



Auditor General

INDEPENDENT AUDITOR'S REPORT 2025 Shire of Exmouth

To the Council of the Shire of Exmouth

Opinion

I have audited the financial report of the Shire of Exmouth (Shire) which comprises:

- the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of financial activity for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial report :

- is based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2025 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2025, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to

the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer (CEO) of the Shire is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Shire's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality management relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Exmouth for the year ended 30 June 2025 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.



Tim Sanya
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
3 December 2025

SHIRE OF EXMOUTH
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

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The Shire of Exmouth conducts the operations of a local government with the following community vision:

A globally recognised community of guardians for our unique environment and culture as we pursue innovations for sustainable growth.

Principal place of business:
2 Truscott Crescent
Exmouth WA 6707



**SHIRE OF EXMOUTH
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

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

Statement by CEO

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

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

Signed on the 01 day of December 2025



CEO

Benjamin Lewis
Name of CEO



**SHIRE OF EXMOUTH
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
Revenue				
Rates	2(a),25	7,114,194	7,074,012	4,423,897
Grants, subsidies and contributions	2(a)	1,973,846	2,247,400	2,915,057
Fees and charges	2(a)	15,912,202	12,366,000	11,257,541
Interest revenue	2(a)	940,891	235,000	767,084
Other revenue	2(a)	650,183	349,500	498,279
		26,591,316	22,271,912	19,861,858
Expenses				
Employee costs	2(b)	(8,243,182)	(9,022,650)	(6,738,331)
Materials and contracts		(8,056,030)	(7,722,800)	(5,475,772)
Utility charges		(1,006,414)	(1,106,500)	(924,547)
Depreciation		(5,142,514)	(5,025,500)	(5,011,681)
Finance costs	2(b)	(87,669)	(86,215)	(111,933)
Insurance		(819,412)	(776,500)	(713,938)
Other expenditure	2(b)	(685,393)	(637,176)	(539,534)
		(24,040,614)	(24,377,341)	(19,515,736)
		2,550,702	(2,105,429)	346,122
Capital grants, subsidies and contributions	2(a)	3,546,752	2,132,000	1,475,205
Profit on asset disposals		457,404	0	106,849
Loss on asset disposals		(1,478,786)	0	0
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(5,327)	0	2,522
		2,520,043	2,132,000	1,584,576
Net result for the period		5,070,745	26,571	1,930,698
Total comprehensive income for the period		5,070,745	26,571	1,930,698

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

SHIRE OF EXMOUTH
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	2025	2024
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	27,579,116	14,420,232
Trade and other receivables	5	2,864,211	2,016,728
Other financial assets	4(a)	0	6,000,000
Inventories	6	157,722	149,849
Other assets	7	25,218	216,638
TOTAL CURRENT ASSETS		30,626,267	22,803,447
NON-CURRENT ASSETS			
Trade and other receivables	5	90,185	112,210
Other financial assets	4(b)	119,429	124,756
Property, plant and equipment	8	102,582,007	105,520,619
Infrastructure	9	47,612,849	47,520,960
Right-of-use assets	11(a)	45,497	51,428
TOTAL NON-CURRENT ASSETS		150,449,967	153,329,973
TOTAL ASSETS		181,076,234	176,133,420
CURRENT LIABILITIES			
Trade and other payables	12	2,707,150	2,428,218
Contract liabilities	13	25,000	0
Capital grant/contributions liabilities	13	0	25,000
Lease liabilities	11(b)	4,960	4,960
Borrowings	14	393,087	379,571
Employee related provisions	15	518,944	562,968
TOTAL CURRENT LIABILITIES		3,649,141	3,400,717
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	43,227	48,187
Borrowings	14	1,959,703	2,352,790
Employee related provisions	15	151,104	129,412
TOTAL NON-CURRENT LIABILITIES		2,154,034	2,530,389
TOTAL LIABILITIES		5,803,175	5,931,106
NET ASSETS		175,273,059	170,202,314
EQUITY			
Retained surplus		66,159,120	67,771,527
Reserve accounts	28	23,654,294	16,971,142
Revaluation surplus	16	85,459,645	85,459,645
TOTAL EQUITY		175,273,059	170,202,314

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



**SHIRE OF EXMOUTH
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	69,788,399	13,023,572	85,459,645	168,271,616
Comprehensive income for the period				
Net result for the period	1,930,698	0	0	1,930,698
Total comprehensive income for the period	1,930,698	0	0	1,930,698
Transfers from reserve accounts	1,269,111	(1,269,111)	0	0
Transfers to reserve accounts	(5,216,681)	5,216,681	0	0
Balance as at 30 June 2024	67,771,527	16,971,142	85,459,645	170,202,314
Comprehensive income for the period				
Net result for the period	5,070,745	0	0	5,070,745
Total comprehensive income for the period	5,070,745	0	0	5,070,745
Transfers from reserve accounts	1,551,660	(1,551,660)	0	0
Transfers to reserve accounts	(8,234,812)	8,234,812	0	0
Balance as at 30 June 2025	66,159,120	23,654,294	85,459,645	175,273,059

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

**SHIRE OF EXMOUTH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025**

Note	2025 Actual \$	2024 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Rates	7,178,826	4,576,212
Grants, subsidies and contributions	2,000,658	2,615,057
Fees and charges	15,234,931	12,350,176
Interest revenue	1,157,529	550,446
Goods and services tax received	99,691	2,748
Other revenue	650,183	498,279
	26,321,818	20,592,918
Payments		
Employee costs	(8,206,146)	(7,037,174)
Materials and contracts	(7,964,745)	(4,521,179)
Utility charges	(1,006,414)	(853,254)
Finance costs	(87,669)	(111,933)
Insurance paid	(819,412)	(713,938)
Goods and services tax paid	(224,701)	(29,383)
Other expenditure	(685,393)	(539,534)
	(18,994,480)	(13,806,395)
Net cash provided by operating activities	7,327,338	6,786,523
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for financial assets at amortised cost	0	(6,000,000)
Payments for purchase of property, plant & equipment	8(a) (1,373,225)	(1,518,440)
Payments for construction of infrastructure	9(a) (3,381,659)	(2,440,638)
Proceeds from capital grants, subsidies and contributions	2,742,105	1,500,205
Proceeds from financial assets at amortised cost	6,000,000	0
Proceeds from sale of property, plant & equipment	2,223,289	235,818
Net cash provided by (used in) investing activities	6,210,510	(8,223,055)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	27(a) (379,571)	(366,560)
Payments for principal portion of lease liabilities	27(b) (4,960)	(4,698)
Proceeds from community loans	35,567	35,567
Advance to community groups	(30,000)	0
Net cash (used in) financing activities	(378,964)	(335,691)
Net increase (decrease) in cash held	13,158,884	(1,772,223)
Cash at beginning of year	14,420,232	16,192,455
Cash and cash equivalents at the end of the year	27,579,116	14,420,232

Non-cash investing and financing movements are disclosed at note 16.(c)

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



**SHIRE OF EXMOUTH
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	7,002,515	6,964,291	4,357,726
	Rates excluding general rates	25	111,679	109,721	66,171
	Grants, subsidies and contributions		1,973,846	2,247,400	2,915,057
	Fees and charges		15,912,202	12,366,000	11,257,541
	Interest revenue		940,891	235,000	767,084
	Other revenue		650,183	349,500	498,279
	Profit on asset disposals		457,404	0	106,849
	Fair value adjustments to financial assets at fair value through profit or loss	4(b)	0	0	2,522
			27,048,720	22,271,912	19,971,229
Expenditure from operating activities					
	Employee costs		(8,243,182)	(9,022,650)	(6,738,331)
	Materials and contracts		(8,056,030)	(7,722,800)	(5,475,772)
	Utility charges		(1,006,414)	(1,106,500)	(924,547)
	Depreciation		(5,142,514)	(5,025,500)	(5,011,681)
	Finance costs		(87,669)	(86,215)	(111,933)
	Insurance		(819,412)	(776,500)	(713,938)
	Other expenditure		(685,393)	(637,176)	(539,534)
	Loss on asset disposals		(1,478,786)	0	0
	Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(5,327)	0	0
			(25,524,727)	(24,377,341)	(19,515,736)
	Non-cash amounts excluded from operating activities	26(a)	6,158,349	5,025,500	4,606,625
	Amount attributable to operating activities		7,682,342	2,920,071	5,062,118
INVESTING ACTIVITIES					
Inflows from investing activities					
	Capital grants, subsidies and contributions		3,546,752	2,132,000	1,475,205
	Proceeds from disposal of assets		2,223,289	2,730,000	235,818
			5,770,041	4,862,000	1,711,023
Outflows from investing activities					
	Acquisition of property, plant and equipment	8(a)	(2,152,872)	(812,000)	(1,518,440)
	Acquisition of infrastructure	9(a)	(3,381,659)	(3,977,000)	(2,440,638)
			(5,534,531)	(4,789,000)	(3,959,078)
	Amount attributable to investing activities		235,510	73,000	(2,248,055)
FINANCING ACTIVITIES					
Inflows from financing activities					
	Proceeds from community loans		35,567	35,567	35,567
	Transfers from reserve accounts	28	1,551,660	2,089,000	1,269,111
			1,587,227	2,124,567	1,304,678
Outflows from financing activities					
	Repayment of borrowings	27(a)	(379,571)	(379,571)	(366,560)
	Payments for principal portion of lease liabilities	27(b)	(4,960)	(5,000)	(4,698)
	Advance to community groups		(30,000)	0	0
	Transfers to reserve accounts	28	(8,234,812)	(4,733,067)	(5,216,681)
			(8,649,343)	(5,117,638)	(5,587,939)
	Amount attributable to financing activities		(7,062,116)	(2,993,071)	(4,283,261)
MOVEMENT IN SURPLUS OR DEFICIT					
	Surplus or deficit at the start of the financial year	26(b)	3,343,520	0	4,812,718
	Amount attributable to operating activities		7,682,342	2,920,071	5,062,118
	Amount attributable to investing activities		235,510	73,000	(2,248,055)
	Amount attributable to financing activities		(7,062,116)	(2,993,071)	(4,283,261)
	Surplus or deficit after imposition of general rates	26(b)	4,199,256	0	3,343,520

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



**SHIRE OF EXMOUTH
FOR THE YEAR ENDED 30 JUNE 2025
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**SHIRE OF EXMOUTH
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 Shire of Exmouth which is a Class 3 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 *Local Government Act 1995*, 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 except for disclosure requirements of:

- AASB 7 Financial Instruments Disclosures
- AASB 16 Leases paragraph 58
- AASB 101 Presentation of Financial Statements paragraph 61
- AASB 107 Statement of Cash Flows paragraphs 43 and 45
- AASB 116 Property, Plant and Equipment paragraph 79
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets paragraph 85
- AASB 140 Investment Property paragraph 75(f)
- AASB 1052 Disaggregated Disclosures paragraph 11
- AASB 1054 Australian Additional Disclosures paragraph 16

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 Leases which would have required the Shire to measure any vested improvements at zero cost.

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

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

Fair value hierarchy information can be found in note 24

The local government reporting entity

All funds through which the Shire 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 did not 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 standard is applied prospectively therefore the impact will be quantified upon the next revaluation cycle.

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.

**SHIRE OF EXMOUTH
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
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Grants, subsidies and contributions	General contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	On receipt of funds
Capital grants, subsidies and contributions	Purchase or construction of capital assets to be controlled by the Shire.	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Upon progress and inline with expenditure on capital project.
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
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 - sale of stock	Kiosk and visitor centre stock	Single point in time	In full in advance	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service
Interest Revenue	Interest earned on term deposits, cash balances and outstanding rates and debtors.	Over time	Upon maturity of term deposit, monthly on bank balances or accruing daily on outstanding rates and debtors.	Not applicable	Over time

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

Revenue recognition

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

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

For the year ended 30 June 2025

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	7,114,194	0	7,114,194
Grants, subsidies and contributions	0	0	0	1,973,846	1,973,846
Fees and charges	15,848,128	0	64,074	0	15,912,202
Interest revenue	0	0	44,958	895,933	940,891
Other revenue	0	0	0	650,183	650,183
Capital grants, subsidies and contributions	0	3,546,752	0	0	3,546,752
Total	15,848,128	3,546,752	7,223,226	3,519,962	30,138,068

For the year ended 30 June 2024

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	4,423,897	0	4,423,897
Grants, subsidies and contributions	0	0	0	2,915,057	2,915,057
Fees and charges	11,225,667	0	31,874	0	11,257,541
Interest revenue	0	0	33,363	733,721	767,084
Other revenue	0	0	0	498,279	498,279
Capital grants, subsidies and contributions	0	1,475,205	0	0	1,475,205
Total	11,225,667	1,475,205	4,489,134	4,147,057	21,337,063

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2025 Actual \$	2024 Actual \$
Assets and services acquired below fair value		
Contributed assets	779,647	0
	779,647	0
Interest revenue		
Interest on reserve account	724,027	600,148
Trade and other receivables overdue interest	44,958	33,363
Other interest revenue	171,906	133,573
	940,891	767,084
The 2025 original budget estimate in relation to: Trade and other receivables overdue interest was \$20,000		
Fees and charges relating to rates receivable		
Charges on instalment plan	0	11,920
The 2025 original budget estimate in relation to: Charges on instalment plan was \$0.		

(b) Expenses

Auditors remuneration		
- Audit of the Annual Financial Report	64,050	60,000
- Other services – grant acquittals	3,000	6,000
	67,050	66,000
Employee Costs		
Employee benefit costs	8,243,182	6,738,331
	8,243,182	6,738,331
Finance costs		
Interest on Lease liabilities	2,683	2,945
Interest on loans	84,986	108,988
	87,669	111,933
Other expenditure		
Sundry expenses	685,393	539,534
	685,393	539,534

SHIRE OF EXMOUTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

3. CASH AND CASH EQUIVALENTS

Note	2025	2024
	\$	\$
Cash at bank and on hand	27,579,116	14,420,232
Total cash and cash equivalents	27,579,116	14,420,232
Held as		
- Unrestricted cash and cash equivalents	3,899,822	3,424,090
- Restricted cash and cash equivalents	17 23,679,294	10,996,142
	27,579,116	14,420,232

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.

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Note	2025	2024
	\$	\$
	0	6,000,000
	0	6,000,000
Other financial assets at amortised cost		
Term deposits	0	6,000,000
	0	6,000,000
Held as		
- Restricted other financial assets at amortised cost	16(a) 0	6,000,000
	0	6,000,000

Other financial assets at amortised cost

Term deposits

Held as

- Restricted other financial assets at amortised cost

(b) Non-current assets

Financial assets at fair value through profit or loss

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

	119,429	124,756
	119,429	124,756
	124,756	122,234
	(5,327)	2,522
	119,429	124,756

MATERIAL ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

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

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

Financial assets at fair value through profit or loss

The Shire classifies 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 Shire has elected to recognise as fair value gains and losses through profit or loss.

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

5. TRADE AND OTHER RECEIVABLES

Note	2025	2024
	\$	\$
Current		
Rates and statutory receivables	167,243	199,702
Trade receivables	2,256,862	1,606,621
GST receivable	399,539	174,838
Loans receivable - clubs/institution	40,567	35,567
	<u>2,864,211</u>	<u>2,016,728</u>
Non-current		
Rates and statutory receivables	27,619	39,077
Loans receivable - clubs/institution	62,566	73,133
	<u>90,185</u>	<u>112,210</u>

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 Shire measures them subsequently at amortised cost using the effective interest rate method.

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

6. INVENTORIES

Note	2025	2024
	\$	\$
Current		
Fuel and materials	48,834	48,445
Visitor centre stock	108,888	101,404
	<u>157,722</u>	<u>149,849</u>
The following movements in inventories occurred during the year:		
Balance at beginning of year	149,849	213,637
Inventories expensed during the year	(450,469)	(481,132)
Additions to inventory	458,342	417,344
Balance at end of year	<u>157,722</u>	<u>149,849</u>

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

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

7. OTHER ASSETS

	2025	2024
	\$	\$
Other assets - current		
Accrued income	25,218	216,638
	<u>25,218</u>	<u>216,638</u>

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.

SHIRE OF EXMOUTH
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				Total property			Plant and equipment			Total property, plant and equipment
	Note	Land	Buildings - non-specialised	Buildings - specialised	Land	Buildings - non-specialised	Buildings - specialised	Furniture and equipment	Plant and equipment	Plant and equipment - work in progress	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023		17,925,000	6,088,752	78,449,638	17,925,000	6,088,752	78,449,638	823,956	2,621,305	0	105,908,651
Additions		0	0	108,398	0	0	108,398	64,557	632,709	53,669	1,518,440
Disposals		0	0	0	0	0	0	0	(128,969)	0	(128,969)
Depreciation		0	(179,630)	(1,025,827)	0	(179,630)	(1,025,827)	(161,246)	(410,800)	0	(1,777,503)
Balance at 30 June 2024		17,925,000	5,909,122	77,532,209	17,925,000	5,909,122	77,532,209	727,267	2,714,245	53,669	105,520,619
Comprises:											
Gross balance amount at 30 June 2024		17,925,000	9,935,252	108,781,236	17,925,000	9,935,252	108,781,236	2,071,569	6,636,226	53,669	146,062,059
Accumulated depreciation at 30 June 2024		0	(4,026,130)	(31,249,027)	0	(4,026,130)	(31,249,027)	(1,344,302)	(3,921,981)	0	(40,541,440)
Balance at 30 June 2024	8(b)	17,925,000	5,909,122	77,532,209	17,925,000	5,909,122	77,532,209	727,267	2,714,245	53,669	105,520,619
Balance at 30 June 2025											
Additions*		0	16,259	318,456	0	16,259	318,456	12,624	1,118,697	160,825	2,152,872
Disposals		(2,610,000)	(545,886)	0	(2,610,000)	(545,886)	0	0	(88,785)	0	(3,244,671)
Depreciation		0	(175,328)	(1,028,122)	0	(175,328)	(1,028,122)	(165,137)	(478,226)	0	(1,846,813)
Transfers		0	0	659,107	0	0	659,107	53,669	53,669	(53,669)	0
Balance at 30 June 2025		15,315,000	5,204,167	77,481,650	15,315,000	5,204,167	77,481,650	574,754	3,319,600	160,825	102,582,007
Comprises:											
Gross balance amount at 30 June 2025		15,315,000	9,011,424	109,758,799	15,315,000	9,011,424	109,758,799	2,084,193	7,341,964	160,825	144,198,216
Accumulated depreciation at 30 June 2025		0	(3,807,257)	(32,277,149)	0	(3,807,257)	(32,277,149)	(1,509,439)	(4,022,364)	0	(41,616,209)
Balance at 30 June 2025	8(b)	15,315,000	5,204,167	77,481,650	15,315,000	5,204,167	77,481,650	574,754	3,319,600	160,825	102,582,007

* 2024/25 Asset additions include non-cash additions.

**SHIRE OF EXMOUTH
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	Note	Carrying amount 2025 \$	Carrying amount 2024 \$	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair value - as determined at the last valuation date								
Land and buildings								
Land		15,315,000	17,925,000	2	Sales comparison approach using recent observable market data for similar properties / Highest and Best Use	Independent registered valuer	June 2023	Price per square metre
Total land	8(a)	<u>15,315,000</u>	<u>17,925,000</u>					
Buildings - non specialised		5,204,167	5,909,122	2	Sales comparison approach using recent observable market data for similar properties	Independent registered valuer	June 2023	Price per square metre
Buildings - specialised		77,481,650	77,532,209	3	Cost approach (Depreciated Replacement Cost Analysis) using current replacement cost	Independent registered valuer	June 2023	Cost to reproduce or replace similar assets with an asset in new condition, including allowance for installation, less an amount for depreciation in the form of accrued physical wear and tear, economic and functional obsolescence.
Total buildings	8(a)	<u>82,685,817</u>	<u>83,441,331</u>					

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

Cost

Not applicable

Plant and equipment

N/A

Cost

Not applicable

Work in progress

N/A

Cost

Not applicable

**SHIRE OF EXMOUTH
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.

	Infrastructure - roads	Other infrastructure	Work in progress	Total infrastructure
	\$	\$	\$	\$
Balance at 1 July 2023	31,601,498	16,699,742	7,313	48,308,553
Additions	1,513,380	885,162	42,096	2,440,638
Depreciation	(2,258,582)	(969,649)	0	(3,228,231)
Transfers	0	7,313	(7,313)	0
Balance at 30 June 2024	30,856,296	16,622,568	42,096	47,520,960
Comprises:				
Gross balance at 30 June 2024	72,377,493	32,030,018	42,096	104,449,607
Accumulated depreciation at 30 June 2024	(41,521,197)	(15,407,450)	0	(56,928,647)
Balance at 30 June 2024	30,856,296	16,622,568	42,096	47,520,960
Additions	2,817,214	193,346	371,099	3,381,659
Depreciation	(2,289,854)	(999,916)	0	(3,289,770)
Transfers	0	13,005	(13,005)	0
Balance at 30 June 2025	31,383,656	15,829,003	400,190	47,612,849
Comprises:				
Gross balance at 30 June 2025	75,194,707	32,236,369	400,190	107,831,266
Accumulated depreciation at 30 June 2025	(43,811,051)	(16,407,366)	0	(60,218,417)
Balance at 30 June 2025	31,383,656	15,829,003	400,190	47,612,849

**SHIRE OF EXMOUTH
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					
Infrastructure - roads	3	Cost approach (Depreciated Replacement Cost Analysis) using current replacement cost	Independent registered valuer	June 2023	Cost to reproduce or replace similar assets with an asset in new condition, including allowance for installation, less an amount for depreciation in the form of accrued physical wear and tear, economic and functional obsolescence.
Other infrastructure	3	Cost approach (Depreciated Replacement Cost Analysis) using current replacement cost	Independent registered valuer	June 2023	Cost to reproduce or replace similar assets with an asset in new condition, including allowance for installation, less an amount for depreciation in the form of accrued physical wear and tear, economic and functional obsolescence.

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.

**SHIRE OF EXMOUTH
 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 - non-specialised	40 years
Buildings - specialised	30 to 100 years
Furniture and equipment	4 to 15 years
Plant and equipment	3 to 40 years
Other infrastructure	13 to 80 years
Infrastructure - roads	
- Roads - Cattle Grid	80 years
- Roads - Floodway	80 years
- Roads - Gravel Sheet	13 years
- Roads - Sealed Pavement	40 years
- Roads - Subgrade	not depreciated
- Roads - Surface	20 years
- Footpaths	40 years
- Drainage	15 to 80 years
Right-of-use (buildings)	Based on the remaining lease term
Right-of-use (plant and equipment)	Based on the remaining lease term

**SHIRE OF EXMOUTH
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 Shire 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 Shire'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 Shire.

Whilst the regulatory framework only requires a revaluation to occur every five years, it also provides for the Shire 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; or
- (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 Shire 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.

**SHIRE OF EXMOUTH
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 \$	Total right-of-use assets \$
Balance at 1 July 2023		57,375	57,375
Depreciation		(5,947)	(5,947)
Balance at 30 June 2024		51,428	51,428
Gross balance amount at 30 June 2024		59,357	59,357
Accumulated depreciation at 30 June 2024		(7,929)	(7,929)
Balance at 30 June 2024		51,428	51,428
Depreciation		(5,931)	(5,931)
Balance at 30 June 2025		45,497	45,497
Gross balance amount at 30 June 2025		59,357	59,357
Accumulated depreciation at 30 June 2025		(13,860)	(13,860)
Balance at 30 June 2025		45,497	45,497

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

Depreciation on right-of-use assets
Finance charge on lease liabilities
Total amount recognised in the statement of comprehensive income

Total cash outflow from leases

	2025 Actual \$	2024 Actual \$
	(5,931)	(5,947)
27(b)	(2,683)	(2,945)
	(8,614)	(8,892)
	(7,643)	(7,643)
	4,960	4,960
	43,227	48,187
27(b)	48,187	53,147

(b) Lease liabilities

Current
Non-current

MATERIAL ACCOUNTING POLICIES

Leases

At inception of a contract, the Shire 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 Shire 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(b).

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 Shire anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

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

12. TRADE AND OTHER PAYABLES

Current

	2025	2024
	\$	\$
Sundry creditors	1,302,506	1,188,227
Prepaid rates	82,649	61,934
Accrued payroll liabilities	181,405	122,761
ATO liabilities	193,723	94,032
Bonds and deposits held	291,693	335,829
Accrued interest and borrowings	17,427	19,963
Accrued expenses	637,747	605,472
	2,707,150	2,428,218

MATERIAL ACCOUNTING POLICIES

Financial liabilities

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

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

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

Statutory liabilities

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

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire 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 Shire recognises income for the prepaid rates that have not been refunded.

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

13. OTHER LIABILITIES

	2025	2024
	\$	\$
Current		
Contract liabilities	25,000	0
Capital grant/contributions liabilities	0	25,000
	25,000	25,000
Reconciliation of changes in contract liabilities		
Opening balance	0	300,000
Additions	25,000	0
Revenue from contracts with customers included as a contract liability at the start of the period	0	(300,000)
	25,000	0
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	25,000	0
Derecognition/Additions	(25,000)	25,000
	0	25,000

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 Shire's obligation to transfer goods or services to a customer for which the Shire 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 Shire's obligations to construct recognisable non-financial assets to identified specifications to be controlled by the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as income when the obligations in the contract are satisfied.

**SHIRE OF EXMOUTH
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		393,087	1,959,703	2,352,790	379,571	2,352,790	2,732,361
Total secured borrowings	27(a)	393,087	1,959,703	2,352,790	379,571	2,352,790	2,732,361

MATERIAL ACCOUNTING POLICIES

Borrowing costs

The Shire 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 24(i)) due to the unobservable inputs, including own credit risk.

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

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

15. EMPLOYEE RELATED PROVISIONS

Employee related provisions

	2025	2024
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	315,547	308,430
Long service leave	102,891	155,218
	<u>418,438</u>	<u>463,648</u>
Employee related other provisions		
Employment on-costs	100,506	99,320
	<u>100,506</u>	<u>99,320</u>
Total current employee related provisions	<u>518,944</u>	<u>562,968</u>
Non-current provisions		
Employee benefit provisions		
Long service leave	151,104	129,412
	<u>151,104</u>	<u>129,412</u>
Total non-current employee related provisions	<u>151,104</u>	<u>129,412</u>
Total employee related provisions	<u>670,048</u>	<u>692,380</u>

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

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

MATERIAL ACCOUNTING POLICIES

Employee benefits

The Shire'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 Shire'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 Shire'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 Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire 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.

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

16. REVALUATION SURPLUS

	2025 Opening balance	Total Movement on revaluation	2025 Closing balance	2024 Opening balance	Total Movement on revaluation	2024 Closing balance
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land	12,483,514	0	12,483,514	12,483,514	0	12,483,514
Revaluation surplus - Buildings - non-specialised	258,212	0	258,212	258,212	0	258,212
Revaluation surplus - Buildings - specialised	50,049,346	0	50,049,346	50,049,346	0	50,049,346
Revaluation surplus - Furniture and equipment	935,970	0	935,970	935,970	0	935,970
Revaluation surplus - Plant and equipment	1,069,516	0	1,069,516	1,069,516	0	1,069,516
Revaluation surplus - Infrastructure - roads	14,918,765	0	14,918,765	14,918,765	0	14,918,765
Revaluation surplus - Other infrastructure	5,744,322	0	5,744,322	5,744,322	0	5,744,322
	85,459,645	0	85,459,645	85,459,645	0	85,459,645

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

17. RESTRICTIONS OVER FINANCIAL ASSETS

	Note	2025 Actual \$	2024 Actual \$
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	23,679,294	16,996,142
		23,679,294	16,996,142
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	28	23,654,294	16,971,142
Contract liabilities	13	25,000	0
Capital grant liabilities	13	0	25,000
Total restricted financial assets		23,679,294	16,996,142

**18. UNDRAWN BORROWING FACILITIES AND CREDIT
STANDBY ARRANGEMENTS**

Credit standby arrangements

Bank overdraft limit	400,000	400,000
Bank overdraft at balance date	0	0
Credit card limit	35,000	15,000
Credit card balance at balance date	(28,091)	(6,989)
Total amount of credit unused	406,909	408,011

Loan facilities

Loan facilities - current	393,087	379,571
Loan facilities - non-current	1,959,703	2,352,790
Total facilities in use at balance date	2,352,790	2,732,361

Unused loan facilities at balance date	0	0
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**SHIRE OF EXMOUTH
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2025**

19. CONTINGENT LIABILITIES

The Shire of Exmouth has no contingent liabilities.

20. CAPITAL COMMITMENTS

	2025	2024
	\$	\$
Contracted for:		
- capital expenditure projects	442,325	150,144
- plant & equipment purchases	18,352	53,669
	460,677	203,813
Payable:		
- not later than one year	460,677	203,813

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

21. RELATED PARTY TRANSACTIONS

(a) Council member remuneration

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

Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
President's annual allowance	39,988	39,988	38,318
President's meeting attendance fees	27,425	27,425	26,280
President's ICT expenses	718	1,000	729
President's annual allowance for ICT expenses	0	600	0
President's travel and accommodation expenses	11,481	15,000	10,654
	79,612	84,013	75,981
Deputy President's annual allowance	9,997	9,997	9,613
Deputy President's meeting attendance fees	17,711	17,711	13,624
Deputy President's ICT expenses	182	500	127
Deputy President's travel and accommodation expenses	0	8,000	3,653
	27,890	36,208	27,017
All other council member's meeting attendance fees	88,555	88,555	57,267
All other council member's ICT expenses	2,987	2,900	2,292
All other council member's travel and accommodation expenses	765	25,000	3,715
	92,307	116,455	63,274
21(b)	199,809	236,676	166,272

(b) Key management personnel (KMP) compensation

The total of compensation paid to KMP of the Shire during the year are as follows:

Short-term employee benefits	687,421	547,386
Post-employment benefits	85,333	63,926
Employee - other long-term benefits	12,843	6,158
Council member costs	199,809	166,272
21(a)	985,406	783,742

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 Shire's superannuation contributions made during the year.

Other long-term benefits

These amounts represent 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.

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

21. RELATED PARTY TRANSACTIONS (Continued)

(c) Transactions with related parties

Transactions between related parties and the Shire 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	34,996	34,550
Purchase of goods and services	46,439	26,261

(d) Related parties

The Shire'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 Shire, 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

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

Payments relating to accommodation, catering and furniture and equipment were made to entities controlled by related parties on an arms length basis totalling \$46,439.

Payments relating to leases and booking commissions were made by entities controlled by related parties on an arms length basis totalling \$34,996.

Outside of normal citizen type transactions with the Shire, 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 Shire

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

SHIRE OF EXMOUTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

22. MAJOR TRADING UNDERTAKINGS

Learmonth Airport is the general aviation and regular transport for the Shire of Exmouth. It is the main regional base for aircraft charter operations and private flying in Exmouth. The Shire is responsible for operating the civil terminal, apron and taxiway. The Royal Australian Air Force (RAAF) is responsible for maintaining the other civil facilities used for civil aviation to comply with defence legislations and regulations.

	2025 Actual	2025 Budget	2024 Actual
	\$	\$	\$
Operating Revenue			
Grants, subsidies and contributions	0	0	590,314
Fees and charges	11,795,367	10,725,127	7,338,614
Other revenue	5,630	0	0
	<u>11,800,997</u>	<u>10,725,127</u>	<u>7,928,928</u>
Operating Expenses			
Employee costs	(1,506,935)	(1,628,333)	(1,233,389)
Materials and contracts	(3,379,185)	(3,402,671)	(2,350,442)
Utility charges	(135,161)	(212,500)	(190,892)
Depreciation	(319,082)	(312,433)	(309,320)
Finance costs	(2,683)	0	(2,945)
Insurance	(106,754)	(106,754)	(94,849)
Other expenditure	(393,399)	(272,000)	(266,574)
	<u>(5,843,199)</u>	<u>(5,934,691)</u>	<u>(4,448,411)</u>
Operating Surplus	5,957,798	4,790,436	3,480,517
Capital Revenue			
Grants, subsidies and contributions	389,748	389,748	0
	<u>389,748</u>	<u>389,748</u>	<u>0</u>
Capital Expenses			
Buildings Specialised	(137,481)	(707,301)	0
Plant and equipment	0	0	(43,990)
Infrastructure Other	0	0	(22,989)
Transfer to/from reserve	(90,491)	69,509	(347,920)
	<u>(227,972)</u>	<u>(637,792)</u>	<u>(414,899)</u>
Closing Surplus	6,119,574	4,542,392	3,065,618

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

23. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There were no significant events after the 30 June 2025 reporting period.

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

24. 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 Shire's operational cycle. In the case of liabilities where the Shire 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 Shire'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 Shire 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 Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

g) Fair value of assets and liabilities

Fair value is the price that the Shire 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 Shire 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 Shire 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 Shire 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 Shire'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.

SHIRE OF EXMOUTH
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	(457,404)	0	(106,849)
Less: Movement in liabilities associated with restricted cash	(44,024)	0	(178,788)
Less: Fair value adjustments to financial assets at fair value through profit or loss	5,327	0	(2,522)
Add: Loss on disposal of assets	1,478,786	0	0
Add: Depreciation	5,142,514	5,025,500	5,011,681
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	11,458	0	1,188
Employee benefit provisions	21,692	0	(118,085)
Non-cash amounts excluded from operating activities	6,158,349	5,025,500	4,606,625
Property, plant and equipment received for substantially less than fair value	779,647		
Non cash capital grants, subsidies and contributions	(779,647)		
8(a)			
(b) 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 (23,654,294)	(21,934,476)	(16,971,142)
Less: Financial assets at amortised cost			
Less: Current assets not expected to be received at end of year			
- Current Portion of Community Loans	(40,567)	0	(35,567)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	14 393,087	379,016	379,571
- Current portion of lease liabilities	11(b) 4,960	(302)	4,960
- Employee benefit provisions	518,944	740,530	562,968
Total adjustments to net current assets	(22,777,870)	(20,815,232)	(16,059,210)
Net current assets used in the Statement of financial activity			
Total current assets	30,626,267	24,256,622	22,803,447
Less: Total current liabilities	(3,649,141)	(3,441,390)	(3,400,717)
Less: Total adjustments to net current assets	(22,777,870)	(20,815,232)	(16,059,210)
Surplus or deficit after imposition of general rates	4,199,256	0	3,343,520

SHIRE OF EXMOUTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

27. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual				Budget				
		Principal at 1 July 2023	New loans during 2023-24	Principal at 30 June 2024	New loans during 2024-25	Principal repayments during 2023-24	Principal repayments during 2024-25	New loans during 2024-25	Principal at 30 June 2025	
Staff Dwellings	80	\$ 332,677	\$ 0	\$ 253,495	\$ 0	\$ (83,010)	\$ 0	\$ 253,494	\$ (83,010)	\$ 170,484
Staff Dwellings	83	438,103	0	386,048	0	(52,806)	0	386,049	(52,806)	333,243
Staff Dwellings	84	1,518,015	0	1,371,166	0	(151,881)	0	1,371,166	(151,881)	1,219,285
Ningaloo Centre	82	658,181	0	594,332	0	(65,993)	0	594,333	(65,993)	528,340
1 Bennett Street	76	151,945	0	127,320	0	(25,881)	0	127,320	(25,882)	101,438
Total		3,098,921	0	2,732,361	0	(379,571)	0	2,732,362	(379,571)	2,352,790

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
Staff Dwellings	80	WATC	4.73%	16/05/2027	\$ (10,043)	\$ (10,206)
Staff Dwellings	83	WATC	1.44%	22/06/2031	(5,347)	(5,366)
Staff Dwellings	84	WATC	3.40%	28/04/2032	(44,400)	(45,302)
Ningaloo Centre	82	WATC	3.33%	20/06/2032	(19,180)	(19,246)
1 Bennett Street	76	WATC	5.04%	9/12/2028	(6,016)	(6,095)
Total finance cost payments					(84,986)	(86,215)

* WA Treasury Corporation

(b) Lease liabilities

Purpose	Note	Actual				Budget				
		Principal at 1 July 2023	New leases during 2023-24	Principal at 30 June 2024	New leases during 2024-25	Principal repayments during 2023-24	Principal repayments during 2024-25	New leases during 2024-25	Principal at 30 June 2025	
RAAF Airport Lease	11(b)	\$ 57,845	\$ 0	\$ 53,147	\$ 0	\$ (4,960)	\$ 0	\$ 57,845	\$ (5,000)	\$ 52,845
Total lease liabilities		57,845	0	53,147	0	(4,960)	0	57,845	(5,000)	52,845

Purpose	Lease number	Institution	Interest rate	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2025
RAAF Airport Lease		DoD	5.40%	Mar-33	\$ (2,945)	\$ 0
Total finance cost payments					(2,945)	0

**SHIRE OF EXMOUTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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) Marina Canal Reserve (Specified Area Rate)	615,521	145,781	0	761,302	614,949	109,721	0	724,670	533,395	82,126	0	615,521
	615,521	145,781	0	761,302	614,949	109,721	0	724,670	533,395	82,126	0	615,521
Restricted by council												
(b) Leave reserve	740,156	41,286	0	781,442	739,615	7,900	0	747,515	718,658	21,498	0	740,156
(c) Aviation Reserve	1,499,955	505,917	(332,855)	1,673,017	1,136,441	435,546	(530,000)	1,041,987	1,152,823	434,485	(87,353)	1,499,955
(d) Building Infrastructure Reserve	1,386,223	1,072,758	0	2,458,981	1,086,160	1,011,650	0	2,097,810	83,719	1,302,504	0	1,386,223
(e) Community Development Fund Reserve	898,172	750,340	(235,500)	1,413,012	784,656	708,400	(281,000)	1,212,056	938,294	28,067	(68,189)	898,172
(f) Community Interest Free Loan Reserve	187,988	46,053	(30,000)	204,041	187,851	2,000	0	189,851	182,528	5,460	0	187,988
(g) Insurance Natural Disaster Reserve	194,750	10,863	0	205,613	194,608	2,100	0	196,708	189,093	5,657	0	194,750
(h) Land Acquisition & Disposal Reserve	1,468,223	943,907	0	2,412,130	2,467,151	26,400	0	2,493,551	1,425,457	42,766	0	1,468,223
(i) Marina Asset Replacement Reserve	35,401	1,975	0	37,376	35,375	400	0	35,775	34,373	1,028	0	35,401
(j) Mosquito Management Reserve	10,756	600	0	11,356	10,748	100	0	10,848	10,444	312	0	10,756
(k) Ningaloo Centre Reserve	1,008,351	54,359	0	1,062,710	1,008,006	10,800	0	1,018,806	457,660	550,691	0	1,008,351
(l) Plant Replacement Reserve	1,634,288	589,062	(55,000)	2,168,350	1,866,240	520,000	(437,000)	1,949,240	1,006,878	1,260,120	(632,710)	1,634,288
(m) Public Radio Infrastructure Reserve	5,489	306	0	5,795	5,485	50	0	5,535	5,330	159	0	5,489
(n) Rehabilitation Reserve	268,280	14,964	0	283,244	268,084	2,850	0	270,934	260,488	7,792	0	268,280
(o) Road Reserve	1,516,677	882,582	(515,000)	1,884,259	1,493,236	816,000	(515,000)	1,794,236	926,226	827,708	(237,257)	1,516,677
(p) Shire Staff Housing Reserve	1,131,403	1,561,665	0	2,693,068	2,130,577	22,800	0	2,153,377	1,098,542	32,861	0	1,131,403
(q) Swimming Pool Reserve	2,432,942	1,335,710	(19,979)	3,748,673	2,931,165	1,031,400	(25,000)	3,937,565	2,362,278	70,664	0	2,432,942
(r) Tourism Reserve	342,488	19,216	0	361,704	374,285	4,000	(100,000)	278,285	363,680	10,879	(32,071)	342,488
(s) Town Planning Scheme Reserve	23,256	176,298	(25,000)	174,554	245,708	2,650	(25,000)	223,358	22,581	675	0	23,256
(t) Waste & Recycle Reserve	1,480,709	81,170	(294,416)	1,267,463	1,502,939	16,100	(130,000)	1,389,039	1,043,995	531,229	(94,515)	1,480,709
(u) Unspent Grants Reserve	90,114	0	(43,910)	46,204	207,130	2,200	(46,000)	163,330	207,130	0	(117,016)	90,114
	16,355,621	8,089,031	(1,551,660)	22,892,992	18,675,460	4,623,346	(2,089,000)	21,209,806	12,490,177	5,134,555	(1,269,111)	16,355,621
	16,971,142	8,234,812	(1,551,660)	23,654,294	19,290,409	4,733,067	(2,089,000)	21,934,476	13,023,572	5,216,681	(1,269,111)	16,971,142

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

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

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
	\$	\$	\$	\$
Cash in Lieu POS	45,641	0	0	45,641
Bond Deed Exmouth Marina Holdings	18,186	0	0	18,186
Exmouth Volunteer Fire & Rescue	50,828	0	0	50,828
	<u>114,655</u>	<u>0</u>	<u>0</u>	<u>114,655</u>

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 Restricted by legislation/agreement Restricted by council	Purpose of the reserve account
(a) Marina Canal Reserve (Specified Area Rate)	These funds are derived from levying specified area rate titles Marina Specified Area Rates.
(b) Leave reserve	To be used for annual and long service leave requirements.
(c) Aviation Reserve	To be used to fund aviation improvements.
(d) Building Infrastructure Reserve	To be used for the development, preservation and maintenance of building infrastructure with the the Shire of Exmouth.
(e) Community Development Fund Reserve	To be used for major community development initiatives.
(f) Community Interest Free Loan Reserve	To be used to fund major community development projects
(g) Insurance Natural Disaster Reserve	To be used for the purpose of funding insurance claims where the excess is higher than the cost of repairs in addition to any weather related insurance/WANDRRA claims.
(h) Land Acquisition & Disposal Reserve	To be used to fund the acquisition and disposal of land and buildings and provide contributions for land development within the Shire of Exmouth.
(i) Marina Asset Replacement Reserve	To be used for the preservation and maintenance of infrastructure related to the Exmouth Marina Village.
(j) Mosquito Management Reserve	To be used in years where mosquito-borne disease/nuisance is greater than normal.
(k) Ningaloo Centre Reserve	To be used for the preservation and maintenance of the Ningaloo Centre.
(l) Plant Replacement Reserve	To be used for the purchase of major plant and equipment.
(m) Public Radio Infrastructure Reserve	To be used to maintain the rebroadcasting infrastructure.
(n) Rehabilitation Reserve	To be used to manage the funds associated with the environmental rehabilitation of the sand and gravel pits within the Shire of Exmouth.
(o) Road Reserve	To be used for the preservation and maintenance of roads.
(p) Shire Staff Housing Reserve	To be used to fund housing for staff.
(q) Swimming Pool Reserve	To be used to fund swimming pool upgrades.
(r) Tourism Reserve	To be used to fund the development and implementation of initiatives to achieve the strategic tourism and economic developments of the Shire of Exmouth.
(s) Town Planning Scheme Reserve	To be used fro the purpose of funding a review of the future Town Planning Scheme.
(t) Waste & Recycle Reserve	To be used to fund capital and operational costs of Refuse Site including implementation of post closure plan.
(u) Unspent Grants Reserve	To be used to contain funds that are derived from unspent grants or prepaid grants and contributions from external parties.