)	24,224	31,822	0	(8,331)	23,491	(244)	
Underground Power - Nedlands North	191	WATC	4.66%	0	4,257,158	0	4,257,158	0	4,257,158	0	4,257,158	0	4,257,158	(385,221)	3,871,937	(91,120)	
				925,356	4,257,158	(531,661)	4,650,853	925,356	4,257,158	(531,661)	4,650,853	925,356	4,257,158	(901,182)	4,281,332	(113,542)	