

Minutes (Confirmed)

Special Meeting of Council Wednesday, 08 February 2023



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Item 1. ACKNOWLEDGEMENT OF COUNTRY / DECLARATION OF OPENING/ ANNOUNCEMENT OF VISITORS

Acknowledgement of Country: -

"I'd like to begin by acknowledging the first nations people of the land on which we meet today. I would also like to pay my respects to Elders past, present and emerging."

The Shire President declared the meeting open at 5.00pm.

ITEM 2. ATTENDANCE AND APOLOGIES

Attendance

Councillors

Cr M Stephenson

Shire President

Cr A Tunstill

Deputy Shire President

Cr B West

Member

Cr K Anspach

Member

Cr A Tunstill

Member

Apologies:

Cr S Boekeman

Member

Cr S Falconer

Member

Cr D Coad

Member

Council Officers

Mr S Taylor

Chief Executive Officer

Mr S Dolzadelli

Deputy Chief Executive Officer

Mrs E Pudwell

Minutes

Item 3. OFFICER REPORTS

3.1 2021/2022 ANNUAL FINANCIAL REPORT, AUDITORS REPORT AND MANAGEMENT LETTER

FILE REFERENCE: F1.5

REPORT DATE: 11 January 2023

APPLICANT/PROPONENT: Nil
OFFICER DISCLOSURE OF INTEREST: Nil
PREVIOUS MEETING REFERENCES: Nil

AUTHOR: Sam Dolzadelli, Deputy Chief Executive Officer

ATTACHMENTS: 2021/2022 Annual Financial Report, Auditors Report for

Year Ending 30 June 2022 and Management Letter.

PURPOSE OF REPORT:

To present to Council the 2021/2022 Audited Annual Financial Report, inclusive of the Auditors Report for the Year Ended 30 June 2022, and the Management Letter for the Year Ended 30 June 2022.

BACKGROUND:

Section 6.4 of the *Local Government Act 1995* requires local governments to prepare an annual financial report for the preceding financial year. The financial report is to be prepared and presented in the manner and form prescribed in the *Local Government (Financial Management) Regulations 1996*, Local governments are required to submit the annual financial report to its auditor by the 30 September.

Sections 7.2 and 7.9 of the *Local Government Act 1995* requires local governments to have the accounts and annual financial report of the local government audited by an auditor appointed by the local government.

COMMENT:

The audit for the 2021/2022 financial year has been completed and provides an overview of the financial activities of the Shire for the 2021/2022 year.

Presented as attachments to this report are the following documents:

- Annual Financial Report;'
- Auditors Report; and
- Management Letter.

The Annual Financial Report of the Shire of Wongan-Ballidu for the financial year ended 30 June 2022 is based on proper accounts and records to fairly present the financial position of the Shire of Wongan-Ballidu at 30 June 2022, and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995* and, to the extent they are not inconsistent with the Act, the Australian Accounting Standards.

Management Letter

The Shire of Wongan-Ballidu's final Management Letter for the year ended 30 June 2022 includes four (4) findings. Two findings were identified in the prior year, relating to minimum number of quotations being sought for purchases and purchases orders being raised subsequent to the invoice date.

With regard to prior year findings, the auditor identified 3 out of 45 samples in which minimum number of quotes had not been sought and/or recorded, it is noted that for two of the non-compliant samples, verbal quotes had been obtained. The auditor also identified 1 instance out of 45 samples whereby a purchase order had been raised subsequent to the invoice date for the goods and services. It is to be noted that Council's Purchasing and Procurement Policy was complied with in relation to the authorisation of the payment of the invoice.

The auditor identified two (2) new findings for the year ended 30 June 2022. The first of which relates to the fair value of infrastructure assets, which will be a common finding for all local governments that did not have their legislated 5-yearly infrastructure revaluation. The Office of the Auditor General (OAG), have observed a price indices for the construction market which indicates that the cost of construction has increased, and therefore the fair value of these assets may have been impacted.

The second new finding relates to letters of employment which were not signed or found on record. The auditor identified one instance in which an employment letter was not signed, and one instance in which the employment letter for a single employee could not be found on record.

Attention is drawn to Management's comments in the Letter.

POLICY REQUIREMENTS:

4.1 - Accounting

LEGISLATIVE REQUIREMENTS:

Annual Financial Report

Section 6.4 of the Local Government Act 1995 legislates the requirements for the local government to prepare an annual financial report in the manner and form prescribed (contained in s36 of the Local Government (Financial Management) Regulations 1996) and, by 30 September following each financial year, submit its accounts and annual financial report to its auditor.

Section 51(2) of the *Local Government (Financial Management) Regulations 1996* states that a copy of the annual financial report of a local government is to be submitted the Department of Local Government, Sport and Cultural Industries within 30 days of the receipt of the auditor's report.

<u>Audit</u>

Section 7.2 of the *Local Government Act 1995* states that the accounts and annual financial report of a local government for each financial year is required to be audited by an auditor appointed by the local government.

Section 7.3 of the *Local Government Act 1995* legislates the requirement of the local government to appoint an auditor.

Section 7.9(1) of the *Local Government Act 1995* legislates the requirements for the auditor to examine the accounts and annual financial report by 31 December and prepare a report to be forwarded to the President, Chief Executive Officer, and the Minister.

STRATEGIC IMPLICATIONS:

There are no known strategic requirements in relation to this item.

SUSTAINABILITY IMPLICATIONS:

> Environment

There are no known environmental implications associated with this item.

> Economic

There are no known economic implications associated with this proposal.

> Social

There are no known social implications associated with this item.

FINANCIAL IMPLICATIONS:

There are no financial implications in relation to this item.

VOTING REQUIREMENTS:

ABSOLUTE MAJORITY REQUIRED: NO

MOVED: Cr Anspach

SECONDED: Cr West

That Council;

- **1.** RECEIVES the Annual Financial Report for the Year Ended 30 June 2022, inclusive of the Independent Auditor's Report.
- 2. RECEIVES the Management Letter for the year ended 30 June 2022.

SIMPLE MAJORITY REQUIRED

CARRIED: 4/0

RESOLUTION:010223

3.2 2021/2022 ANNUAL REPORT AND ELECTORS MEETING

FILE REFERENCE: F1.5

REPORT DATE: 11 January 2023

APPLICANT/PROPONENT: Nil OFFICER DISCLOSURE OF INTEREST Nil PREVIOUS MEETING REFERENCES: Nil

AUTHOR: Stuart Taylor – Chief Executive Officer

ATTACHMENTS: 2021/ 2022 Annual Report for Year Ended 30 June 2022

PURPOSE OF REPORT:

For Council to adopt the 2021/2022 Annual Report for the year-ended 30th June 2022 and set a date for the Annual General Meeting of Electors.

BACKGROUND:

Annual Report

Council is required to accept the Annual Report 2021-2022 to enable it to be available for the Annual Electors' Meeting scheduled to be held on Wednesday, 22 February 2023.

The *Local Government Act 1995* (the Act) requires Council to accept the report no later than 31 December each year or no later than 2 months after the auditor's report becomes available.

Local governments are required to publish the annual report, including all audit reports, on their website within 14 days after the report has been adopted by Council.

Annual Elector's Meeting

Under s5.27(2) of the Act, an elector's general meeting is to be held on a day selected by the local government but no more than 56 days after the local government accepts the annual report for the previous financial year.

Under s5.29 of the Act, a local government must give at least 14 days' local public notice of the date, time, place and purpose of the meeting.

COMMENT:

In accordance with s5.54 of the *Local Government Act 1995*, it is proposed that the Annual Report 2021/22 be adopted by Council.

The Annual Report includes all of the statutory information required under the Local Government Act and Regulations including but not limited to;

- Report from the Shire President
- Report from the Chief Executive Officer
- Annual Financial Report

Auditors Report

The Shire had its audit exit meeting on Tuesday 20 December, representatives from the Shire's external auditor, the Officer of The Auditor General, Shire's audit committee and the Chief Executive Officer and Deputy Chief Executive Officer were present. At this meeting the Chief Executive Officer signed the Annual Financial Report. The auditor's report was issued on Thursday 22 December.

In order to comply with its statutory obligations following the adoption of the Annual Report 2021/22, it is recommended that the Annual General Electors' Meeting be held on Wednesday, 22 February 2023, commencing at 7.00pm in the Function Room at the Wongan Hills Community Resource Centre for the purpose of discussing the annual report and any other general business.

POLICY REQUIREMENTS:

There are no policy requirements in relation to this item.

LEGISLATIVE REQUIREMENTS:

Annual Report

Section 5.53 of the *Local Government Act 1995* outlines the requirement for the local government to prepare an annual report for each financial year and the required content to be included.

Section 5.54(1) of the *Local Government Act 1995* states that the annual report for a financial year is to be accepted (absolute majority required) by the local government no later than 31 December after that financial year.

Section 5.54(2) of the *Local Government Act 1995* states that, if the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

Notice and Publication

Section 5.55 of the *Local Government Act 1995* states that the Chief Executive Officer is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government.

Section 5.55A of the *Local Government Act 1995* states that the Chief Executive Officer is to publish the annual report on the local government's official website within 14 days after the report has been accepted by the local government.

Annual Elector's Meeting

Section 5.27(1) of the *Local Government Act 1995* states that a general meeting of electors of a district is to be held once every financial year.

Section 5.27(2) of the *Local Government Act 1995* states that a general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year.

Section 5.29(1) of the *Local Government Act 1995* states that the Chief Executive Officer is to give 14 days' local public notice of the date, time, place and purpose of the meeting.

Section 1.7 of the Local Government Act 1995; Definition of 'Local Public Notice':

- (1) Where under this Act local public notice of a matter is required to be given, a notice of the matter is to be
 - (a) published in a newspaper circulating generally throughout the district; and
 - (b) exhibited to the public on a notice board at the local government's offices; and
 - (c) exhibited to the public on a notice board at every local government library in the district.

STRATEGIC IMPLICATIONS:

There are no known strategic requirements in relation to this item.

SUSTAINABILITY IMPLICATIONS:

> Environment

There are no known environmental implications associated with this item.

> Economic

There are no known economic implications associated with this proposal.

> Social

There are no known social implications associated with this item.

FINANCIAL IMPLICATIONS:

There are no financial implications in relation to this item.

VOTING REQUIREMENTS:

ABSOLUTE MAJORITY REQUIRED: YES

MOVED: Cr Tunstill

SECONDED: Cr West

That Council:

- That Council ACCEPTS the Annual Report 2021-2022, inclusive of the Annual Financial Report and Auditor's Report, in accordance with Section
 5.54 of the Local Government Act 1995, as shown in the attachment to the agenda, subject to any minor information, typographical and legislative corrections being included in the final document. ABSOLUTE MAJORITY REQUIRED
- 2. APPROVES Annual Electors Meeting be held Wednesday 22 February at 7.00pm at the Wongan Hills Community Resource Centre and be advertised in accordance with Section 5.29 of the *Local Government Act 1995*.

CARRIED: 4/0 RESOLUTION:020223

Item 4. MEETING CLOSURE

There being no further business, the Shire President declared the meeting closed at 5.08 pm

Signed by

Mandy Stephenson

Shire President

SHIRE OF WONGAN-BALLIDU

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

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The Shire of Wongan-Ballidu conducts the operations of a local government with the following community vision:

Inclusive communities and thriving places, offering a vibrant future for all. The Shire's mission is to provide the foundations for community and business to lead and flourish into the future.

Principal place of business: Corner of Quinlan Street and Elphin Crescent Wongan Hills WA 6603

SHIRE OF WONGAN-BALLIDU FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

The attached financial report of the Shire of Wongan-Ballidu for the financial year ended 30 June 2022 is based on proper accounts and records to present fairly the financial position of the Shire of Wongan-Ballidu at 30 June 2022 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the

21 day of DECEMBER

2022

Chief Executive Officer

STUART STUART TAYLOR

Name of Chief Executive Officer



SHIRE OF WONGAN-BALLIDU STATEMENT OF COMPREHENSIVE INCOME BY NATURE OR TYPE FOR THE YEAR ENDED 30 JUNE 2022

Revenue \$ \$ \$ Rates 26(a),2(a) 3,065,672 3,061,114 2,967,766 Operating grants, subsidies and contributions 2(a) 3,478,186 1,513,732 2,568,415 Fees and charges 25(c),2(a) 679,267 621,897 552,697 Interest earnings 2(a) 32,819 49,416 51,263 304,517 7,435,069 5,371,780 6,444,658 51,263 304,517 7,435,069 5,371,780 6,444,658 6,456,275 6,444,658 6,456,275 6,444,658 6,456,275 6,444,658		NOTE	2022 Actual	2022 Budget	2021 Actual
Revenue Rates 26(a),2(a) 3,065,672 3,061,114 2,967,666 Operating grants, subsidies and contributions 2(a) 3,478,186 1,513,732 2,568,415 Fees and charges 25(c),2(a) 679,267 621,697 552,697 Interest earnings 2(a) 32,819 49,416 51,263 Other revenue 2(a) 179,125 125,821 304,517 T,7435,069 5,371,780 6,444,658 Expenses Employee costs 2(2,252,801) (2,361,003) (2,401,108) Materials and contracts (1,185,169) (1,121,846) (1,389,529) Utility charges (379,267) (384,818) (366,275) Depreciation 10(a) (2,610,137) (2,520,170) (2,540,623) Finance costs 2(b) (47,075) (47,688) (51,320) Insurance (266,280) (279,860) (261,320) Other expenditure 2(b) (284,691) (344,763) (202,316) (7,025,420			\$		
Operating grants, subsidies and contributions 2(a) 3,478,186 1,513,732 2,668,415 Fees and charges 25(c),2(a) 679,267 621,697 552,697 Interest earnings 2(a) 32,819 49,416 51,263 Other revenue 2(a) 179,125 125,821 304,517 7,435,069 5,371,780 6,444,658 Expenses (2,252,801) (2,361,003) (2,401,108) Materials and contracts (1,185,169) (1,121,846) (1,389,529) Utility charges (379,267) (384,816) (366,275) Depreciation 10(a) (2,810,137) (2,520,170) (2,540,623) Insurance (266,280) (279,860) (261,330) Other expenditure 2(b) (284,691) (344,763) (202,316) Other expenditure 2(b) (284,691) (344,763) (202,316) Capital grants, subsidies and contributions 2(a) 3,202,625 4,576,404 1,629,267 Profit on asset disposals 10(b) 10,851 10	Revenue				
Fees and charges 25(c),2(a) 679,267 621,697 552,697 Interest earnings 2(a) 32,819 49,416 51,263 Other revenue 2(a) 179,125 125,821 304,517 7,435,069 5,371,780 6,444,658 Expenses	Rates	26(a),2(a)	3,065,672	3,061,114	2,967,766
Interest earnings 2(a) 32,819 49,416 51,263 Other revenue 2(a) 179,125 125,821 304,517 7,435,069 5,371,780 6,444,658	Operating grants, subsidies and contributions	2(a)	3,478,186	1,513,732	2,568,415
Other revenue 2(a) 179,125 125,821 304,517 7,435,069 5,371,780 6,444,658 Expenses (2,252,801) (2,361,003) (2,401,108) Materials and contracts (1,185,169) (1,121,846) (1,389,529) Utility charges (379,267) (384,816) (366,275) Depreciation 10(a) (2,610,137) (2,520,170) (2,540,623) Finance costs 2(b) (47,075) (47,668) (51,320) Insurance (266,280) (279,860) (261,330) Other expenditure 2(b) (284,691) (344,763) (202,316) (7,025,420) (7,060,126) (7,212,501) 409,649 (1,888,346) (76,843) Capital grants, subsidies and contributions 2(a) 3,202,625 4,576,404 1,629,267 Profit on asset disposals 10(b) 10,851 10,390 0 Loss on asset disposals 10(b) (43,130) (151,192) (239,929) Fair value adjustments to financial assets at fair value through pro	Fees and charges	25(c),2(a)	679,267	621,697	552,697
Table Tabl	Interest earnings	2(a)	32,819	49,416	51,263
Expenses Employee costs Materials and contracts (1,185,169) (1,121,846) (1,389,529) Utility charges (379,267) (384,816) (366,275) Depreciation 10(a) (2,610,137) (2,520,170) (2,540,623) Finance costs (2(b) (47,075) (47,668) (51,320) Insurance (266,280) (279,860) (281,330) Other expenditure (2(b) (284,691) (344,763) (202,316) (7,025,420) (7,060,126) (7,212,501) 409,649 (1,688,346) (767,843) Capital grants, subsidies and contributions (2(a) 3,202,625 4,576,404 1,629,267 Profit on asset disposals (10(b) 10,851 10,390 0 Loss on asset disposals (10(b) (43,130) (151,192) (239,929) Fair value adjustments to financial assets at fair value through profit or loss Net result for the period 25(b) 3,584,992 2,747,256 626,178 Changes in asset revaluation surplus (16 3,618,218 0 13,296) Total other comprehensive income for the period 16 3,618,218 0 13,296	Other revenue	2(a)	179,125	125,821	304,517
Employee costs (2,252,801) (2,361,003) (2,401,108)			7,435,069	5,371,780	6,444,658
Employee costs (2,252,801) (2,361,003) (2,401,108)					
Materials and contracts (1,185,169) (1,121,846) (1,389,529) Utility charges (379,267) (384,816) (366,275) Depreciation 10(a) (2,610,137) (2,520,170) (2,540,623) Finance costs 2(b) (47,075) (47,668) (51,320) Insurance (266,280) (279,860) (281,330) Other expenditure 2(b) (284,691) (344,763) (202,316) (7,025,420) (7,060,126) (7,212,501) 409,649 (1,688,346) (767,843) Capital grants, subsidies and contributions 2(a) 3,202,625 4,576,404 1,629,267 Profit on asset disposals 10(b) 10,851 10,390 0 Loss on asset disposals 10(b) (43,130) (151,192) (239,929) Fair value adjustments to financial assets at fair value through profit or loss 4,997 0 4,683 Other comprehensive income for the period 25(b) 3,584,992 2,747,256 626,178 Other comprehensive income for the period 16 3,618,218 <t< td=""><td></td><td></td><td></td><td></td><td></td></t<>					
Utility charges	Employee costs		(2,252,801)	(2,361,003)	(2,401,108)
Depreciation	Materials and contracts		(1,185,169)	(1,121,846)	(1,389,529)
Finance costs 2(b)	Utility charges		(379,267)	(384,816)	(366,275)
Dispurance (266,280) (279,860) (261,330) (279,860) (261,330) (284,691) (344,763) (202,316) (7,025,420) (7,060,126) (7,212,501) (409,649) (1,688,346) (767,843) (•	100.0	(2,610,137)	(2,520,170)	(2,540,623)
Other expenditure 2(b) (284,691) (344,763) (202,316) (7,025,420) (7,060,126) (7,212,501) 409,649 (1,688,346) (767,843) Capital grants, subsidies and contributions 2(a) 3,202,625 4,576,404 1,629,267 Profit on asset disposals 10(b) 10,851 10,390 0 Loss on asset disposals 10(b) (43,130) (151,192) (239,929) Fair value adjustments to financial assets at fair value through profit or loss 4,997 0 4,683 Net result for the period 25(b) 3,584,992 2,747,256 626,178 Other comprehensive income for the period 16 3,618,218 0 13,296 Total other comprehensive income for the period 16 3,618,218 0 13,296		2(b)			
(7,025,420) (7,060,126) (7,212,501) (409,649 (1,688,346) (767,843) (767,843) (1688,346) (767,843) (1688,346) (767,843) (1688,346) (767,843) (1688,346) (767,843) (1688,346) (767,843) (1688,346) (767,843) (1688,346) (767,843) (1688,346) (767,843) (1688,346) (767,843) (1688,346) (767,843) (1689,267) (1688,346) (1689,267) (168					(261,330)
Capital grants, subsidies and contributions 2(a) 3,202,625 4,576,404 1,629,267 Profit on asset disposals 10(b) 10,851 10,390 0 Loss on asset disposals 10(b) (43,130) (151,192) (239,929) Fair value adjustments to financial assets at fair value through profit or loss 3,175,343 4,435,602 1,394,021 Net result for the period 25(b) 3,584,992 2,747,256 626,178 Other comprehensive income for the period 16 3,618,218 0 13,296 Total other comprehensive income for the period 16 3,618,218 0 13,296	Other expenditure	2(b) _	(284,691)	(344,763)	(202,316)
Capital grants, subsidies and contributions 2(a) 3,202,625 4,576,404 1,629,267 Profit on asset disposals 10(b) 10,851 10,390 0 Loss on asset disposals 10(b) (43,130) (151,192) (239,929) Fair value adjustments to financial assets at fair value through profit or loss 4,997 0 4,683 Net result for the period 25(b) 3,584,992 2,747,256 626,178 Other comprehensive income for the period 25(b) 3,618,218 0 13,296 Total other comprehensive income for the period 16 3,618,218 0 13,296		_	(7,025,420)	(7,060,126)	(7,212,501)
Profit on asset disposals 10(b) 10,851 10,390 0 Loss on asset disposals 10(b) (43,130) (151,192) (239,929) Fair value adjustments to financial assets at fair value through profit or loss 4,997 0 4,683 3,175,343 4,435,602 1,394,021 Net result for the period Other comprehensive income for the period Items that will not be reclassified subsequently to profit or loss Changes in asset revaluation surplus 16 3,618,218 0 13,296 Total other comprehensive income for the period 16 3,618,218 0 13,296			409,649	(1,688,346)	(767,843)
Loss on asset disposals Fair value adjustments to financial assets at fair value through profit or loss 10(b) (43,130) (151,192) (239,929) 4,997 0 4,683 3,175,343 4,435,602 1,394,021 Net result for the period 25(b) 3,584,992 2,747,256 626,178 Other comprehensive income for the period Items that will not be reclassified subsequently to profit or loss Changes in asset revaluation surplus 16 3,618,218 0 13,296	Capital grants, subsidies and contributions	2(a)	3,202,625	4,576,404	1,629,267
Fair value adjustments to financial assets at fair value through profit or loss 4,997 0 4,683 3,175,343 4,435,602 1,394,021 Net result for the period 25(b) 3,584,992 2,747,256 626,178 Other comprehensive income for the period Items that will not be reclassified subsequently to profit or loss Changes in asset revaluation surplus 16 3,618,218 0 13,296 Total other comprehensive income for the period 16 3,618,218 0 13,296	Profit on asset disposals	10(b)	10,851	10,390	0
through profit or loss 4,997 0 4,683 3,175,343 4,435,602 1,394,021 Net result for the period 25(b) 3,584,992 2,747,256 626,178 Other comprehensive income for the period Items that will not be reclassified subsequently to profit or loss Changes in asset revaluation surplus 16 3,618,218 0 13,296 Total other comprehensive income for the period 16 3,618,218 0 13,296	Loss on asset disposals	10(b)	(43,130)	(151,192)	(239,929)
Net result for the period 25(b) 3,584,992 2,747,256 626,178 Other comprehensive income for the period Items that will not be reclassified subsequently to profit or loss Changes in asset revaluation surplus 16 3,618,218 0 13,296 Total other comprehensive income for the period 16 3,618,218 0 13,296			4,997	0	4,683
Other comprehensive income for the period Items that will not be reclassified subsequently to profit or loss Changes in asset revaluation surplus 16 3,618,218 0 13,296 Total other comprehensive income for the period 16 3,618,218 0 13,296			3,175,343	4,435,602	1,394,021
Items that will not be reclassified subsequently to profit or loss Changes in asset revaluation surplus 16 3,618,218 0 13,296 Total other comprehensive income for the period 16 3,618,218 0 13,296	Net result for the period	25(b)	3,584,992	2,747,256	626,178
Changes in asset revaluation surplus 16 3,618,218 0 13,296 Total other comprehensive income for the period 16 3,618,218 0 13,296	Other comprehensive income for the period				
Total other comprehensive income for the period 16 3,618,218 0 13,296	Items that will not be reclassified subsequently to profit	or loss			
	Changes in asset revaluation surplus	16	3,618,218	0	13,296
Total comprehensive income for the period 7,203,210 2,747,256 639,474	Total other comprehensive income for the period	16	3,618,218	0	13,296
	Total comprehensive income for the period	-	7,203,210	2,747,256	639,474



SHIRE OF WONGAN-BALLIDU STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	NOTE	2022	2021
CURRENT ASSETS		\$	\$
Cash and cash equivalents	3	5,644,249	4,163,016
Trade and other receivables	5	1,008,302	379,015
Other financial assets	4(a)	30,877	123,355
Inventories	4(a) 6	64,968	
Other assets	7	15,228	31,343
TOTAL CURRENT ASSETS	,	6,763,624	4,696,729
NON-CURRENT ASSETS			
Trade and other receivables	5	31,729	28,858
Other financial assets	4(b)	326,130	352,011
Inventories	6	51,420	189,310
Property, plant and equipment	8	33,033,765	29,894,342
Infrastructure	9	124,552,605	122,247,273
Right-of-use assets	11(a)	32,848	5,133
TOTAL NON-CURRENT ASSETS		158,028,497	152,716,927
TOTAL ASSETS		164,792,121	157,413,656
CURRENT LIABILITIES			
Trade and other payables	12	416,048	386,644
Other liabilities	13	553,969	335,644
Lease liabilities	11(b)	6,979	4,928
Borrowings	14	116,527	119,587
Employee related provisions	15	399,907	402,489
TOTAL CURRENT LIABILITIES		1,493,430	1,249,292
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	25,871	0
Borrowings	14	1,935,610	2,052,136
Employee related provisions	15	110,516	88,744
TOTAL NON-CURRENT LIABILITIES		2,071,997	2,140,880
TOTAL LIABILITIES		3,565,427	3,390,172
NET ASSETS		161,226,694	154,023,484
EQUITY			
Retained surplus		64,196,343	61,326,367
Reserve accounts	29	2,626,886	1,911,870
Revaluation surplus	16	94,403,465	90,785,247
TOTAL EQUITY		161,226,694	154,023,484



SHIRE OF WONGAN-BALLIDU STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	RETAINED SURPLUS	RESERVE ACCOUNTS	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2020		60,771,393	1,840,666	90,771,951	153,384,010
Comprehensive income for the period Net result for the period		626,178	0	0	626,178
Other comprehensive income for the period	16	0	0	13,296	13,296
Total comprehensive income for the period	-	626,178	0	13,296	639,474
Transfers from reserves Transfers to reserves	29 29	531,808 (603,012)	(531,808) 603,012	0	0
Balance as at 30 June 2021	-	61,326,367	1,911,870	90,785,247	154,023,484
Comprehensive income for the period Net result for the period		3,584,992	0	0	3,584,992
Other comprehensive income for the period	16 _	0	0	3,618,218	3,618,218
Total comprehensive income for the period		3,584,992	0	3,618,218	7,203,210
Transfers from reserves Transfers to reserves	29 29	615,143 (1,330,159)	(615,143) 1,330,159	0	0
Balance as at 30 June 2022	_	64,196,343	2,626,886	94,403,465	161,226,694



SHIRE OF WONGAN-BALLIDU STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		3,044,113	3,113,614	2,860,850
Operating grants, subsidies and contributions		3,478,186	1,588,951	2,771,620
Fees and charges Interest received		708,818	616,478	552,697
Goods and services tax received		32,819 515,720	49,416 53,000	51,921 462,286
Other revenue		179,125	125,821	304,517
		7,958,781	5,547,280	7,003,891
Payments				
Employee costs		(2,214,673)	(2,415,003)	(2,378,089)
Materials and contracts		(1,843,580)	(1,420,896)	(1,534,991)
Utility charges		(379,267)	(357,816)	(366,275)
Finance costs		(47,550)	(49,258)	(51,320)
Insurance paid		(266,280)	(279,860)	(261,330)
Goods and services tax paid Other expenditure		(264,779) (163,941)	0 (344,763)	(355,775) (202,316)
other experiation	-	(5,180,070)	(4,867,596)	(5,150,096)
		(3,100,070)	(4,007,530)	(3,130,090)
Net cash provided by (used in) operating activities	17(b)	2,778,711	679,684	1,853,795
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for financial assets at amortised cost - self supporting loans		0	0	(40,000)
Payments for purchase of property, plant & equipment	8(a)	0 (1,100,629)	0 (2,782,934)	(40,000) (1,018,729)
Payments for construction of infrastructure	9(a)	(3,513,699)	(4,417,944)	(2,274,847)
Non-operating grants, subsidies and contributions	\-\\-\\	3,046,750	4,276,404	1,629,267
Proceeds from financial assets at amortised cost		88,090	0	0
Proceeds from financial assets at amortised cost - self supporting loans		25.004	05.004	00.040
Net payments for financial assets at amortised cost		35,264 0	35,264 0	30,019 (658)
Proceeds from sale of property, plant & equipment	10(b)	271,260	196,000	177,227
Net cash provided by (used in) investing activities		(1,172,964)	(2,693,210)	(1,497,721)
, , , , , , , , , , , , , , , , , , , ,			<u>,</u>	<u>.</u>
CASH FLOWS FROM FINANCING ACTIVITIES	00/->	(440 500)	(440,500)	(440,000)
Repayment of borrowings Payments for principal portion of lease liabilities	28(a) 28(b)	(119,586) (4,928)	(119,586) (5,135)	(112,629) (5,799)
Proceeds from new borrowings	28(a)	(4,928)	(5,135)	40,000
	, ,			
Proceeds on disposal of financial assets at amortised cost - term deposits		0	(2,000)	0
	_		(3,000)	(72.422)
Net cash provided by (used In) financing activities		(124,514)	(127,721)	(78,428)
Net increase (decrease) in cash held		1,481,233	(2,141,247)	277,646
Cash at beginning of year		4,163,016	4,006,412	3,885,370
Cash and cash equivalents at the end of the year	17(a)	5,644,249	1,865,165	4,163,016
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SHIRE OF WONGAN-BALLIDU RATE SETTING STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

		2022	2022	2021
	NOTE	Actual	Budget	Actual
		\$	\$	\$
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	27(b)	1,666,558	1,450,684	1,504,375
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Rates (excluding general rate)	26(b)	31,346	23,500	23,269
Operating grants, subsidies and contributions	20(5)	3,478,186	1,513,732	2,568,415
Fees and charges		679,267	621,697	552,697
Interest earnings		32,819	49,416	a company from the first
Other revenue				51,263
Profit on asset disposals	40/h)	179,125	125,821	304,517
Fair value adjustments to financial assets at fair value through profit or	10(b)	10,851	10,390	0
loss		4.007	_	
1055		4,997	0	4,683
Transport de la companya del companya del companya de la companya		4,416,591	2,344,556	3,504,844
Expenditure from operating activities				
Employee costs		(2,252,801)	(2,361,003)	(2,401,108)
Materials and contracts		(1,185,169)	(1,121,846)	(1,389,529)
Utility charges		(379,267)	(384,816)	(366, 275)
Depreciation		(2,610,137)	(2,520,170)	(2,540,623)
Finance costs		(47,075)	(47,668)	(51,320)
Insurance		(266,280)	(279,860)	(261,330)
Other expenditure		(284,691)	(344,763)	(202,316)
Loss on asset disposals	10(b)	(43,130)	(151,192)	(239,929)
		(7,068,550)	(7,211,318)	(7,452,430)
Non-cash amounts excluded from operating activities	27(a)	2,673,563	2,660,972	2,811,967
Amount attributable to operating activities	(.,,	21,604	(2,205,790)	(1,135,619)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		3,202,625	4 570 404	4 000 007
Proceeds from disposal of assets	10(b)		4,576,404	1,629,267
Proceeds from financial assets at amortised cost - self supporting loans	, ,	271,260	196,000	177,227
	28(a)	35,264	35,264	30,019
Payments for financial assets at amortised cost - self supporting loans	24.3	0	0	(40,000)
Purchase of property, plant and equipment	8(a)	(1,100,629)	(2,782,934)	(1,018,729)
Purchase and construction of infrastructure	9(a)	(3,513,699)	(4,417,944)	(2,274,847)
Amount attributable to investing activities		(1,105,179)	(2,393,210)	(1,497,063)
FINANCING ACTIVITIES				
Repayment of borrowings	28(a)	(119,586)	(119,586)	(112,629)
Proceeds from borrowings	28(a)	0	Ó	40,000
Payments for principal portion of lease liabilities	28(b)	(4,928)	(5,135)	(5,799)
Transfers to reserves (restricted assets)	29	(1,330,159)	(1,066,577)	(603,012)
Transfers from reserves (restricted assets)	29	615,143	1,302,000	531,808
Amount attributable to financing activities		(839,530)	110,702	(149,632)
Surplus/(deficit) before imposition of general rates	-	(256,547)	(3,037,614)	(1,277,939)
Total amount raised from general rates	26(a)	3,034,326		
Surplus/(deficit) after imposition of general rates	20(a) - 27(b)	2,777,779	3,037,614	2,944,497
Sarphasilasinsing after imposition of general rates	2/(b) =	2,111,179	0	1,666,558





SHIRE OF WONGAN-BALLIDU FOR THE YEAR ENDED 30 JUNE 2022 INDEX OF NOTES TO THE FINANCIAL REPORT

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1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

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 the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

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

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.

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 30 of the financial report.

Judgements and estimates
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 values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- · estimated fair value of certain financial assets
- · impairment of financial assets
- · estimation of fair values of land and buildings, and infrastructure.
- · estimation uncertainties made in relation to lease accounting

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
Rates	General Rates	Over time	Payment terms Payment dates	None	recognition When rates notice is
vales	General Males	Over time	adopted by Council during the year	Notice	issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	When rates notice i issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting		Output method base on project milestone and/or completion date matched to performance obligations as input are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non- financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting		Output method base on project milestone and/or completion date matched to performance obligations as inputs are shared
Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Pool Inspections	Compliance safety check	Single point in time	Single point in time, based on equal annual fee over 4 years cycle.	None	After inspection complete, based on 4 year cycle
Other Inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Revenue recognise after inspection eve occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Output method base on regular weekly and fortnightly perio as proportionate to collection service
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
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departur event
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	On entry or conclusion of hire
Memberships	Gym and pool memberships	Over time	Payment in full in advance	Refund for unused portion on application	Output method over 12 months and mate to access rights
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method base on provision of service or completic of works

Reimbursements

Insurance claims

Single point in time

Payment in arrears for None claimable event

When claim is agreed

Sale of stock

Aviation fuel, kiosk and Single point in time

visitor centre stock

In full in advance, on 15 day credit

Refund for faulty goods

Output method based on goods

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

Revenue Recognition

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

For the year ended 30 June 2022

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	S
Rates	0	0	3,065,672	0	3,065,672
Operating grants, subsidies and contributions	3,478,186	0	0	0	3,478,186
Fees and charges	679,267	0	0	0	679,267
Interest earnings	0	0	32,819		32,819
Other revenue	0	0	0	179,125	179,125
Non-operating grants, subsidies and contributions	0	3,202,625	0	0	3,202,625
Total	4,157,453	3,202,625	3,098,491	179,125	10,637,694

For the year ended 30 June 2021

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	S	\$
Rates	0	0	2,967,766	0	2,967,766
Operating grants, subsidies and contributions	2,568,415	0	0		2,568,415
Fees and charges	552,697	0	0	0	552.697
Interest earnings	0	0	51,263	0	51,263
Other revenue	0	0	0	304.517	304,517
Non-operating grants, subsidies and contributions	0	1,629,267	0	0	1,629,267
Total	3,121,112	1,629,267	3,019,029	304,517	8,073,925

SHIRE OF WONGAN-BALLIDU NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

2. REVENUE AND EXPENSES (Continued)

		2022	2022	2021
	Note	Actual	Budget	Actual
Interest earnings		and the second		
Financial assets at amortised cost - self supporting loans		7,036	9,840	11,598
Interest on reserve funds		4,587	9,575	9,811
Rates instalment and penalty interest (refer Note 26(d))		20,017	21,000	23,232
Other interest earnings		1,179	9,001	6,622
		32,819	49,416	51,263
(b) Expenses				2 00 0000 00
Auditors remuneration				
 Audit of the Annual Financial Report 		29,100	30,000	25,000
- Other services		0	3,500	1,300
		29,100	33,500	26,300
Finance costs				
Borrowings	28(a)	47,075	47,667	51,035
Lease liabilities	28(b)	0	91	285
		47,075	47,758	51,320
Other expenditure				
Impairment losses on rates receivables		209	5,000	0
Write down of inventories to net realisable value	6	0	0	21,800
Sundry expenses		284,482	339,763	180,516
		284,691	344,763	202,316

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand Term deposits Total cash and cash equivalents

Held as

- Unrestricted cash and cash equivalents
- Restricted cash and cash equivalents

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Note	2022	2021
	\$	\$
	3,017,365	3,099,854
	2,626,884	1,063,162
17(a)	5,644,249	4,163,016
	3,017,363	2,339,236
17(a)	2,626,886	1,823,780
	5.644.249	4 163 016

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 reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

Details of restrictions on financial assets can be found at Note 17.

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Self supporting loans receivable Term deposits

Held as

- Unrestricted other financial assets at amortised cost
- Restricted other financial assets at amortised cost

(b) Non-current assets

Financial assets at amortised cost Financial assets at fair value through profit and loss

Financial assets at amortised cost

Self supporting loans receivable

Financial assets at fair value through profit and loss

Units in Local Government House Trust

	2022	2021
	\$	\$
	30,877	123,355
	30,877	123,355
07/1	00.077	
27(b)	30,877	35,265
	0	88,090
	30,877	123,355
	30,877	35,265
17(a)	0	88,090
	30,877	123,355
	228,875	259,752
	97,255	92,259
-	326,130	352,011
	228,875	259,752
-	228,875	259,752
	97,255	92,259
_	97,255	92,259

SIGNIFICANT 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 hierachy (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 and loss The Shire classifies the following financial assets at fair value through profit and 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 not elected to recognise fair value gains and losses through other comprehensive income.

Impairment and risk

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

5. TRADE AND OTHER RECEIVABLES	Note	2022	2021
	4 5	\$	\$
Current			
Rates receivable		127,801	181,405
Trade and other receivables		861,484	168,246
Accrued Income		0	2,659
GST receivable		48,568	26,705
Allowance for credit losses of rates receivables	22(b)	(29,551)	. 0
		1,008,302	379,015
Non-current			
Pensioner's rates and ESL deferred		31,729	28,858
	-	31 729	28 858

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

Impairment and risk exposure Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 22. 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	2022	2021
	\$	\$
	47,828	31,343
	17,140	0
-	64,968	31,343
	51,420	189,310
_	51,420	189,310
ar:		
	220,653	217,720
	(533,111)	(409,544)
2(b)	0	(21,800)
	(120,750)	0
	549,596	434,277
	116,388	220,653
	- ar:	\$ 47,828 17,140 64,968 51,420 51,420 ar: 220,653 (533,111) 2(b) 0 8(a) (120,750) 549,596

Nota

2022

2024

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for sale

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

Land held for sale (Continued)
Borrowing costs and holding charges incurred after development is completed are expensed.

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

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

7. OTHER ASSETS

	2022	2021
	\$	\$
Other assets - current		
Prepayments	15,228	0
	15,228	0

SIGNIFICANT 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.

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.

			Buildings -		Total land	Furniture				Total property,
	Note	Land	non- specialised	Buildings - specialised	and buildings	and	Plant and equipment	Motor Vehicles	Work in Progress	plant and equipment
Balance at 1 July 2020		\$ 2,223,200	\$ 4,188,477	\$ 19,284,284	\$ 25,695,961	\$ 272,989	\$ 3,708,244	\$ 295,731	O \$5	\$ 29,972,925
Additions		0	332,862	98,992	431,854	11,977	473,227	101,671	0	1,018,729
Disposals		(80,000)	0	(174,333)	(254,333)	0	(101,116)	(61,707)	0	(417,156)
Revaluation increments / (decrements) transferred to revaluation surplus		0	13,296	0	13,296	0	0	0	0	13,296
Depreciation Balance at 30 June 2021	10(a)	2,143,200	(37,912) 4,496,723	(165,929) 19,043,014	(203,841) 25,682,937	(59,861) 225,105	(363,587) 3,716,768	(66,163) 269,532	00	(693,452) 29,894,342
Comprises: Gross balance amount at 30 June 2021 Accumulated depreciation at 30 June 2021		2,143,200	4,646,024 (149,301)	19,581,346 (538,332)	26,370,570 (687,633)	438,894 (213,789)	5,245,956 (1,529,188)	399,479 (129,947)	0 0	32,454,899 (2,560,557)
Balance at 30 June 2021	•	2,143,200	4,496,723	19,043,014	25,682,937	225,105	3,716,768	269,532	0	29,894,342
Additions		0	25,835	11,664	37,499	9,450	730,720	107,918	215,042	1,100,629
Disposals		0	0	0	0	0	(255,163)	(48,376)	0	(303,539)
Revaluation increments / (decrements) transferred to revaluation surplus		(417,450)	296,034	3,074,619	2,953,203	0	0	0	0	2,953,203
Transfer from held for sale		120,750	0	0	120,750	0	0	0	0	120,750
Transfers between asset classes			(791,074)	791,074	0					0
Depreciation	10(a)	0	(41,207)	(165,541)	(206,748)	(54,820)	(402,157)	(67,895)	0	(731,620)
balance at 30 June 2022		1,846,500	3,986,311	22,754,830	28,587,641	1/9,/35	3,790,168	261,179	215,042	33,033,765
Comprises: Gross balance amount at 30 June 2022 Accumulated depreciation at 30 June 2022		1,846,500 0	3,990,276	22,754,830 0	28,591,606 (3,965)	448,344 (268,609)	5,489,250 (1,699,082)	414,974 (153,795)	215,042	35,159,216 (2,125,451)
Balance at 30 June 2022		1,846,500	3,986,311	22,754,830	28,587,641	179,735	3,790,168	261,179	215,042	33,033,765

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022 SHIRE OF WONGAN-BALLIDU

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Inputs Used		Price per hectare or sales comparison	Available market information and utilising both observable and unobservable inputs being construction costs based on recent contract prices, current condition, residual values and remaining useful life assessments	Construction costs and current conditions residual value and remaining useful life assessment inputs
Date of Last Valuation		June 2022	June 2022	June 2022
Basis of Valuation		Independent Valuation	Independent Valuation	Independent Valuation
Valuation Technique	Market annroach using observable or	estimated open market values of similar assets, adjusted for condition and comparability, at their highest and best use	Market approach using observable or estimated open market values of similar assets, adjusted for condition and comparability, at their highest and best use	Cost approach using current replacement cost
Fair Value Hierarchy		2	2	က
Asset Class	(i) Fair Value Land and buildings	Land	Buildings - non-specialised	Buildings - specialised

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.

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Cost		
Furniture and equipment	Cost approach	Purchase cost
Plant and equipment	Cost approach	Purchase cost
Work in Progress	Cost approach	Purchase cost

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

9. INFRASTRUCTURE

(a) Movements in Balances

Movement in the balances of each class of infrastructure between the beginning and the end of the current financial year.

	Note	Infrastructure - roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Parks & Ovals	Infrastructure - Signs	Infrastructure - Other	Work in Progress	Total Infrastructure
Balance at 1 July 2020		\$ 97,718,049	\$ 1,696,455	\$ 10,539,828	\$ 6,059,323	\$ 454,676	\$ 5,345,664	o ••	\$ 121,813,995
Additions		2,128,370	80,606	0	0	0	65,871	0	2,274,847
Depreciation	10(a)	(1,321,127)	(51,725)	(109,191)	(215,066)	(3,237)	(141,223)	0	(1,841,569)
Balance at 30 June 2021	<u>.</u> S	98,525,292	1,725,336	10,430,637	5,844,257	451,439	5,270,312	0	122,247,273
Comprises: Gross balance at 30 June 2021 Accumulated depreciation at 30 June 2021	1	102,403,683 (3,878,391)	1,880,071 (154,735)	10,758,210 (327,573)	7,169,520 (1,325,263)	497,522 (46,083)	5,790,000 (519,688)	0 0	128,499,006 (6,251,733)
Balance at 30 June 2021	ı	98,525,292	1,725,336	10,430,637	5,844,257	451,439	5,270,312	О	122,247,273
Additions		3,222,451	40,071	0	0	0	50,052	201,125	3,513,699
Revaluation increments / (decrements) transferred to revaluation surplus		0	0	0	0	0	665,015	0	665,015
Depreciation	10(a)	(1,349,467)	(54,189)	(108,899)	(215,067)	(3,237)	(142,523)	0	(1,873,382)
Transfers		(5,084)	0	0	0	0	5,084	0	0
Balance at 30 June 2022		100,393,192	1,711,218	10,321,738	5,629,190	448,202	5,847,940	201,125	124,552,605
Comprises: Gross balance at 30 June 2022		105,621,123	1,920,143	10,758,210	7,169,520	497,522	5,847,940	201,125	132,015,583
Accumulated depreciation at 30 June 2022		(5,227,931)	(208,925)	(436,472)	(1,540,330)	(49,320)	0	0	(7,462,978)
Balance at 30 June 2022		100,393,192	1,711,218	10,321,738	5,629,190	448,202	5,847,940	201,125	124,552,605

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value Infrastructure - roads	м	Cost approach using depreciated replacement cost	Independent Valuation	June 2018	Construction cost and current condition, residual values and remaining useful life assessment inputs
Infrastructure - Footpaths	ю	Cost approach using depreciated replacement cost	Independent Valuation	June 2018	Construction cost and current condition, residual values and remaining useful life assessment inputs
Infrastructure - Drainage	ю	Cost approach using depreciated replacement cost	Independent Valuation	June 2018	Construction cost and current condition, residual values and remaining useful life assessment inputs
Infrastructure - Parks & Ovals	ю	Cost approach using depreciated replacement cost	Independent Valuation	June 2018	Construction cost and current condition, residual values and remaining useful life assessment inputs
Infrastructure - Signs	ю	Cost approach using depreciated replacement cost	Independent Valuation	June 2018	Construction cost and current condition, residual values and remaining useful life assessment inputs
Infrastructure - Other	м	Cost approach using depreciated replacement cost	Independent Valuation	June 2022	Construction cost and current condition, residual values and remaining useful life assessment inputs
Work in Progress		Cost approach			Purchase cost

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.

10. FIXED ASSETS

(a) Depreciation	Note	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
Buildings - non-specialised	8(a)	41,207	40,305	37,912
Buildings - specialised	8(a)	165,541	179,550	165,929
Furniture and equipment	8(a)	54,820	33,340	59,861
Plant and equipment	8(a)	402,157	379,285	363,587
Motor Vehicles	8(a)	67,895	66,470	66,163
Infrastructure - roads	9(a)	1,349,467	1,480,900	1,321,127
Infrastructure - Footpaths	9(a)	54,189	0	51,725
Infrastructure - Drainage	9(a)	108,899	0	109,191
Infrastructure - Parks & Ovals	9(a)	215,067	0	215,066
Infrastructure - Signs	9(a)	3,237	0	3,237
Infrastructure - Other	9(a)	142,523	340,320	141,223
Right-of-use assets - furniture and equipment	11(a)	5,135	0	5,602
	_	2,610,137	2,520,170	2,540,623

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	30 - 50 Years
Buildings - specialised	50 - 80 Years
Furniture and equipment	4 - 10 Years
Plant and equipment	5 - 15 Years
Motor vehicles	2 - 5 Years
Infrastructure - Road Seals	27 Years
Infrastructure - Road Subgrade	200 Years
Infrastructure - Road Unsealed	10 Years
Infrastructure - Footpaths	30 - 40 Years
Infrastructure - Drainage	70 Years
Infrastructure - Other	15 - 60 Years
Right-of-use - furniture and equipment	Based on the remaining lease

10. FIXED ASSETS (Continued)

(b) Disposals of assets

	2022	2022			2022	2022			2021	2021		
	Actual	Actual	2022	2022	Budget	Budget	2022	2022	Actual	Actual	2021	2021
	Net Book	Sale	Actual	Actual	Net Book	Sale	Budget	Budget	Net Book	Sale	Actual	Actual
	Value	Proceeds	Profit	Loss	Value	Proceeds	Profit	Loss	Value	Proceeds	Profit	Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	0	0	0	0	0	0	0	0	80,000	0	0	(80,000)
Buildings - specialised	0	0	0	0	284,158	140,000	5,000	(149, 158)	174,333	27,000	0	(147,333)
Plant and equipment	255,163	212,033	0	(43, 130)	52,644	56,000	5,390	(2,034)	101,116	94,500	0	(6,616)
Motor Vehicles	48,376	59,227	10,851	0	0	0	0	Ó	61,707	55,727	0	(5,980)
	303,539	271,260	10,851	(43,130)	336,802	196,000	10,390	(151,192)	417,156	177.227	0	(239,929)

The following assets were disposed of during the year.

Motor Vehicles	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
Health Subaru Outback	16,990	26,500	9.510	0
Other property and services	10,990	20,500	9,510	U
Mazda CX9	31,386	32,727	1,341	0
	48,376	59,227	10,851	0
Plant and equipment				
Transport JCB Backhoe	115,296	94,556	0	(20,740)
Komatsu Grader	139,867	117,477	0	(22,390)
	255,163	212,033	0	(43,130)
	303,539	271,260	10,851	(43,130)

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Initial recognition and measurement for assets held at cost Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value 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 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.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of 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.

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value.

They are subject to subsequent revaluation at the next revaluation date in accordance with the mandatory measurement framework.

Revaluation

The fair value of land, buildings and infrastructure is determined at least 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 vested land acquired by the Shire.

At the end of each period the carrying amount for each asset class is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value

Revaluation (continued)

For property, plant and equipment and infrastructure, increases in the carrying amount arising on revaluation of assets 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.

An 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 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.

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 eliminated against the gross carrying amount of the asset and the net amount restated to the revaluated amount of the asset.

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	assets - furniture and equipment	Right-of-use assets Total	
		\$	\$	
Balance at 1 July 2020		10,735	10,735	
Depreciation		(5,602)	(5,602)	
Balance at 30 June 2021		5,133	5,133	
Additions		32,850	32,850	
Depreciation	10(a)	(5, 135)	(5,135)	
Balance at 30 June 2022		32,848	32,848	
The following amounts were recognised in the statement of comprehensive income during the period in respect			2022 Actual	2021 Actual
of leases where the entity is the lessee:			\$	\$
Depreciation on right-of-use assets Interest expense on lease liabilities	10(a) 28(b)		(5,135) 0	(5,602) (285)
Total amount recognised in the statement of comprehensive in	come	1	(5,135)	(5,887)
Total cash outflow from leases			(4,928)	(6,084)
(b) Lease Liabilities				
Current			6,979	4,928
Non-current			25,871	0
	28(b)	1	32,850	4,928

Right-of-use

The Shire entered into a new lease for furniture and equipment in the year ended 30 June 2022. The term of the lease is for 5 years.

SIGNIFICANT 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 asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the 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 28(b).

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

Refer to Note 10 under revaluation for details on the significant accounting policies applying to vested improvements.

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

11. LEASES (Continued)

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

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date. Less than 1 year

2022	2021
Actual	Actual
\$	\$
118,367	4,938
118,367	4,938

The Shire leases houses to staff with rentals payable monthly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The staff houses are not considered investment property as they are leased for use in the supply of services to the community. The doctor's housing are not considered investment property as the primary purpose is provision of community housing.

Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Although the Shire is exposed to changes in the residual value at the end of the current leases, the Shire typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties. Leases are either renewed yearly or perpetual.

SIGNIFICANT ACCOUNTING POLICIES

The Shire as Lessor

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

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

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

When a contract is determined to include lease and non-lease components, the Shire applies AASB 15 to allocate the consideration under the contract to each component.

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued payroll liabilities
ATO liabilities
Bonds and deposits held
Accrued interest on long-term borrowings
Accrued expenses

2022	2021
\$	\$
169,853	125,672
125,156	197,448
11,346	15,153
67,770	38,573
6,950	4,926
4,397	4,872
30,576	0
416,048	386,644

SIGNIFICANT 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 the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the 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 revenue for the prepaid rates that have not been refunded.

13. OTHER LIABILITIES	2022	2021	
	\$	\$	
Current			
Contract liabilities	34,984	35,000	
Capital grant/contributions liabilities	518,985	300,644	
	553,969	335,644	
Reconciliation of changes in contract liabilities			
Opening balance	35,000	18,000	
Additions	34,984	17,000	
Revenue from contracts with customers included as a contract liability at the			
start of the period	(35,000)	0	
	34,984	35,000	
The Shire expects to satisfy the performance obligations from contracts with customers unsatisfied at the end of the reporting period to be satisfied within the next 12 months.			
Reconciliation of changes in capital grant/contribution liabilities			
Opening balance	300,644	0	
Additions	518,985	300,644	
Revenue from capital grant/contributions held as a liability at the start of the			
period	(300,644)	0	
1	518,985	300,644	
Expected satisfaction of capital grant/contribution liabilities			
Less than 1 year	518,985	300,644	
· · · · · · · · · · · · · · · · · · ·	518,985	300,644	

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.

SIGNIFICANT 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 the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as revenue when the obligations in the contract are satisfied.

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

14. BORROWINGS

			2022			2021	
	Note	Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		116,527	1,935,610	2,052,137	119,587	2,052,136	2,171,723
Total secured borrowings	28(a)	116,527	1,935,610	2,052,137	119,587	2,052,136	2,171,723

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Wongan-Ballidu. The Shire of Wongan-Ballidu has complied with the financial covenants of its borrowing facilities during the 2022 and 2021 years.

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

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.

Risk

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

Details of individual borrowings required by regulations are provided at Note 28(a).

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions
Employee benefit provisions
Annual Leave
Long Service Leave
Rostered days off
Same Contract of the Same of the Same

Non-current provisions

Long Service Leave

2022	2021
\$	\$
231,291	218,621
162,933	183,868
5,683	0
399,907	402,489
110,516	88,744
110,516	88,744
510,423	491,233

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

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

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date More than 12 months from reporting date

Note	2022	2021
	\$	\$
	277,080	417,369
	233,343	73,864
-	510,423	491,233

SIGNIFICANT 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 WONGAN-BALLIDU
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FOR THE YEAR ENDED 30 JUNE 2022

16. REVALUATION SURPLUS

	2022	2022	2022	Total	2022	2021	2021	2021	Total	2021
	Opening	Revaluation	Revaluation	Movement on	Closing	Opening	Revaluation	Revaluation	Movement on	Closing
	Balance	Increment	(Decrement)	Revaluation	Balance	Balance	Increment	(Decrement)	Revaluation	Balance
	\$	S	\$	\$	us	us	S	(A)	69	69
Land - freehold land	14,195,153	0	(417,450)	(417,450)	13,777,703	14,195,153	0	0	0	14,195,153
Buildings - non-specialised	13,327	296,034	0	296,034	309,361	31	13,296	0	13,296	13,327
Buildings - specialised	88	3,074,619	0	3,074,619	3,074,707	88	0	0	0	88
Furniture and equipment	160,617	0	0	0	160,617	160,617	0	0	0	160,617
Plant and equipment	2,016,215	0	0	0	2,016,215	2,016,215	0	0	0	2,016,215
Motor Vehicles	13,751	0	0	0	13,751	13,751	0	0	0	13,751
Infrastructure - roads	50,767,889	0	0	0	50,767,889	50,767,889	0	0	0	50,767,889
Infrastructure - Footpaths	1,672,764	0	0	0	1,672,764	1,672,764	0	0	0	1,672,764
Infrastructure - Drainage	10,813,000	0	0	0	10,813,000	10,813,000	0	0	0	10,813,000
Infrastructure - Parks & Ovals	6,447,451	0	0	0	6,447,451	6,447,451	0	0	0	6,447,451
Infrastructure - Signs	448,811	0	0	0	448,811	448,811	0	0	0	448,811
Infrastructure - Other	4,236,181	665,015	0	665,015	4,901,196	4,236,181	0	0	0	4,236,181
	90,785,247	4,035,668	(417,450)	3,618,218	94,403,465	90,771,951	13,296	0	13,296	90,785,247

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

17. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

		Note	2022 Actual	2022 Budget	2021 Actual
	·		\$	\$	\$
	Cash and cash equivalents	3	5,644,249	1,865,165	4,163,016
	Restrictions The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
	- Cash and cash equivalents - Financial assets at amortised cost	3 4	2,626,886 0 2,626,886	1,588,357 88,090 1,676,447	1,823,780 88,090 1,911,870
٠	The restricted financial assets are a result of the following specific purposes to which the assets may be used: Restricted reserve accounts Total restricted financial assets	29	2,626,886 2,626,886	1,676,447 1,676,447	1,911,870 1,911,870
(b)	Reconciliation of Net Result to Net Cash Provided By Operating Activities				
	Net result		3,584,992	2,747,256	626,178
	Non-cash items: Adjustments to fair value of financial assets at fair value through profit and loss Depreciation/amortisation (Profit)/loss on sale of asset Changes in assets and liabilities: (Increase)/decrease in trade and other receivables		(4,997) 2,610,137 32,279 (632,157)	0 2,520,170 140,802 175,500	(4,683) 2,540,623 239,929 (35,819)
	(Increase)/decrease in other assets (Increase)/decrease in inventories Increase/(decrease) in trade and other payables Increase/(decrease) in employee related provisions Increase/(decrease) in contract liabilities Non-operating grants, subsidies and contributions Net cash provided by/(used in) operating activities	-	(135,978) 104,265 29,405 19,190 218,325 (3,046,750) 2,778,711	0 25,000 (113,641) 41,000 0 (4,856,403) 679,684	0 (2,933) (260,919) 63,042 317,644 (1,629,267) 1,853,795
(c)	Undrawn Borrowing Facilities				
	Credit Standby Arrangements Bank overdraft limit Bank overdraft at balance date		0 0		100,000
	Credit card limit Credit card balance at balance date		20,000 (5,609)		15,000 (590)
	Total amount of credit unused		14,391	_	114,410
	Loan facilities Loan facilities - current		116,527		119,587
	Loan facilities - non-current Total facilities in use at balance date	-	1,935,610 2,052,137	.	2,052,136 2,171,723
	Unused loan facilities at balance date		NIL		NIL

18. CONTINGENT LIABILITIES

The Shire of Wongan-Ballidu has identified the following sites, in relation to land owned, vested or leased, that is known to be, or suspected of being contaminated. As at the date of this report, the value and timing of remediation has not been ascertained.

Location

4 Commercial Road (Cnr Commercial Rd and Ninan St)

Land Use

Nature of Potential Contamination

Former Service Station/Depot Hydrocarbons

The above site is subject to the following restrictions:

Under the Contaminated Sites Act 2003, this site has been classified as "remediated for restricted use".

The site use is restricted to commercial/industrial use, excluding sensitive uses such as schools, childcare centres,

kindergartens, public open space and residential use.

No further management of the site in relation to contamination is required.

19. CAPITAL COMMITMENTS

2022 2021 Contracted for: - capital expenditure projects 438,998 0 438,998 0 Payable: - not later than one year 438,998 0

The capital expenditure projects outstanding at the end of the current reporting period represent the following projects: Works at the Wongan Hills Recreation Complex, Wongan Hills Airstrip and various road renewal works.

20. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration	Note	2022 Actual	2022 Budget	2021 Actual
(1) Lieuts monast nomanistation	11010	\$	\$	\$
Cr M Stephenson				*
President's annual allowance		1,000	1,000	250
Meeting attendance fees		1,680	1,710	1,160
Annual allowance for ICT expenses	-	1,000	1,000	1,000
Cr J Hasson		3,680	3,710	2,410
President's annual allowance		0	0	750
Meeting attendance fees		0	0	1,050
Annual allowance for ICT expenses		0	0	750
Travel and accommodation expenses	_	0	0	198
		0	0	2,748
Cr A Tunstill				
Deputy President's annual allowance		187	250	4 000
Meeting attendance fees Annual allowance for ICT expenses		1,225 1,000	1,500	1,090
Travel and accommodation expenses		215	1,000 1,267	1,000 160
Traver and accommodation expenses	_	2,627	4,017	2,250
Cr B West		2,021	4,011	2,200
Deputy President's annual allowance		63	0	250
Meeting attendance fees		1,215	1,500	1,090
Annual allowance for ICT expenses		1,000	1,000	1,000
Travel and accommodation expenses	_	177	1,267	176
0.00		2,455	3,767	2,516
Cr S Boekeman		4 405		
Meeting attendance fees		1,135	1,500	1,100
Annual allowance for ICT expenses	_	1,000 2,135	1,000 2,500	1,000
Cr S Falconer		2,133	2,500	2,100
Meeting attendance fees		1,180	1,500	1,045
Annual allowance for ICT expenses		1,000	1,000	1,000
the observational and distributed and the second of the property of the second of the	_	2,180	2,500	2,045
Cr K Anspach				
Meeting attendance fees		1,160	1,500	0
Annual allowance for ICT expenses		750	1,000	0
	-	1,910	2,500	0
Cr D Coad		1,010	2,000	Ü
Meeting attendance fees		845	1,500	
Annual allowance for ICT expenses		750	1,000	
Author anowalios for for expenses	-	1,595	2,500	0
Cr E Ganzer		1,595	2,500	U
Meeting attendance fees		245		4.400
		345		1,100
Annual allowance for ICT expenses	-	250		1,000
		595	0	2,100
	_	17,177	21,494	16,169
Fees, expenses and allowances to be paid or		2022	2022	2021
reimbursed to elected council members.		Actual	Budget	Actual
	_	\$	\$	\$
President's annual allowance		1,000	1,000	1,000
Deputy President's annual allowance		250	250	250
Meeting attendance fees		8,785	10,710	7,635
Annual allowance for ICT expenses		6,750	7,000	6,750
Travel and accommodation expenses	20/b) -	392	2,534	534
	20(b)	17,177	21,494	16,169

(b) Key Management Personnel (KMP) Compensation

The total of compensation paid to KMP of the	2022 Actual	2021 Actual
Shire during the year are as follows:	\$	\$
Short-term employee benefits	594,962	587,274
Post-employment benefits	70,882	66,716
Employee - other long-term benefits	(9,443)	15,799
Employee - termination benefits	8,518	0
Council member costs 20(a)	17,177	16,169
	682 096	685,958

Short-term employee benefits

These amounts include all salary (including annual and personal leave) 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.

Termination benefits

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

Council member costs

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

20. RELATED PARTY TRANSACTIONS

(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:	2022 Actual	2021 Actual
Purchase of goods and services	\$ 372,880	\$ 97,069
Amounts outstanding from related parties: Trade and other receivables	285	209
Amounts payable to related parties:		
Trade and other payables	100	6,512

(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 entity, directly or indirectly, including any council member, are considered key management personnel.

ii. Other Related Parties

An associate person of KMP was employed by the Shire under normal employment terms and conditions.

Any entity that is controlled by or 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.

21. JOINT ARRANGEMENTS

Share of joint operations

The Shire together with the Department of Communities have a joint operational agreement with regard to the ownership of four housing units in Quinlan Street and two housing units in Patterson Street, Wongan Hills.

The Shire's interest in the joint operations are as follows:

Quinlan Street: 12.81% Patterson Street: 11.22%

SIGNIFICANT ACCOUNTING POLICIES

Joint operations

A joint operation is a joint arrangement where the Shire has joint control with another party to the joint arrangement. All parties to joint arrangementhave rights to the assets, and obligations for the liabilities relating to the arrangement.

Assets, liabilities, revenues and expenses relating to the Shire's interest in the joint operation are accounted for in accordance with the relevant Australian Accounting Standard.

22. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2022					
Cash and cash equivalents	0.224%	5,644,249	0	5,447,352	196,897
2021					
Cash and cash equivalents Financial assets at amortised cost - term	0.10%	4,163,016	1,063,162	3,099,004	850
deposits	0.10%	88,090	88,090	0	0

Sensitivity

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

2022 2021 \$ \$ 54,474 30,999

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

* Holding all other variables constant Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 28(a).

22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The Shire's major receivables comprise rates annual charges and user fees and charges. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2021 or 1 July 2022 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

The loss allowance as at 30 June 2022 and 30 June 2021 for rates receivable was determined as follows:

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
30 June 2022						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	29.08%		
Gross carrying amount	1,227	0	24,720	101,607	127,554	
Loss allowance	0	0	0	29,551	29,551	5
30 June 2021						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	2,030	83,877	30,656	64,842	181,405	
Loss allowance	0	. 0	. 0	0	0	5

The loss allowance as at 30 June 2022 and 30 June 2021 was determined as follows for trade receivables.

	Less than 1 year past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
30 June 2022						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	758,686	27,972	0	74,826	861,484	
Loss allowance	0	0	0	0	0	5
30 June 2021						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	161,687	3,386	284	2,889	168,246	
Loss allowance	0	0	0	0	0	5

22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

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

	Rates rec	eivable		Trade and	other	receivables		Contr	act A	ssets	
	2022	2021		2022		2021		2022		2021	
	Actual	Actual		Actual		Actual		Actual		Actual	
	\$	\$		\$		\$		\$		\$	
Opening loss allowance as at 1 July	0		0		0		0		0		0
New loss allowance during period	29,551		0		0		0		0		0
Closing loss allowance at 30 June	29,551		0	Hardin.	0		0		0		0

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

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

22. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 17(c).

The contractual undiscounted cash flows of the Shire's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

2022	Due within 1 year \$	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
Trade and other payables Borrowings Lease liabilities	348,278 161,847 6,570 516,695	0 613,554 26,280 639,834	0 1,670,691 0 1,670,691	348,278 2,446,092 32,850 2,827,220	348,278 2,052,137 32,850 2,433,265
<u>2021</u>					
Trade and other payables Borrowings Lease liabilities	348,072 167,034 4,928 520,034	775,037 0 775,037	0 1,670,691 0 1,670,691	348,072 2,612,762 4,928 2,965,762	348,072 2,171,723 4,928 2,524,723

23. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There were no events occuring after the balance date that have a significant effect on the financial statements.

24. OTHER SIGNIFICANT 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 restalement 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 statements 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

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 (air 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

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 earnings

Interest income 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).

 Fair value hierarchy
 AASB 13 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 dategorised into as follows:

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

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

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

i) Impairment of assets

In accordance with Australian Accounting Standards the Shire's cash generating non-specialised 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.

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) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

k) Initial application of accounting standards

During the current year, no new or revised Australian Accounting Standards and Interpretations were compiled, became mandatory and were applicable to its operations.

New accounting standards for application in future years

The following new accounting standards will have application to local government in future years: AASB 2020-1 Amendments to Australian Accounting Standards - Classification of

- Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards Disclosure of Accounting Policies or Definition of Accounting Estimates - AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of
- Amendments to AASB 10 and AASB 128 and Editorial Corrections

It is not expected these standards will have an impact on the financial report.

25. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

Objective	Description
Governance To provide a decision making process for the efficient allocation of scarce resources.	Includes the activities of members of Council and the administrative support available assisting elected members and ratepayers on matters which do not concern specific council services but are strategic in nature.
General purpose funding To collect revenue to allow for the allocation to services.	Rating, general purpose government grants and interest revenue.
Law, order, public safety To provide services to ensure bushfire prevention, animal control and community safety.	Supervision and enforcement of various local laws and acts relating to fire prevention, animal control and other aspects of public safety including emergency services.
Health To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, food quality testing, pest control, noise control, waste disposal compliance and child health services.
Education and welfare Support of education for the youth of the community and care of the elderly.	Activities involve the support for aged care accommodation, Community Health Care Centre and youth services within the community.
Housing To assist with housing for staff and the community.	Provision and maintenance of residential rental properties.
Community amenities To provide community amenities and other infrastructure as required by the community.	Rubbish collection, recycling and disposal, maintenance of refuse sites, administration of Town Planning Schemes, maintenance of cemeteries in the district.

Recreation and culture

To plan, establish and efficiently manage sport and recreation infrastructure and resources which will help the social well being and health and community.

Transport

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

Economic services

To help promote the Shire and improve its economic wellbeing.

Other property and services

To monitor and control plant and depot operations, and to provide other property services not included elsewhere.

To develop and maintain a superior level of quality community recreational facilities, including, but not limited to, civic centres, recreation centres, ovals, parks and gardens, swimming pool, museums and library facilities.

Construction and maintenance of streets, roads, footpaths, depots, cycleways, street trees, parking facilities, traffic control, cleaning, lighting of streets and aerodromes.

The regulation and provision of tourism, area promotion activities and building control.

Private works operation, plant operating costs, depot operations and unclassified property functions.

25. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses	2022	2022	2021
	Actual	Budget	Actual
	\$	\$	\$
Income excluding grants, subsidies and contributions			
Governance	34,841	35,021	40,214
General purpose funding	3,100,354	3,108,689	3,014,496
Law, order, public safety	7,100	10,500	11,367
Health	46,099	84,490	28,507
Education and welfare	7,237	11,120	10,652
Housing	66,279	64,500	56,746
Community amenities	243,965	216,014	206,750
Recreation and culture	43,141	43,000	43,161
Transport	3,899	7,500	50,483
Economic services	125,179	59,800	71,829
Other property and services	294,637	227,804	346,721
	3,972,731	3,868,438	3,880,926
Grants, subsidies and contributions			
Governance	0	0	19,169
General purpose funding	3,056,308	1,068,377	2,114,421
Law, order, public safety	40,962	44,650	32,165
Community amenities	698	0	987
Recreation and culture	88,227	989,000	447,316
Transport	3,329,042	3,854,669	1,450,327
Other property and services	165,574	133,440	133,297
	6,680,811	6,090,136	4,197,682
Total Income	10,653,542	9,958,574	8,078,608
Expenses			
Governance	(458,380)	(550,799)	(296,136)
General purpose funding	(133,884)	(105,726)	(121,157)
Law, order, public safety	(149,232)	(165,592)	(173,249)
Health	(373,228)	(407, 106)	(385,228)
Education and welfare	(152,191)	(221,573)	(140,873)
Housing	(167,894)	(172,364)	(187,678)
Community amenities	(525,510)	(530,375)	(514,536)
Recreation and culture	(1,616,054)	(1,689,422)	(1,598,692)
Transport	(2,758,198)	(2,894,898)	(2,910,757)
Economic services	(234,060)	(189,073)	(190,682)
Other property and services	(499,919)	(284,390)	(933,442)
Total expenses	(7,068,550)	(7,211,318)	(7,452,430)
Net result for the period	3,584,992	2,747,256	626,178

25. FUNCTION AND ACTIVITY (Continued)

	2022	2022	2021
	Actual	Budget	Actual
(c) Fees and Charges	\$	\$	\$
Governance	4,864	5,350	9,845
General purpose funding	9,046	7,500	6,140
Law, order, public safety	7,100	10,500	11,366
Health	25,200	75,500	25,361
Education and welfare	201	1,500	182
Housing	59,800	61,000	52,631
Community amenities	243,284	216,014	206,750
Recreation and culture	35,226	37,000	35,454
Transport	2,559	2,500	3,059
Economic services	125,175	58,800	70,524
Other property and services	166,812	146,033	131,385
	679,267	621,697	552,697

	2022	2021
(d) Total Assets	\$	\$
Governance	1,940,743	1,706,085
General purpose funding	8,050,390	5,097,958
Law, order, public safety	183,459	206,615
Health	2,534,550	2,336,640
Education and welfare	758,796	740,052
Housing	1,530,880	501,411
Community amenities	1,010,777	840,682
Recreation and culture	23,809,158	22,639,189
Transport	114,986,518	113,208,936
Economic services	6,581,346	5,878,445
Other property and services	4,437,673	4,257,640
	164,792,121	157,413,656

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

26. RATING INFORMATION

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				2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2020/21
			Number	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Actual
RATE TYPE		Rate in	Jo	Rateable	Rate	Interim	Total	Rate	Interim	Total	Total
Rate Description	Basis of valuation	\$	Properties	Value *	Revenue	Rates	Revenue	Revenue	Rate	Revenue	Revenue
				s.	un-	us	4	s	69	s/s	us
Wongan Hills	Gross rental valuation	0.100677	456	5,866,599	590,632	58	590,690	590,632	2,500	593,132	584,074
Ballidu and Cadoux	Gross rental valuation	0.100677	69	467,164	47,033	301	47,334	47,033	0	47,033	45,210
							0			0	
Rural	Unimproved valuation	0.01027	270	230,681,000	2,369,094	(41)	2,369,053	2,369,094	0	2,369,094	2,298,395
Mining	Unimproved valuation	0.01027	1	78,587	807	3,555	4,362	808	0	808	1,122
Sub-Total			962	237,093,350	3,007,566	3,873	3,011,439	3,007,567	2,500	3,010,067	2,928,801
		Minimum									
Minimum payment		us									
Wongan Hills	Gross rental valuation	683	59	171,493	40,294	0	40,294	40,294	0	40,294	35.142
Ballidu and Cadoux	Gross rental valuation	368	20	11,570	7,365	0	7,365	7,365	0	7,365	7,150
							0			0	
Rural	Unimproved valuation	368	17	314,600	6,260	0	6,260	6,260	0	6,260	5,720
Mining	Unimproved valuation	368	18	153,040	6,628	0	6,628	6,628	0	6,628	4,648
Sub-Total			114	650,703	60,547	0	60,547	60,547	0	60,547	52,660
		•	910	237.744.053	3.068.113	3.873	3.071.986	3.068.114	2.500	3 070 614	2 981 461
)	000'1 10'0	6,000,0	2,000	1000	104,100,4
Discounts on general rates (Refer note 26(c)) Total amount raised from general rates	efer note 26(c)) ineral rates						(37,660)		1	(33,000)	(36,964)
* Rateable value is based on the value of properties at the time the rate is raised.	he value of properties at										
(b) Rates (excluding general rates)	(sa)										
Ex-gratia Rates							31,346	23,500	0	23,500	23,269

(c) Total Rates

The entire balance of rates revenue has been recognised at a point in time in accordance with AASB 1058 Income for not-for-profit entities.

2,967,766

3,061,114

3,065,672

26. RATING INFORMATION (Continued)

(c) Discounts, Incentives, Concessions, & Write-offs

Rates Discounts

Rate or Fee Discount Granted	Туре	Discount	Discount	2022 Actual	2022 Budget	2021 Actual	Circumstances in which Discount is Granted
General Rates	Rate	% 2.00%	ss.	\$ 37,660	33,000	36,96	36,964 Early payment discount if payment made in full received within 21 days of rates issuance.
Total discounts/concessions (Note 26)	ions (Note 26)	ė	1	37,660	33,000	36,964	

26. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

	Date	Instalment Plan	Instalment Plan	Unpaid Rates Interest
Instalment Options	Due	Admin Charge	Interest Rate	Rate
		\$	%	%
Option One				
Single full payment	3/09/2021	N/A	N/A	7.00%
Option Two				
First instalment	3/09/2021	30.0	5.50%	7.00%
Second instalment	5/11/2021	12.0	5.50%	7.00%
Third instalment	14/01/2022	12.0	5.50%	7.00%
Fourth instalment	18/03/2022	12.0	5.50%	7.00%
		2022	2022	2021
		Actual	Budget	Actual
		\$	\$	\$
Interest on unpaid rates		11,521	15,000	14,864
Interest on instalment plan		8,496	6,000	8,368
Charges on instalment plan		3,680	6,000	4,270
		23,697	27,000	27,502

27. RATE SETTING STATEMENT INFORMATION

	Note	2021/22 (30 June 2022 Carried Forward)	2021/22 Budget (30 June 2022 Carried Forward)	2021/22 (1 July 2021 Brought Forward)	2020/21 (30 June 2021 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 Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .					
Adjustments to operating activities					
Less: Profit on asset disposals	10(b)	(10,851)	(10,390)	0	0
Less: Movement in liabilities associated with restricted cash	(- /	103	(10,000)	240	240
Less: Fair value adjustments to financial assets at fair value through profit and		100	Ü	240	240
loss		(4,997)	0	(4,683)	(4,683)
Add: Loss on disposal of assets	10(b)	43,130	151,192	239.929	239,929
Add: Depreciation	10(a)	2,610,137	2,520,170	2,540,623	2,540,623
Non-cash movements in non-current assets and liabilities:	10(4)	2,010,101	2,020,110	2,010,020	2,040,020
Pensioner deferred rates		(2,871)	0	(3,518)	(3,518)
Employee benefit provisions		21,772	0	17,576	17,576
NCA Land held for resale		17,140	0	21,800	21,800
Non-cash amounts excluded from operating activities		2,673,563	2,660,972	2,811,967	2,811,967
(b) Surplus/(deficit) after imposition of general rates					
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement 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	29	(2,626,886)	(1,676,447)	(1,911,870)	(1,911,870)
Less: Financial assets at amortised cost - self supporting loans	4(a)	(30,877)	(1,070,447)	(35,265)	(35,265)
Less: Current assets not expected to be received at end of year	-1(α)	(00,071)	Ū	(55,265)	(55,265)
- Rates receivable	6	0	25,000	0	0
Add: Current liabilities not expected to be cleared at end of year			20,000	· ·	Ü
- Current portion of borrowings	14	116,527	117,313	119,587	119,587
- Current portion of lease liabilities	11(b)	6,979	(207)	4,928	4,928
 Employee benefit provisions funded by restricted cash 		41,842	35,000	41,741	41,741
- Movement in provisions between current and non-current provisions		0	(25,000)	0	0
Total adjustments to net current assets		(2,492,415)	(1,524,341)	(1,780,879)	(1,780,879)
Net current assets used in the Rate Setting Statement					
Total current assets		6,763,624	2,522,148	4,696,729	4,696,729
Less: Total current liabilities		(1,493,430)	(997,807)	(1,249,292)	(1,249,292)
Less: Total adjustments to net current assets		(2,492,415)	(1,524,341)	(1,780,879)	(1,780,879)
Net current assets used in the Rate Setting Statement		2,777,779	(1,524,541)	1,666,558	1,666,558
		_,,,,,,,,	U	1,500,000	1,000,000

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

28. BORROWING AND LEASE LIABILITIES

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					Actual					Budge	et	
				Principal			Principal				Principal	
		Principal at	Principal at New Loans	Repayments	Principal at 30	New Loans	Repayments	Principal at	Principal at 1	New Loans	Repayments	Principal at
Purpose	Loan	1 July 2020	1 July 2020 During 2020-21 During 2020-21	During 2020-21	June 2021	During 2021-22	During 2021-22	30 June 2022	July 2021	During 2021-22	During 2021-22	30 June 2022
		us	us	us	us.	S	5	us	us	us	S	us
Recreation Centre Improvements	152	1,959,317	0	(82,610)	1,876,707	0	(84,322)	1,792,385	1,876,705	0	(84,322)	1,792,383
Total		1,959,317	0	(82,610)	1,876,707	0	(84,322)	1,792,385	1,876,705	0	(84,322)	1,792,383
Self Supporting Loans												
Construction of Aged Persons Complex	147	24,440	0	(9,281)	15,159	0	(9,934)	5,225	15,158	0	(9,934)	5,224
Construction of Aged Persons Complex	151A	260,595	0	(16,796)	243,799	0	(17,408)	226,391	243,798	0	(17,408)	226,390
Wongan Hills Community Store	153	0	40,000	(3,942)	36,058		(7,922)	28,136	36,058	0	(7,922)	28,136
Total Self Supporting Loans		285,035	40,000	(30,019)	295,016	0	(35,264)	259,752	295,014	0	(35,264)	259,750
Total Borrowings	Note 14	2,244,352	40,000	(112,629)	2,171,723	0	(119,586)	2,052,137	2,171,719	0	(119,586)	2,052,133

* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

Borrowing Interest Repayments

					Actual for year	Budget for	Actual for year
Purpose	Function and activity	Loan Number	Institution	Interest Rate	anding 30 June 2022	year ending 30 June 2022	ending 30 June 2021
Recreation Centre Improvements	Recreation & culture	152	WATC	2.05%	\$ (37,810)	\$ (37,827)	(39,437)
Total					(37,810)	(37,827)	(39,437)
Self Supporting Loans Interest Repayments							
Construction of Aged Persons Complex	Education and welfare	147	WATC	6.91%	(262)		(1,258)
Construction of Aged Persons Complex	Education and welfare	151A	WATC	3.65%	(8,583)	(8,741)	(10,137)
Wongan Hills Community Store	Other property & services	153	WATC	2.02%	(87)	(221)	(203)
Total Self Supporting Loans Interest Repaymen	nts				(9,265)	(9,840)	(11,598)
Total Interest Repayments 2(b)	(0)				(47,075)	(47,667)	(51,035)

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

28. BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease Liabilities			Principal at	Purpose 1 July 2020	50	CRC Photocopier (Old) 10,727	Photocopiers (CRC & Admin)	Total Lease Liabilities 10,727	Lease Interest Repayments	Purpose Note Function and activity	CRC Photocopier (Old) Other property & services Total Interest Repayments 2(b)
		Principal	Principal at New Leases Repayments	1 July 2020 During 2020-21 During 2020-21	45	0 (5,799)	0	(662'5) 0		activity Lease Number	/ & services 1
	Actual		Principal at 30	June 2021	s,	9) 4,928	0	9) 4,928		Institution	De Lange Landen
		New Leases	During 2021-22 During 2021-22	45	0	32,850	32,850		Interest Rate	3.30%	
		Principal	Repayments Principal at 30	During 2021-22	50	(4,928)		(4,928)	Actual for year ending	30 June 2022	0 0
			Principal at 30	June 2022	45	0	32,850	32,850	Budget for year ending	30 June 2022	(91) (91)
			Principal at 1	July 2021	s	5,135	0	5,135	Actual for year ending 30 June	2021	\$ (285) (285)
	Budget		New Leases	During 2021-22	w	0	0	0		Lease Term	5 years
	get	Principal	Repayments	During 2021-22	ss	(5,135)		(5,135)			
			Principal at	30 June 2022	s	0	0	0			

SHIRE OF WONGAN-BALLIDU NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

	2022	2022	2022	2022	2022	2022	2022	2022	2021	2021	2021	2021
	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Actual	Actual	Actual	Actual
29. RESERVE ACCOUNTS	Opening Balance	Transfer to	Transfer (from)	Closing	Opening Balance	Transfer to	Transfer (from)	Closing	Opening Balance	Transfer to	Transfer (from)	Closing
	69	us	us	s	s	s	69	65	69	69	s	63
Restricted by council												
(a) Long Service Leave Reserve	41,739	103	0	41,842	41,739	209	0	41,948	41,499	240	0	41,739
(b) Depot Improvement Reserve	10,546	26	0	10,572	10,546	53	0	10,599	10,486	09	0	10,546
(c) Plant Reserve	594,336	741,464	(489,158)	846,642	594,336	742,978	(641,000)	696,314	660,097	269,321	(335,082)	594,336
(d) Housing Reserve	117,871	245,290	0	363,161	117,871	245,591	(200,000)	163,462	1,851	116,020	0	117,871
(e) Wongan Hills Community Resource Centre Reserve	37,347	92	0	37,439	37,347	187	0	37,534	32,505	20,138	(15,296)	37,347
(f) Swimming Pool Reserve	63,998	157	0	64,155	63,998	321	(49,000)	15,319	114,767	661	(51,430)	63,998
(g) Historical Publications Reserve	7,108	18	0	7,126	7,108	36	0	7,144	7,068	40	0	7,108
(h) Special Projects Reserve	360,929	889	0	361,818	360,929	1,809	(30,000)	332,738	348,904	42,025	(30,000)	360,929
(i) Waste Management Reserve	50,243	5,124	0	55,367	50,243	5,252	0	55,495	44,981	5,262	0	50,243
(j) Housing - Stickland Street Reserve	53,450	5,132	0	58,582	53,450	5,268	0	58,718	53,142	308	0	53,450
(k) Housing - Quinlan Street Reserve	49,792	5,123	0	54,915	49,792	5,250	0	55,042	44,534	5,258	0	49,792
(I) Housing - Patterson Street Reserve	49,236	5,121	0	54,357	49,236	5,247	0	54,483	43,980	5,256	0	49,236
(m) Sporting Co-Location Reserve	425,275	219,620	(75,985)	568,910	425,275	2,126	(331,750)	95,651	286,852	138,423	0	425,275
(n) Doctor Reserve	50,000	0	(50,000)	0	50,000	250	(50,250)	0	150,000	0	(100,000)	50,000
(o) Finance System Replacement Reserve	0	102,000	0	102,000	0	52,000	0	52,000	0	0	0	0
	1,911,870	1,330,159	(615,143)	2,626,886	1,911,870	1,066,577	(1,302,000)	1,676,447	1,840,666	603,012	(531,808)	1,911,870

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves - cash/financial assets backed.

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:

	Purpose of the reserve	- To be used for Council's current and non-current long service leave liability.	 To be used to fund capital improvements and maintenance works at the Shire of Wongan-Ballidu Depot. 	- To be used for the purchase of major plant and motor vehicles.	- To be used for the development of housing within the Shire.	- To be used to transfer funds from the Community Resource Centre operations for the future purchase of capital, furniture and equipment.	- To be used to fund capital and maintenance works at the Wongan Hills Memorial Swimming Pool.	- To be used to fund historical publications and projects of the Shire.	- To be used to fund the refurbishment of a multi-purpose medical facility in Wongan Hills to house the doctor and others.	 To be used to fund the future waste management facility needs of the Shire. 	- To be used to fund the capital and operating costs of the housing in Stickland Street.	- To be used to fund the capital and operating costs of the housing in Quinlan Street.	- To be used to fund the capital and operating costs of the housing in Patterson Street.	- To be used to fund the implementation of the co-location of sports facilities within the Shire of Wongan-Ballidu.	- To be used to fund the operational subsidy paid to the operator of the Wongan Hills Medical Centre.	- To be used to fund the replacement of the Shire's core software application
Anticipated	date of use	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	30/06/2023	30/06/2022	30/06/2023
	Name of Reserve	(a) Long Service Leave Reserve	(b) Depot Improvement Reserve	(c) Plant Reserve	(d) Housing Reserve	Imunity Resource Centre Reserve	(f) Swimming Pool Reserve	(g) Historical Publications Reserve	(h) Special Projects Reserve	(i) Waste Management Reserve	(j) Housing - Stickland Street Reserve		ø	(m) Sporting Co-Location Reserve	(n) Doctor Reserve	(o) Finance System Replacement Reserve

30. 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 2021	Amounts Received	Amounts Paid	30 June 2022
	\$	\$	\$	\$
Lake Ninan/Hinds Fire Brigade	4,821	0	0	4,821
Mocardy Bushfire Brigade	7,787	0	0	7,787
Fire Brigade - Glenvar	500	. 0	0	500
Transport Payments	5,423	0	(5,423)	0
Discover Golden Horizons	27,641	0	0	27,641
WH Nature Playground	1,680	0	(1,680)	0
	47,852	0	(7,103)	40,749



IDEPENDENT AUDITOR'S REPORT 2022 Shire of Wongan-Ballidu

To the Councillors of the Shire of Wongan-Ballidu

Opinion

I have audited the financial report of the Shire of Wongan-Ballidu (Shire) which comprises:

- the Statement of Financial Position at 30 June 2022, the Statement of Comprehensive Income by Nature or Type, Statement of Changes in Equity, and Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant 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 2022 and its financial position at the end of that period
- 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 2022, 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 of the Shire is responsible for:

- 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 control 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 ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control 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 Wongan-Ballidu for the year ended 30 June 2022 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.

Patrick Arulsingham
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
22 December 2022

SHIRE OF WONGAN-BALLIDU

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2022

FINDINGS IDENTIFIED DURING THE AUDIT

INDEX OF FINDINGS		RATING	
	Significant	Moderate	Minor
Fair value of Infrastructure Assets	Y		
Letters of employment		Y	
Findings Identified in the Prior Year:			
3. Quotations – minimum number not obtained	~		
4. Purchase orders dated after the invoice date		~	

KEY TO RATINGS

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

Significant -

Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However, even if the issue is not likely to impact the audit report, it should be addressed promptly.

Moderate

- Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.

Minor

 Those findings that are not of primary concern but still warrant action being taken.

SHIRE OF WONGAN-BALLIDU PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2022 FINDINGS IDENTIFIED DURING THE AUDIT

1. Fair Value of Infrastructure Assets - Frequency of Valuations

Finding

The Shire has not performed an assessment to determine whether its infrastructure assets except of Infrastructure – Other represent fair value.

The Shire is comfortable that the current value of the Infrastructure Assets equates to the fair value however a robust assessment was not performed.

Rating: Significant Implication

Without a robust assessment of fair value of Shire's infrastructure assets, except for Infrastructure-Other, there is a risk that the fair value of infrastructure assets may not have been assessed adequately and in compliance with AASB 13 Fair Value Measurement, as well as Regulation 17A(4)(b) of the Local Government (Financial Management) Regulations 1996 (the Regulations).

Recommendation

The Shire consider implementing as part of the preparation of financial statements a formal robust process to determine whether indicators exist annually, that would trigger a requirement to perform a formal revaluation of Infrastructure Assets. Where indicators exist a robust fair value assessment should be performed capturing the requirements of *AASB* 13 Fair Value Movements. This process is to ensure that the Shire's infrastructure assets are recorded at fair value in compliance with *AASB* 13 Fair Value Measurement and the Regulations.

This may entail obtaining relevant input from an independent valuer as to whether or not they consider there are any prevailing market factors which may indicate that the fair value of relevant assets are likely to have been impacted to any significant / material extent from the prior year. Where a fair value assessment has been performed internally the Shire may consider having this assessment peer reviewed by an independent valuer to obtain assurance over the valuation methodology applied, inputs and the reasonableness of the valuation model applied.

Management comment

The Shire will implement a formal process for reviewing the assumptions and market indices that are used to determine whether or not there is a reasonable expectation that the carrying amount of non-current assets materially differ from fair value. For asset classes which are not due to be revalued in the revaluation cycle in the reporting period, a desktop review will be undertaken, and if conditions exist in the final quarter of the reporting period that would indicate a material difference, the Shire will process asset revaluation entries. The Shire will endeavour to use unit cost rates from current year acquisitions, and where unavailable, data from the Australian Bureau of Statistics related to inflation factors.

The Shire adds the following as further justification for the above methodology.

AASB 13 para. 89 states the following:

SHIRE OF WONGAN-BALLIDU

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2022

FINDINGS IDENTIFIED DURING THE AUDIT

"An entity shall develop unobservable inputs using the best information available in the circumstances, which might include the entity's own data. In developing unobservable inputs, an entity may begin with its own data, but it shall adjust those data if reasonably available information indicates that other market participants would use different data or there is something particular to the entity that is not available to other market participants (eg an entity-specific synergy). An entity need not undertake exhaustive efforts to obtain information about market participant assumptions. However, an entity shall take into account all information about market participant assumptions that is reasonably available. Unobservable inputs developed in the manner described above are considered market participant assumptions and meet the objective of a fair value measurement".

The Shire's infrastructure class of assets are scheduled for independent revaluation for the year ended 30 June 2023.

Responsible person: Deputy Chief Executive Officer

Completion date: 30 June 2023

2. Employment contracts

Finding:

We note that the letter of employment for one employee was not signed and for another employee was not available in the employee file.

Rating: Moderate Implication:

Ineffective management of letters of employment increase the risk of inappropriate appointments and potential future employment liabilities.

Recommendation:

Management should ensure that all letters of employment are authorised and retained appropriately.

Management's comments:

The Shire will ensure its processes and controls around employment contracts is fortified to mitigate the risk outlined in this finding. A checklist and formal review will be implemented, to be used for every recruitment process the Shire undertakes. An internal audit will be undertaken on an annual basis to ensure this risk is mitigated appropriately.

Responsible person: Chief Executive Officer

Completion date: 31 January 2023

SHIRE OF WONGAN-BALLIDU

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2022 FINDINGS IDENTIFIED DURING THE AUDIT

Findings Identified in the Prior Year:

3. Quotations - Minimum Number not obtained

Finding

We noted 3 out of 45 samples selected where the minimum number of quotations were not obtained in accordance with the Shire's *Purchasing and Tender Policy*.

Purchasing and Tender Policy		Number Instances	of
Amount of Purchase	Model Policy		
\$10,001 - \$50,000	Obtain at least two (2) verbal or written quotations from suppliers following a brief outlining the specified requirements, from the open market. Record keeping requirements must be maintained in accordance with record keeping policies. The Local Government Purchasing and Tender Guide contains sample forms for recording verbal and written quotations.	3	

Rating: Significant Implication

Non-compliance with the internal purchasing policy increases the risk of breaching Part 4 of the Local Government (Functions and General) Regulations 1996 and regulation 11 of the Local Government (Financial Management) Regulations 1996. There is a further risk of not achieving the objectives of 'Value for Money' as stated in 12.4 Value for Money of the Shire's purchasing policy and the risk of favouritism of suppliers.

Recommendation

- 1. For purchases below the tender threshold, quotes should be obtained and documented in accordance with the procurement policy.
- 2. If instances arise where it is impractical to obtain the requisite number of quotation, the reasons should be recorded in the dedicated section of the purchase order at the time of the purchase being made.

Management's Comments

Staff will be reminded of the requisite quotes to be obtained as contained in the Shire's Purchasing and Procurement Policy. Management wishes to note that two (2) of the three (3) purchase orders raised that did not have the minimum number of quotes were for bulk diesel purchases and verbal quotes were obtained for these.

Responsible Person: Deputy Chief Executive Officer

Completion Date: 31 December 2022

ATTACHMENT

SHIRE OF WONGAN-BALLIDU
PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2022
FINDINGS IDENTIFIED DURING THE AUDIT

SHIRE OF WONGAN-BALLIDU PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2022 FINDINGS IDENTIFIED DURING THE AUDIT

4. Purchase orders dated after the invoice date

Finding:

During our procurement testing we identified 1 payment out of a sample of 45 in which a purchase order authorising the purchase was raised after receipt of the supplier's tax invoice.

Rating: Moderate

Implication:

If purchases are made without first obtaining authorisation though a signed, authorised purchase order, there is a risk that Council will be committed to purchases which were not authorised.

Recommendation:

For purchases below the tender threshold, purchase orders should be obtained and authorised in accordance with the Shire's procurement policy before suppliers are contacted and purchases made.

Management's comments:

Staff will be reminded of the procurement process to ensure full compliance going forward. Management is comfortable with the 97.8% compliance rate based on audit sampling that was undertaken and that sufficient appropriate controls exist around the procurement process and raising and authorising purchase orders prior to goods and services being ordered, and an invoice supplied.

Responsible person: Deputy Chief Executive Officer

Completion date: 31 December 2022