



Shire of
Koorda

ANNUAL REPORT 2020/2021

DRIVE IN, STAY AWHILE

TABLE OF CONTENTS

03

Shire Introduction

04

President's Message

05

CEO's Message

06

Yearly Statistics

07

Elected Members

08

Yearly Highlights

10

Disclosures

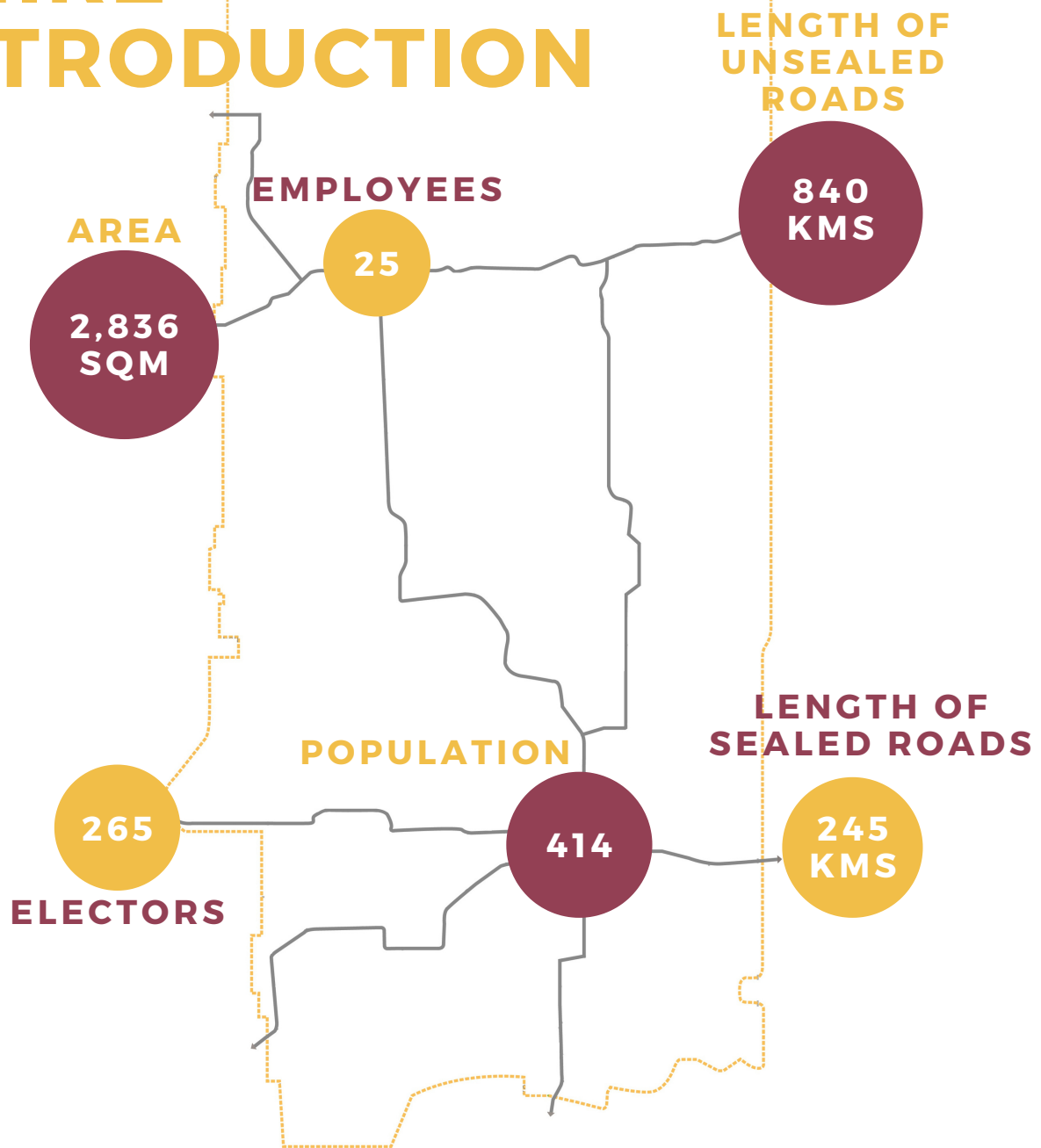
15

Annual Financials

62

Independent Auditor's
Report

SHIRE INTRODUCTION



Approximately 240km and 3 hour's drive north-east of Perth, Koorda is situated along the popular 'Wheatbelt Way' self-drive trail. Koorda's main industries include wheat, coarse grain and sheep farming. During springtime, experience remarkable wildflower displays with some species unique to the area.

Koorda was famously referred to as 'Corn Dolly Country,' attracting sightseers wanting to learn more about the ancient tradition of creating 'dollies' from stalks and husks of wheat. In 2019 Koorda saw a re-branding to adopt the catch phrase "Drive In, Stay Awhile" which both incorporates our iconic Drive In that runs on a

monthly basis and showcases our town as a great place to live, work and travel in.

The town offers great facilities for visitors to enjoy, from its wonderful Wheatbelt scenery, local attractions, museums and Drive In theatre, to sporting recreational services such as a golf course, tennis courts, lawn bowls, children's playgrounds, skate park and much, much more. There are numerous scenic areas to stop at, most with public BBQ and toilet facilities. Mollerin Rock, Redcliffe, Newcarlbeon, Koorda Native Flora Reserve and Badgerin Rock are popular spots to enjoy the surroundings and perhaps catch some of the local inhabitants.

PRESIDENT'S MESSAGE



I am pleased to present the 2020/2021 Annual Report.

Over the past 12 months the Shire has had an extensive program through both the Administration and Works teams.

It has been a council priority to upgrade its finance system to the SynergySoft program. In preparation for the system going live on the 1st of July 2021, there has been extensive training and data input completed by staff. Congratulations to DCEO Lana Foote and staff on this achievement.

Once again, the roads crew have successfully completed a considerable program - this included \$330,000 of renewal works and \$980,000 worth of upgrades,

With Phase 1 and 2 of the Local Roads and Community Infrastructure program (LRCIP), we have seen the construction of the Yalabee Units and upgrade of the Caravan Park Ablutions. Due to the statewide shortage of tradespeople and contractors, there has been an initial delay in the final completion of these projects - and often the talent of our works crew has been called upon to complete tasks.

We have yet to allocate funds to Phase three of the LRCIP - Shire of Koorda allocation \$879,000.

While we are still under State of Emergency directions due to the COVID 19 Pandemic, at the start of 2021 restrictions eased to allow Sport to resume within the community. Our Winter Sports fixtures were affected by two lockdowns during the playing season.

Community celebrations were held for CWA Koorda Branch - celebrating their 90th Birthday and the Koorda Football Club celebrating 100yrs - truly inspirational efforts from volunteer organisations.

On the 11/12th of April, the WA Coastline was hit with Tropical Cyclone Seroja. This Tropical Cyclone system brought destructive winds and heavy rainfall to coastal areas and continued inland impacting additional communities. Through an extensive advocacy role, the Shire of Koorda was added to the disaster proclamation on the 25th of May, enabling affected landholders to apply for compensation.

In May 2021 the Shire received notification that the Koorda Bendigo Bank Agency would be closing. This presented immense challenges as staff were no longer able to complete daily banking requirements and the community ATM would not be able to be restocked locally. The closure was also felt across the community as it effected local employment at the Community Resource Centre, and the banking needs of our many not for profits.

Council and Staff participated in a WA Local Government Grants Commission Public Hearing in May this year. The Hearing, chaired by the Hon. Fred Riebeling, gave insight on the formula that is used to calculate each Local Governments allocation within the Financial Assistance Grants Scheme.

Council continues its focus on the Refuse Site - working individually and in collaboration with NEWROC with ASK Waste Management consultants.

Consultants were also commissioned to complete Townscaping community consultation and design, and Integrated Planning and Reporting consultation.

In closing, I would like to congratulate and thank Council and Staff for their commitment over the past 12 months and look forward to a successful 2021/2022.

Jannah Stratford
President

CEO'S MESSAGE



It is with much pleasure that I present my Chief Executive Officer's Report to the Shire of Koorda (Shire) and the Koorda Community for the year ending 30 June 2021.

Following on from the second half of the 2019/2020 which saw the Shire take an active role in managing the local impacts of the COVID-19 (coronavirus) global pandemic, and whilst distressing to see the adverse effects of COVID-19 on other jurisdictions, there is no doubt that the Koorda community has benefited greatly from the broader National Cabinet and more specific, State Government-led response to the on-going state of emergency.

However, COVID-related lockdowns in Perth, Peel and South West, in the latter half of the financial year did result in a level of confusion, disruption and inconvenience to important community and sporting activities such as ANZAC Day, sporting fixtures and the 100-Year Reunion Celebration for the Koorda Football Club.

Where possible, Shire councillors and staff tried to minimise the resulting disruption to the community however it was pleasing to see the resilience of the Koorda community in addressing these challenges for which I offer my thanks and congratulations.

Notwithstanding the challenge of managing the local impacts of a global pandemic and the Shire's routine 'business as usual' workload, it is also pleasing to report that the Shire has seen the implementation of a new finance management system, extra project work under the Commonwealth's Local Roads and Community Infrastructure Program (LRCIP)

and addressing the emergency response and recovery of Tropical Cyclone Seroja (including external advocacy to have the Shire considered in the declared disaster area).

Other important programs and projects undertaken during 2020/2021 include:

- Demolition of the previous 6 single bedroom short stay Yalabee accommodation units and installation of 8 new double bedroom units including 2 universal access (Jointly funded by the Commonwealth's LRCIP and the Shire);
- Upgrade of the Koorda Caravan Park including installation of 6 unisex ablution rooms, universal access ablution and family ablution blocks (Also, jointly funded by the Commonwealth's LRCIP and the Shire);
- Engagement of an external consultant and commenced public consultation on the Koorda Townscape Revitalisation project;
- Assisted CBH Group with planning and development of local emergency grain storage;
- Completed longstanding land transfers for the Koorda CWA Building, former Anglican Church and water reserves;
- Leading the North Eastern Wheatbelt Regional Organisation of Councils (NEWROC);

Council has continued its strong support for Shire Staff to achieve positive outcomes for the community and, as such, I would like to extend my personal thanks to our elected members and my senior management colleagues, Deputy CEO, Lana Foote, Works Supervisor, Darren West, and their respective team members for all their efforts during the year.

Darren Simmons
Chief Executive Officer

15

11 Council Meetings;
3 Audit Committee Meetings, and;
1 Electors Meeting,

**\$4.6M**

14 rural property sales were
processed throughout the year
with a sale value of \$4,621,817.

**\$1.3M**

16 town property sales were
processed throughout the year
with a sale value of \$1,304,100.

**\$308K**

Issued 4 building related
approvals at a value of
\$307,850.

**183%**

1,060 recorded visitors stayed
in Shire owned
accommodation, which was a
183% increase from the
2019/2020 figure, 578.

**9.8KM**

of road was widened and
sealed on four roads for
\$490,000. Roads included
Burakin-Wialki, Koorda-
Dowerin, Koorda-Kulja and
Kulja-Kalannie.

\$403K

spent on
reconstruction
works on 2.4km of
the Koorda-Kulja
Road.

**10.5KM**

over four gravel roads were
reformed and resheeted for
\$240,000. Roads included
Cooper, Dukin West, Maher
and Remlap.

971

Held eleven screenings
at the Drive in which
attracted 971 visitors.
There was an average of
88 visitors per
screening.

\$1.1M

spent on upgrades to the
Koorda Caravan Park and
Yalambee Units.



ELECTED MEMBERS

(AS AT 30 JUNE 2021)



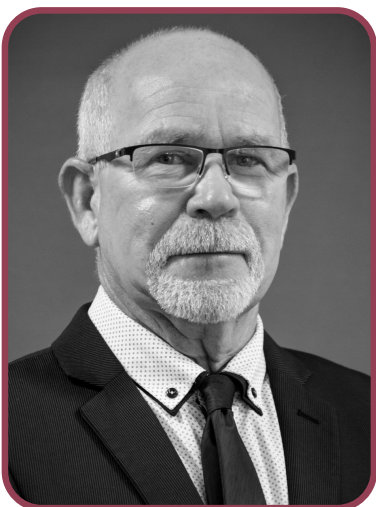
President
Cr JM (Jannah) Stratford
Term ends 2021



Deputy President
Cr PL (Pam) McWha
Term ends 2023



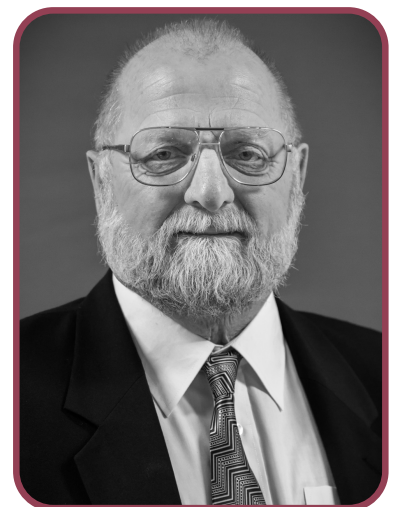
Councillor
Cr GL (Gina) Boyne
Term ends 2023



Councillor
Cr BG (Buster) Cooper
Term ends 2023



Councillor
Cr LC (Lea) Smith
Term ends 2023



Councillor
Cr RDG (George) Storer
Term ends 2021

a year's overview

HIGHLIGHTS

Yalambee Short Term Accommodation Upgrade

As part of Phase 1 of the Local Roads and Community Infrastructure Program (LRCIP), Council were successful in their application for upgrades to the Yalambee Short Term Accommodation Units. The project scope included demolition of the six existing 1970s, asbestos, one-bedroom units and the purchasing of eight brand new, two-bedroom self contained units, two of these being universal access units.



Accounting System Upgrade

It was a thumbs up from the Admin staff after an upgrade to their accounting system. The team have undergone extensive data conversion and cleansing during the early months of the year to ensure the move to Synergy Soft was as seamless as possible. In addition to this, the team was successful in a grant of \$5,000 from the Department of Local Government for a Standardised Chart of Accounts project which aims to get as many Councils on board using a standardised model



Shire Depot Facility Upgrades

Continuing the year on with building upgrades, the Works Crew received an upgrade of their existing and tired facilities housed at the Depot. The new Crib Room and Ablution block have been installed and look fantastic.



Shire Housing Renovations

Council believe well maintained housing is a key to ensure the attraction and retention of Staff is maintained. A comprehensive House and Building program is in place to ensure assets are maintained at a high level to achieve staff attraction and retention. During the 2020/2021 year, another staff house on Pearman Street received bathroom, ensuite and laundry upgrades and had its flooring upgraded and refreshed.

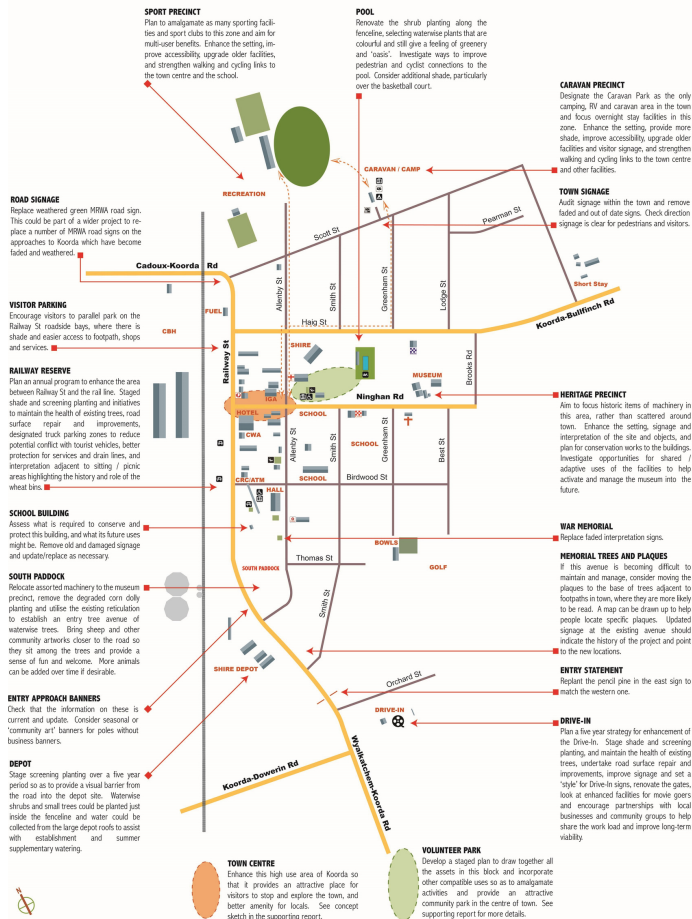
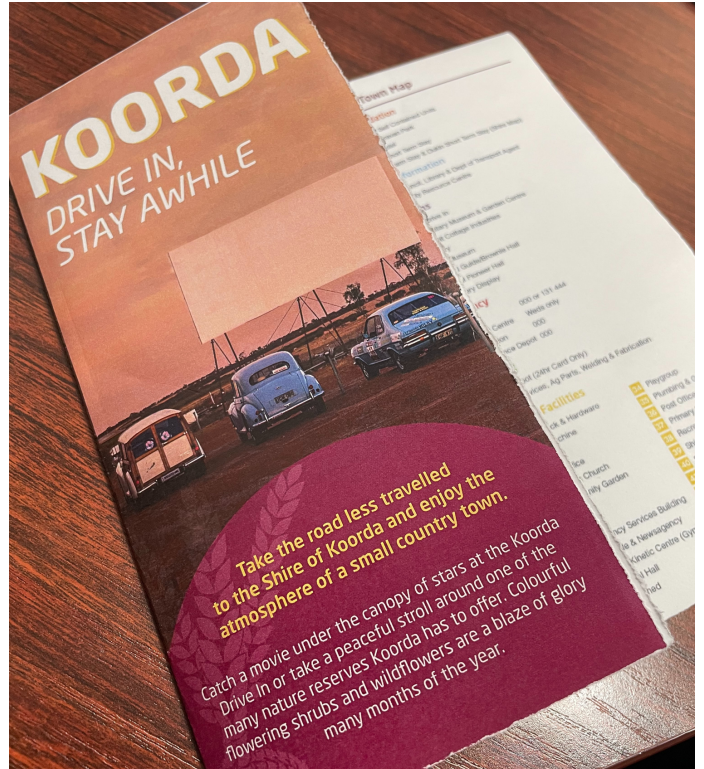


North Eastern Wheatbelt Regional Organisation of Councils (NEWROC) Leadership

From October 2019 to October 2021, Koorda were in the rotation to hold the leadership positions for NEWROC. The six member Councils include Koorda, Mt Marshall, Mukinbudin, Nungarin, Trayning and Wyalkatchem and in July 2020 they welcomed the Shire of Dowerin to the team. The major projects currently being undertaken by NEWROC include Regional Waste Initiatives and investigations into Power Microgrids and Regional Subsidiaries.

Koorda Tourist Brochure Upgrade

The Shire once again collaborated with SallyJDesigns from Bencubbin to give the Koorda Tourist Brochure a make over. The Brochure received a contemporary refresh and hosts new town and Shire tourist maps which highlight all the fantastic things to see and do in our Shire.



Koorda Townscape Enhancement DRAFT Project List

< Townscaping Concept Plans

Council engaged Consultant Sally Malone Designs and worked with the Community to identify projects and priorities for the development of a Townscaping Concept Map and Plan to aid Council with their plans to upgrade and beautify the town streets.



Caravan Park Ablution Upgrade

Phase 2 of the LRCIP was allocated to an ablution and bay upgrade at the Caravan Park. Existing plumbing and leaking issues within the walls helped make the decision to demolish the existing brick ablutions and commission new unisex ablution blocks.

DISCLOSURES

As per s.5.53(2)(g) and (i) of the Local Government Act 1996, regulation 19B (2) of the Local Government (Administration) Regulations 1996, the following disclosures and information are to be included in the annual report. The information requirement is for any annual reports for a financial year beginning on or after 1 July 2020.

Note: In this regulation - **remuneration** has the meaning given in the Salaries and Allowances Act 1975 section 4(1).

Remuneration includes salary, allowances, fees, emoluments and benefits (whether money or not)

Employee Remuneration Disclosure

As per section 19B (a)(b) of the Local Government (Administration) Regulations 1996, the annual report must contain the number of employees of the local government entitled to an annual salary of \$130,000 or more, and the number of employees in the local government entitled to an annual salary that falls within each band of \$10,000 over \$130,000.

Salary Range	Number of Employees
\$130,000 - \$139,999	0
\$140,000 - \$149,999	1

Remuneration and Allowance

As per regulation 19B (2)(c) of the Local Government (Administration) Regulations 1996, the annual report must contain information of any remuneration and allowances paid by the local government under Schedule 5.1 clause 9 during the financial year.

During the 2020/2021 period, no remuneration or allowances were paid.

Other Remuneration

As per regulation 19B (2)(d) of the Local Government (Administration) Regulations 1996, the annual report must contain any amount ordered under section 5.110(6)(b)(iv) to be paid by a person against whom a complaint was made under section 5.107(1), 5.109(1) or 5.114(1) to the local government during the financial year.

During the 2020/2021 period, no such amount was ordered to be paid.

CEO Remuneration

As per regulation 19B (2)(e) of the Local Government (Administration) Regulations 1996, the annual report must contain the remuneration paid or provided to the CEO during the financial year.

The Shire of Koorda is a band 4 local government. The total reward package of a band 4 local government is \$128,226 - \$201,113.

During the 2020/2021 period, \$185,000 was paid/provided to the CEO.

DISCLOSURES

Elected Member Meeting Attendance Record

As per regulation 19B (2)(f) of the Local Government (Administration) Regulations 1996, the annual report must contain information of the number of Council and Committee meetings attended by each Elected Member during the financial year.

Council Meeting Attendance

	Jul	Aug	Sep	Oct	Nov	Dec	Feb	Mar	Apr	May	Jun
Cr JM Stratford	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cr PL McWha	✓	✓	✓	✓	✓	✓	A	✓	✓	L	✓
Cr GL Boyne	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cr BG Cooper	✓	✓	✓	✓	✓	✓	A	✓	A	✓	✓
Cr LC Smith	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cr RDG Storer	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Committee Meeting Attendance

	Dec	Mar	Jun
Cr JM Stratford	✓	✓	✓
Cr PL McWha	A	✓	A
Cr RDG Storer	✓	✓	✓
Cr LC Smith (Deputy)	✓	N	✓

NOTE: Only the Audit Committee met during the 2020/2021 year.

Legend:

A - Apology submitted

N - Not applicable, not a Councillor at the that time or not a Committee Member

L - Leave of Absence granted by Council

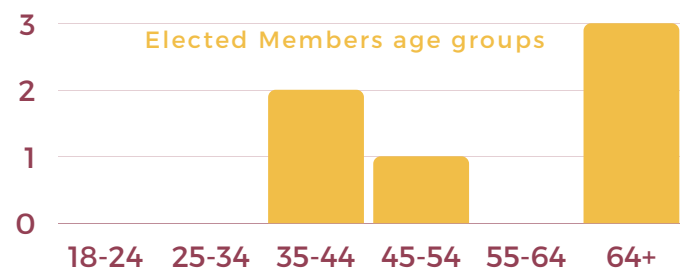
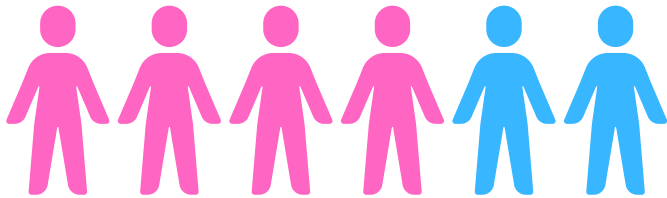
DISCLOSURES

Elected Member Information

As per regulation 19B (2)(g)(h)(i) of the Local Government (Administration) Regulations 1996, the annual report must contain, if available, information on the Elected Members in regard to their; gender, linguistic background, country of birth, age and the number who identify as Aboriginal or Torres Strait Islander.

No Elected Members identify as Aboriginal or Torres Strait Islander.

Elected Members were 67% female and 33% male



100%

of Elected Members were born in Australia and speak English

Strategic Community and Corporate Business Plans

As per regulation 19B (2)(j)(k) of the Local Government (Administration) Regulations 1996, the annual report must detail any modifications to the Local Government's Strategic Community or Corporate Business Plan during the financial year.

No modifications were made to either plan during the 2020/2021 financial year. Major review of the plans are set for the 2021/2022 financial year.

Disability Access and Inclusion Plan (DAIP)

Since 1995 it has been a requirement under the Disability Services Act 1993, that all Western Australian Local Governments develop and implement a Disability Access and Inclusion Plan (DAIP) that outlines the ways in which the Local Government will ensure that people with disability have equitable access to its facilities and services. The plan is to be reviewed and amended at a minimum of every five years.

The Shire of Koorda DAIP 2020-2025 was adopted at the July 2020 Ordinary Council Meeting and includes strategies which will address physical access barriers to Shire facilities and services as well as promote inclusion of people with disability within our community.

Council has continued a program of upgrading access to sealed footpaths and some local amenities to ensure that community members utilising "wheelchairs or gophers" are not disadvantaged. Council continue to monitor their current plan and are considering any additional requirements seen as desirable by Council or the community and ensured it met the key changes between the Disability Service Plans and the now legislated, disability access and inclusion plans (DAIP's).

DISCLOSURES

National Competition Policy

This policy was introduced by the Commonwealth Government in 1995 to promote competition for the benefit of business, consumers and the economy by removing what was considered to be unnecessary protection of monopolies of markets where competition can be enhanced. It affects local governments as factors such as exemption from company and income tax or possible local regulation and laws may give local government a potential advantage over private contractors.

During the 2020/2021 financial year, the Shire met its obligation concerning National Competition Policy. The Shire has no local laws or policies that contain anti-competitive provisions. No complaints were received during the period.

Freedom of Information

In complying with the Freedom of Information Act 1992, the Shire of Koorda is required to prepare and publish an information statement.

The Shire of Koorda's information Statement is subject to review annually and is available via Council's website or at the Shire Administration Office. The information statement contained advice on the type of documents available to the public and how to access those documents.

The Shire received no Freedom of Information Applications in the 2020/2021 reporting year.

Public Interest Disclosures

The Public Interest Disclosures Act 2003 facilitates the disclosure of public interest information and provides protection for those making disclosures and those who are the subject of disclosures. The Act provides a system for the matters disclosed to be investigated and for appropriate action to be taken.

During the 2020/2021 period, no public interest disclosures were lodged.

Local Government (Rules of Conduct) Regulations 2007 - Complaints Register

These regulations require the reporting of various offences by elected members, as prescribed by the Regulations. Elected members must comply with their obligations under the Local Government Act 1995 and subsidiary legislation. Complaints about elected member conduct are to be made to the Complaints Officer, who in accordance with section 5.120 of the Local Government Act 1995, must be a designated senior employee. The Shire's Complaints Officer is the Chief Executive Officer. Section 5.121 of the Local Government Act 1995 requires the Annual Report to contain details of the entries made about elected members.

There were no formal complaints lodged against elected members in the year under review.

DISCLOSURES

Sewerage Scheme Reports

In accordance with the operating license issued to the Shire of Koorda by the Environmental Regulation Authority, a report has been prepared on the operation of the sewerage scheme.

The scheme operated during the 2020/2021 period with an operating expenditure of \$39,340 and operating revenue of \$120,690 with the costs being ongoing maintenance and asset management.

Council will continue to budget for ongoing operating maintenance, annual sewer cleaning with the balance of the income received being set aside in a Reserve Fund for future requirements. The balance in the Sewerage Reserve at 30 June 2021 was \$959,650.

For the 2020/2021 period five (5) defect reports were received.

Records Management

The Shire is committed to meeting the requirements of the State Records Act 2000 which requires the Shire to maintain and dispose of all records in the prescribed manner.

The Shire transitioned to an Electronic Document Management System during the year, utilising IT Vision's software; Altus ECM. Retaining documents in an electronic management system delivers best practice in recordkeeping and provides an efficient document processing service to meet customer needs and volume demands.

In accordance with the State Records Act 2000 the Shire is required to have an approved Record Keeping Plan. The plan sets out matters regarding how records are created and how the Shire retains its records.

The Shire's reviewed Record Keeping Plan is due to be submitted to the State Records Commission by the end of 2021.

Staff Movements

The total number of staff again remained steady during the 2020/2021 year.

We wished Steve Archer a happy retirement in July 2020 after eleven years in the Town Maintenance crew and we bid farewell to Alan Thornton, our Building Maintenance Officer in October 2020.

SHIRE OF KOORDA
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

TABLE OF CONTENTS

Statement by Chief Executive Officer	16
Statement of Comprehensive Income by Nature or Type	17
Statement of Comprehensive Income by Program	18
Statement of Financial Position	19
Statement of Changes in Equity	20
Statement of Cash Flows	21
Rate Setting Statement	22
Index of Notes to the Financial Report	23
Independent Auditor's Report	62

COMMUNITY VISION

The Shire will endeavour to provide the community services and facilities to meet the needs of the community and enable them to enjoy a pleasant and healthy way of life.

Principal place of business:
10 Haig Street, Koorda

**SHIRE OF KOORDA
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Koorda for the financial year ended 30 June 2021 is based on proper accounts and records to present fairly the financial position of the Shire of Koorda at 30 June 2021 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 24th day of February 2022



Chief Executive Officer

Darren Simmons

Name of Chief Executive Officer

SHIRE OF KOORDA
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	22(a)	1,106,419	1,106,404	1,069,703
Operating grants, subsidies and contributions	2(a)	2,810,266	1,677,411	2,237,510
Fees and charges	2(a)	502,641	499,082	498,874
Service charges	22(b)	0	0	3,450
Interest earnings	2(a)	56,025	81,000	108,288
Other revenue	2(a)	29,270	31,552	76,842
		4,504,621	3,395,449	3,994,667
Expenses				
Employee costs		(1,584,693)	(1,896,055)	(1,637,541)
Materials and contracts		(518,539)	(459,516)	(485,411)
Utility charges		(25,655)	(34,000)	(27,627)
Depreciation on non-current assets	10(b)	(2,145,256)	(2,007,296)	(1,992,890)
Interest expenses	2(b)	(23,254)	0	0
Insurance expenses		(107,190)	(120,000)	(106,716)
Other expenditure		(143,556)	(138,750)	(103,562)
		(4,548,143)	(4,655,617)	(4,353,747)
		(43,522)	(1,260,168)	(359,080)
Non-operating grants, subsidies and contributions	2(a)	704,500	702,000	701,890
Profit on asset disposals	10(a)	53,864	16,000	485,009
(Loss) on asset disposals	10(a)	(24,858)	(18,000)	(15,320)
Fair value adjustments to financial assets at fair value through profit or loss		1,939	0	865
		735,445	700,000	1,172,444
Net result for the period		691,923	(560,168)	813,364
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	2,500,770	0	0
Total other comprehensive income for the period		2,500,770	0	0
Total comprehensive income for the period		3,192,693	(560,168)	813,364

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

SHIRE OF KOORDA
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Governance		65,905	65,905	72,105
General purpose funding		3,707,165	2,606,663	3,133,459
Law, order, public safety		16,898	24,446	19,755
Health		7,229	7,000	19,011
Housing		208,481	233,464	213,877
Community amenities		202,876	195,552	189,506
Recreation and culture		14,139	13,000	103,470
Transport		140,252	161,679	153,321
Economic services		35,522	28,740	33,982
Other property and services		106,154	59,000	56,181
		4,504,621	3,395,449	3,994,667
Expenses				
Governance		(480,623)	(529,571)	(408,274)
General purpose funding		(121,579)	(116,997)	(105,486)
Law, order, public safety		(143,866)	(97,890)	(74,995)
Health		(136,844)	(172,518)	(151,366)
Education and welfare		(53,814)	(47,080)	(47,473)
Housing		(280,478)	(284,340)	(273,262)
Community amenities		(287,231)	(334,597)	(276,080)
Recreation and culture		(998,290)	(1,041,763)	(1,003,735)
Transport		(1,767,438)	(1,711,210)	(1,767,289)
Economic services		(223,944)	(318,674)	(242,850)
Other property and services		(30,782)	(977)	(2,937)
		(4,524,889)	(4,655,617)	(4,353,747)
Finance Costs				
Community amenities	2(b)	(23,254)	0	0
		(23,254)	0	0
		(43,522)	(1,260,168)	(359,080)
Non-operating grants, subsidies and contributions	2(a)	704,500	702,000	701,890
Profit on disposal of assets	10(a)	53,864	16,000	485,009
(Loss) on disposal of assets	10(a)	(24,858)	(18,000)	(15,320)
Fair value adjustments to financial assets at fair value through profit or loss		1,939	0	865
		735,445	700,000	1,172,444
Net result for the period		691,923	(560,168)	813,364
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	2,500,770	0	0
Total other comprehensive income for the period		2,500,770	0	0
Total comprehensive income for the period		3,192,693	(560,168)	813,364

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

SHIRE OF KOORDA
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	NOTE	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	3	857,730	717,164
Trade and other receivables	6	136,173	182,520
Other financial assets	5(a)	5,748,351	6,114,376
Inventories	7	10,992	5,254
TOTAL CURRENT ASSETS		6,753,246	7,019,314
NON-CURRENT ASSETS			
Trade and other receivables	6	20,956	29,400
Other financial assets	5(b)	55,355	53,416
Property, plant and equipment	8	14,766,993	13,254,210
Infrastructure	9	76,802,390	76,061,908
TOTAL NON-CURRENT ASSETS		91,645,694	89,398,934
TOTAL ASSETS		98,398,940	96,418,248
CURRENT LIABILITIES			
Trade and other payables	12	119,420	184,579
Other liabilities	13	49,429	65,905
Employee related provisions	15	245,936	220,737
Other provisions	16	38,900	240,000
TOTAL CURRENT LIABILITIES		453,685	711,221
NON-CURRENT LIABILITIES			
Other liabilities	13	164,761	214,190
Employee related provisions	15	38,439	59,131
Other provisions	16	656,579	1,540,923
TOTAL NON-CURRENT LIABILITIES		859,779	1,814,244
TOTAL LIABILITIES		1,313,464	2,525,465
NET ASSETS		97,085,476	93,892,783
EQUITY			
Retained surplus		51,183,204	50,125,256
Reserves - cash/financial asset backed	4	5,748,351	6,114,376
Revaluation surplus	11	40,153,921	37,653,151
TOTAL EQUITY		97,085,476	93,892,783

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

SHIRE OF KOORDA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

		RESERVES CASH/FINANCIAL		
	NOTE	RETAINED SURPLUS	ASSET BACKED	REVALUATION SURPLUS
		\$	\$	\$
		\$	\$	\$
Balance as at 1 July 2019		49,803,146	5,623,122	37,653,151
Comprehensive income				
Net result for the period		813,364	0	0
Total comprehensive income		813,364	0	0
Transfers to reserves	4	(491,254)	491,254	0
Balance as at 30 June 2020		50,125,256	6,114,376	37,653,151
Comprehensive income				
Net result for the period		691,923	0	0
Other comprehensive income	11	0	0	2,500,770
Total comprehensive income		691,923	0	2,500,770
Transfers from reserves	4	400,000	(400,000)	0
Transfers to reserves	4	(33,975)	33,975	0
Balance as at 30 June 2021		51,183,204	5,748,351	40,153,921

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

SHIRE OF KOORDA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,158,709	1,106,404	1,036,264
Operating grants, subsidies and contributions		2,746,237	1,611,506	2,414,212
Fees and charges		507,641	499,082	498,211
Service charges		0	0	3,450
Interest received		56,025	81,000	108,288
Goods and services tax received		38,077	41,597	284,626
Other revenue		29,270	31,552	76,842
		4,535,959	3,371,141	4,421,893
Payments				
Employee costs		(1,595,433)	(1,896,055)	(1,649,135)
Materials and contracts		(329,817)	(459,516)	(844,851)
Utility charges		(25,655)	(34,000)	(27,627)
Interest expenses		(23,254)	0	0
Insurance paid		(107,190)	(120,000)	(106,716)
Goods and services tax paid		(322,370)	(41,597)	(247,051)
Other expenditure		(143,556)	(138,750)	(103,562)
		(2,547,275)	(2,689,918)	(2,978,942)
Net cash provided by (used in) operating activities	17	1,988,684	681,223	1,442,951
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for financial assets at amortised cost		0	0	(6,114,376)
Payments for purchase of property, plant & equipment	8(a)	(1,879,321)	(1,105,000)	(1,115,712)
Payments for construction of infrastructure	9(a)	(1,323,140)	(1,786,000)	(1,459,960)
Non-operating grants, subsidies and contributions	2(a)	704,500	702,000	764,861
Proceeds from financial assets at amortised cost		366,025	0	0
Proceeds from sale of property, plant & equipment	10(a)	283,818	392,000	184,407
Net cash provided by (used in) investment activities		(1,848,118)	(1,797,000)	(7,740,780)
Net increase (decrease) in cash held		140,566	(1,115,777)	(6,297,829)
Cash at beginning of year		717,164	7,665,991	7,014,993
Cash and cash equivalents at the end of the year	17	857,730	6,550,214	717,164

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

SHIRE OF KOORDA
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)				
		393,856	1,347,137	1,087,368
		393,856	1,347,137	1,087,368
Revenue from operating activities (excluding rates)				
Governance		65,905	65,905	72,105
General purpose funding		2,600,746	1,500,259	2,070,626
Law, order, public safety		16,898	24,446	486,070
Health		7,229	7,000	19,011
Housing		208,481	233,464	213,877
Community amenities		202,876	195,552	189,506
Recreation and culture		14,139	13,000	103,470
Transport		177,494	175,679	170,811
Economic services		35,522	28,740	33,982
Other property and services		124,715	61,000	58,250
		3,454,005	2,305,045	3,417,708
Expenditure from operating activities				
Governance		(480,623)	(529,571)	(408,274)
General purpose funding		(121,579)	(116,997)	(105,486)
Law, order, public safety		(143,866)	(97,890)	(74,995)
Health		(136,844)	(172,518)	(151,366)
Education and welfare		(77,814)	(47,080)	(47,473)
Housing		(280,478)	(284,340)	(273,262)
Community amenities		(310,485)	(334,597)	(276,080)
Recreation and culture		(998,290)	(1,044,763)	(1,003,735)
Transport		(1,768,296)	(1,720,210)	(1,776,254)
Economic services		(223,944)	(318,674)	(242,850)
Other property and services		(30,782)	(6,977)	(9,292)
		(4,573,001)	(4,673,617)	(4,369,067)
Non-cash amounts excluded from operating activities	23(a)	2,213,509	1,945,828	1,370,643
Amount attributable to operating activities		1,488,369	924,393	1,506,652
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	704,500	702,000	701,890
Proceeds from disposal of assets	10(a)	283,818	392,000	184,407
Purchase of property, plant and equipment	8(a)	(1,879,321)	(1,105,000)	(1,115,712)
Purchase and construction of infrastructure	9(a)	(1,323,140)	(1,786,000)	(1,459,960)
		(2,214,143)	(1,797,000)	(1,689,375)
Non-cash amounts excluded from investing activities	23(b)	5,000	0	5,000
Amount attributable to investing activities		(2,209,143)	(1,797,000)	(1,684,375)
FINANCING ACTIVITIES				
Transfers to reserves (restricted assets)	4	(33,975)	(761,797)	(491,254)
Transfers from reserves (restricted assets)	4	400,000	528,000	0
Amount attributable to financing activities		366,025	(233,797)	(491,254)
Surplus/(deficit) before imposition of general rates		(354,749)	(1,106,404)	(668,977)
Total amount raised from general rates	22(a)	1,106,419	1,106,404	1,062,833
Surplus/(deficit) after imposition of general rates	23(c)	751,670	0	393,856

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

SHIRE OF KOORDA
INDEX OF NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

Note 1	Basis of Preparation	24
Note 2	Revenue and Expenses	25
Note 3	Cash and Cash Equivalents	29
Note 4	Reserves - Cash backed	30
Note 5	Other Financial Assets	31
Note 6	Trade and Other Receivables	32
Note 7	Inventories	33
Note 8	Property, Plant and Equipment	34
Note 9	Infrastructure	36
Note 10	Fixed Assets	38
Note 11	Revaluation Surplus	41
Note 12	Trade and Other Payables	42
Note 13	Other Liabilities	43
Note 14	Information on Borrowings	44
Note 15	Employee Provisions	45
Note 16	Other Provisions	46
Note 17	Notes to the Statement of Cash Flows	47
Note 18	Total Assets Classified by Function and Activity	48
Note 19	Contingent Liabilities	49
Note 20	Elected Members Remuneration	50
Note 21	Related Party Transactions	51
Note 22	Rating Information	52
Note 23	Rate Setting Statement Information	55
Note 24	Financial Risk Management	56
Note 25	Other Significant Accounting Policies	59
Note 26	Activities/Programs	60
Note 27	Financial Ratios	61

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is 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 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.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

During the current year, the Shire adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

These were:

- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of Materiality*

The adoption of these standards had no material impact on the financial report.

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*

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

CRITICAL ACCOUNTING 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:

- Employee expenses
- Other financial assets
- Property, Plant and Equipment
- Infrastructure
- Provisions

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES

(a) Grant revenue

Grants, subsidies and contributions are included as both operating and non-operating revenues in the Statement of Comprehensive Income:

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Operating grants, subsidies and contributions			
Governance	65,905	65,905	71,905
General purpose funding	2,530,711	1,396,707	1,953,562
Law, order, public safety	10,562	18,120	12,876
Recreation and culture	0	0	11,000
Transport	156,875	161,679	153,321
Other property and services	46,213	35,000	34,846
	2,810,266	1,677,411	2,237,510
Non-operating grants, subsidies and contributions			
Transport	704,500	702,000	701,890
	704,500	702,000	701,890
Total grants, subsidies and contributions	3,514,766	2,379,411	2,939,400
Fees and charges			
General purpose funding	6,457	15,000	1,906
Law, order, public safety	6,336	6,326	6,880
Health	7,229	7,000	19,011
Housing	208,481	233,464	213,877
Community amenities	202,876	195,552	189,506
Recreation and culture	14,139	8,000	22,935
Economic services	35,522	28,740	33,981
Other property and services	21,601	5,000	10,778
	502,641	499,082	498,874

There were no changes to the amounts of fees or charges detailed in the original budget.

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature.

Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

Fees and Charges

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Contracts with customers and transfers for recognisable non-financial assets

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions	674,309	809,422	30,048
Fees and charges	502,641	499,082	498,874
Other revenue	7,552	0	61,519
Non-operating grants, subsidies and contributions	704,500	702,000	701,890
	1,889,002	2,010,504	1,292,331

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:

Revenue from contracts with customers included as a contract liability at the start of the period	65,905	0	111,000
Revenue from contracts with customers recognised during the year	1,118,597	1,308,504	479,441
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	704,500	702,000	701,890
	1,889,002	2,010,504	1,292,331

Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

Trade and other receivables from contracts with customers	4,376	0	17,689
Contract liabilities from contracts with customers	(214,190)	(214,190)	(280,095)

Impairment of assets associated with contracts with customers are detailed at note 2 (b) under 'Other expenditure'.

Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met.

Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less.

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

Performance obligations in relation to contract liabilities from transfers for recognisable non financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:

General rates
 Service charges

Other revenue

Reimbursements and recoveries
 Other

Interest earnings

Interest on reserve funds
 Rates instalment and penalty interest (refer Note 22(d))
 Other interest earnings

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
	1,106,419	1,106,404	1,069,703
	0	0	3,450
	1,106,419	1,106,404	1,073,153
	21,718	31,552	15,323
	7,552	0	61,519
	29,270	31,552	76,842
	45,786	70,000	91,254
	9,242	6,000	11,847
	997	5,000	5,187
	56,025	81,000	108,288

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset 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).

Interest earnings (continued)

Interest income is presented as operating income where it is earned from financial assets that are held for cash management purposes.

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report/Audit Services

Interest expenses (finance costs)

Other provisions: unwinding of discount

Other expenditure

Impairment loss on trade and other receivables
 Sundry expenses

Note	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
	31,600	31,900	31,000
	31,600	31,900	31,000
16	23,254	0	0
	23,254	0	0
	(2,388)	0	(288)
	145,944	138,750	103,850
	143,556	138,750	103,562

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is 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	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	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	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Fees and charges for other goods and services	Cemetery services, library fees, ticket sales, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Commissions	Commissions on licencing.	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

3. CASH AND CASH EQUIVALENTS

	NOTE	2021	2020
		\$	\$
Cash at bank and on hand		857,730	717,164
Total cash and cash equivalents		857,730	717,164
Restrictions			
The following classes of 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		254,441	372,701
- Financial assets at amortised cost		5,748,351	6,114,376
		6,002,792	6,487,077
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash/financial asset backed	4	5,748,351	6,114,376
Contract liabilities from contracts with customers	13	214,190	280,095
Bonds deposits and collections		40,251	92,606
Total restricted assets		6,002,792	6,487,077

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

Restricted assets

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed 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.

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

4. RESERVES - CASH/FINANCIAL ASSET BACKED	2021 Actual	2021 Actual	2021 Actual	2021 Actual	2021 Budget	2021 Budget	2021 Budget	2021 Budget	2020 Actual	2020 Actual	2020 Actual	2020 Actual
	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave Reserve	198,943	1,105	0	200,048	198,345	2,437	0	200,782	195,766	3,177	0	198,943
(b) Road Reserve	700,131	3,890	0	704,021	698,326	207,351	0	905,677	590,547	109,584	0	700,131
(c) Plant Reserve	824,854	4,583	0	829,437	822,674	208,879	(238,000)	793,553	713,278	111,576	0	824,854
(d) Council Building Reserve	1,125,190	6,252	(400,000)	731,442	1,121,606	45,492	0	1,167,098	1,067,860	57,330	0	1,125,190
(e) TV Reserve	31,641	176	0	31,817	31,546	388	0	31,934	31,136	505	0	31,641
(f) Recreation reserve	1,258,282	6,992	0	1,265,274	1,254,498	115,414	(20,000)	1,349,912	1,238,188	20,094	0	1,258,282
(g) Medical Practitioners Reserve	295,840	1,644	0	297,484	294,951	3,624	0	298,575	291,116	4,724	0	295,840
(h) IT & Administration Reserve	382,191	2,124	0	384,315	381,343	103,457	(150,000)	334,800	277,685	104,506	0	382,191
(i) Sewerage Resrve	954,346	5,303	0	959,649	951,656	70,955	0	1,022,611	880,064	74,282	0	954,346
(j) Community Housing Reserve	41,787	232	0	42,019	41,787	350	0	42,137	41,120	667	0	41,787
(k) JVC Units Reserve	45,368	252	0	45,620	45,368	350	0	45,718	44,644	724	0	45,368
(l) Community Bus Reserve	62,255	346	0	62,601	62,068	763	(120,000)	(57,169)	61,261	994	0	62,255
(m) NRM Reserve	21,869	122	0	21,991	21,803	268	0	22,071	21,520	349	0	21,869
(n) Waste Management Reserve	152,549	848	0	153,397	152,090	1,869	0	153,959	150,113	2,436	0	152,549
(o) JV Johnson Reserve	19,130	106	0	19,236	19,130	200	0	19,330	18,824	306	0	19,130
	6,114,376	33,975	(400,000)	5,748,351	6,097,191	761,797	(528,000)	6,330,988	5,623,122	491,254	0	6,114,376

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:

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave Reserve	Perpetual	To be used to fund annual, long serve, accrued holiday and sick leave requirements.
(b) Road Reserve	Perpetual	To be used to assist future road works difficult to fund on an annual basis including acts of nature.
(c) Plant Reserve	Perpetual	To be used to ensure purchases are basically funded from funds set aside and the use of those funds determined by a ten year Forward Plan, is reviewed annually. The intent is that at least the annual plant depreciation component is set aside.
(d) Council Building Reserve	Perpetual	To be used to fund the major asset category the Shire owns, and allow some management of the various building requirements.
(e) TV Reserve	Perpetual	To be used to fund future upgrading or extension of receiver/transmission facility.
(f) Recreation reserve	Perpetual	To be used to fund future upgrading, renovations and general requirements.
(g) Medical Practitioners Reserve	Perpetual	To be used to fund future costs of attracting and retaining a qualified medical practitioner within the District/Region.
(h) IT & Administration Reserve	Perpetual	To be used to fund future technology that will require future updating.
(i) Sewerage Resrve	Perpetual	To be used to fund upgrading and replacement of the town sewerage treatment plant.
(j) Community Housing Reserve	Perpetual	To be used to fund future maintenance and construction.
(k) JVC Units Reserve	Perpetual	To be restricted (not Council controlled) funds that must be used for future maintenance, upgrading or replacement of JV Units or returned to the Department of Housing and Works.
(l) Community Bus Reserve	Perpetual	To be used to fund the change over of costs of the community bus.
(m) NRM Reserve	Perpetual	To be used to fund the future retention of the NRM officer.
(n) Waste Management Reserve	Perpetual	To be used to fund future refuse development.
(o) JV Johnson Reserve	Perpetual	This reserve is created by the reserve of income over expenditure on this project - for future maintenance and development needs.

5. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Term deposits

(b) Non-current assets

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

Units in Local Government House Trust

	2021	2020
	\$	\$
Financial assets at amortised cost	5,748,351	6,114,376
Other financial assets at amortised cost	5,748,351	6,114,376
Term deposits	5,748,351	6,114,376
Financial assets at fair value through profit and loss	55,355	53,416
Financial assets at fair value through profit and loss	55,355	53,416
Units in Local Government House Trust	55,355	53,416
	55,355	53,416

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.

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 24.

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	
Trade and other receivables	
GST receivable	
Allowance for impairment of receivables	
Sports Club loan	
Accrued interest	

Non-current

Pensioner's rates and ESL deferred	
Sports Club Loan	

2021	2020
\$	\$
87,812	136,658
4,376	17,689
29,561	25,186
(2,388)	(2,388)
5,000	5,000
11,812	375
136,173	182,520
15,956	19,400
5,000	10,000
20,956	29,400

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 goods sold and services performed in the ordinary course of business.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

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 24.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade receivables are held with the objective to collect the contractual cashflows and therefore 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.

7. INVENTORIES

Current

Fuel and materials

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year

Additions to inventory

Balance at end of year

	2021	2020
	\$	\$
	10,992	5,254
	10,992	5,254
	5,254	14,987
	(163,274)	(168,823)
	169,012	159,090
	10,992	5,254

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.

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.

	Land	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	436,879	10,316,611	10,753,490	234,994	1,877,829	12,866,313
Additions	0	500,486	500,486	0	1,094,341	1,594,827
(Disposals)	0	0	0	0	(193,833)	(193,833)
Depreciation (expense)	0	(606,797)	(606,797)	(41,003)	(365,297)	(1,013,097)
Balance at 30 June 2020	436,879	10,210,300	10,647,179	193,991	2,413,040	13,254,210
Comprises:						
Gross balance amount at 30 June 2020	436,879	12,057,033	12,493,912	279,764	3,530,099	16,303,775
Accumulated depreciation at 30 June 2020	0	(1,846,733)	(1,846,733)	(85,773)	(1,117,059)	(3,049,565)
Balance at 30 June 2020	436,879	10,210,300	10,647,179	193,991	2,413,040	13,254,210
Additions	7,359	1,187,069	1,194,428	19,629	665,264	1,879,321
(Disposals)	(24,000)	0	(24,000)	0	(230,812)	(254,812)
Revaluation increments / (decrements) transferred to revaluation surplus	100,062	2,400,708	2,500,770	0	0	2,500,770
Depreciation (expense)	0	(474,636)	(474,636)	(51,402)	(419,817)	(945,855)
Transfers (a)	0	(1,666,641)	(1,666,641)	0	0	(1,666,641)
Balance at 30 June 2021	520,300	11,656,800	12,177,100	162,218	2,427,675	14,766,993
Comprises:						
Gross balance amount at 30 June 2021	520,300	11,656,800	12,177,100	299,393	3,867,570	16,344,063
Accumulated depreciation at 30 June 2021	0	0	0	(137,175)	(1,439,895)	(1,577,070)
Balance at 30 June 2021	520,300	11,656,800	12,177,100	162,218	2,427,675	14,766,993

(a) Transfers to 'Infrastructure - Other' asset class

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Market approach using recent observable market data for similar properties/income approach using discounted cashflow methodology	Independent registered valuer	June 2021	Price per hectare/market borrowing rate
Buildings - specialised	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuer	June 2021	Improvements to land using construction costs and current condition, rewsidual values and remaining useful life assessments inputs
(ii) Cost					
Furniture and equipment					
		N/A	At cost	June 2016	N/A
Plant and equipment					
Management valuation 2016		N/A	At cost	June 2016	N/A
Independent valuation 2016		N/A	At cost	June 2016	N/A

Following a change to Local Government (Financial Management) Regulation 17A, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change was effective from 1 July 2019 and represented a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximated cost at the date of change.

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - Other	Infrastructure - Landfill (a)	Total Infrastructure
	\$	\$	\$	\$
Balance at 1 July 2019	73,021,716	779,102	0	73,800,818
Additions	1,445,529	1,795,354	0	3,240,883
Depreciation (expense)	(937,483)	(42,310)	0	(979,793)
Balance at 30 June 2020	73,529,762	2,532,146	0	76,061,908
Comprises:				
Gross balance at 30 June 2020	75,370,217	2,613,891	0	77,984,108
Accumulated depreciation at 30 June 2020	(1,840,455)	(81,745)	0	(1,922,200)
Balance at 30 June 2020	73,529,762	2,532,146	0	76,061,908
Additions	1,311,201	11,939	0	1,323,140
Revaluation (loss) / reversals transferred to profit or loss	0	0	(1,049,898)	(1,049,898)
Depreciation (expense)	(978,797)	(185,058)	(35,546)	(1,199,401)
Transfers ^(b)	0	(114,282)	1,780,923	1,666,641
Balance at 30 June 2021	73,862,166	2,244,745	695,479	76,802,390
Comprises:				
Gross balance at 30 June 2021	76,681,418	2,938,892	695,479	80,315,789
Accumulated depreciation at 30 June 2021	(2,819,252)	(694,147)	0	(3,513,399)
Balance at 30 June 2021	73,862,166	2,244,745	695,479	76,802,390

(a) The 'Infrastructure - Landfill' asset class was disclosed for the first time this year and included landfill cells and post-closure asset.

(b) The post-closure asset of \$1,780,923 was recognised in the 'Infrastructure - Other' asset class last year. It is transferred to the Infrastructure - Landfill asset class this year. In addition, \$1,666,641 was also transferred in from 'Buildings - Specialised' asset class to 'Infrastructure - Other' asset class this year.

SHIRE OF KOORDA
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021

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	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - Other	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - Landfill	3	Cost approach using depreciated discounted cash flow methodology	Management valuation	June 2021	Discounted future construction cost estimates based on inflated current costs.

10. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Each class of fixed assets within either 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 between mandatory revaluation dates

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, infrastructure and investment properties acquired between initial recognition and the next revaluation 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 anniversary date in accordance with the mandatory measurement framework.

Revaluation

The fair value of land, buildings, infrastructure and investment properties 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.

Revaluation (Continued)

At the end of each period the valuation 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.

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.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under roads from 1 July 2019

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, is treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

Vested improvements from 1 July 2019

The measurement of vested improvements at fair value in accordance with *Local Government (Financial Management) Regulation 17A(2)(iv)* is a departure from AASB 16 which would have required the Shire to measure the vested improvements as part of the related right-of-use assets at zero cost.

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

10. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$
Land - freehold land	24,000	0	0	(24,000)
Plant and equipment	230,812	283,818	53,864	(858)
	254,812	283,818	53,864	(24,858)

2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
\$	\$	\$	\$	\$	\$	\$	\$
0	0	0	0	0	0	0	0
394,000	392,000	16,000	(18,000)	193,833	663,522	485,009	(15,320)
394,000	392,000	16,000	(18,000)	193,833	663,522	485,009	(15,320)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Plant and Equipment				
Transport				
P200 2020 Silver Toyota Hilux DSL 4x4	43,989	49,091	5,102	0
P66 2019 4x2 Ford Ranger XL	18,907	27,273	8,366	0
P64 2019 4x4 Ford Ranger PX3 XL Ute	21,022	32,727	11,705	0
P02 2019 Isuzu D-Mas 4x2 SX Ute	13,844	17,909	4,065	0
P29 Case IH	21,996	30,000	8,004	0
P300 2020 Toyota Prado GXL	48,132	55,909	7,777	0
Other property and services				
P100 Toyota Prado VX (Silver Pearl)	56,610	65,455	8,845	0
P40 Toyota HiLux Tipper	6,312	5,454	0	(858)
	230,812	283,818	53,864	(858)
Land				
Education and welfare				
Lot 119 Greenham Street	6,000	0	0	(6,000)
Lot 120 Greenham Street	6,000	0	0	(6,000)
Lot 121 Greenham Street	6,000	0	0	(6,000)
Lot 122 Greenham Street	6,000	0	0	(6,000)
	24,000	0	0	(24,000)
	254,812	283,818	53,864	(24,858)

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

10. FIXED ASSETS

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - specialised	474,636	650,007	606,797
Furniture and equipment	51,402	24,247	41,003
Plant and equipment	419,817	304,124	365,297
Infrastructure - roads	978,797	994,173	937,483
Infrastructure - Other	185,058	34,745	42,310
Infrastructure - Landfill	35,546	0	0
	2,145,256	2,007,296	1,992,890

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested land, 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 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 - specialised	50 years
Furniture and equipment	4 to 10 years
Plant and equipment	4 to 7 years
Infrastructure - roads aggregate	25 years
Infrastructure - roads unsealed gravel	35 years
Infrastructure - drains and sewers	75 years
Infrastructure - airfield runways	12 years
Infrastructure - Landfill	15 years

Depreciation on revaluation

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

- (a) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- (b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income and in the note above.

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

11. REVALUATION SURPLUS

	2021 Opening Balance	2021 Change in Classification	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance	2020 Opening Balance	2020 Revaluation Increment	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	815,720	0	100,062	0	100,062	915,782	815,720	0	0	0	815,720
Revaluation surplus - Buildings - specialised	6,002,423	(1,685,159)	2,400,708	0	2,400,708	6,717,972	6,002,423	0	0	0	6,002,423
Revaluation surplus - Plant and equipment	603,573	0	0	0	0	603,573	603,573	0	0	0	603,573
Revaluation surplus - Infrastructure - roads	29,800,929	0	0	0	0	29,800,929	29,800,929	0	0	0	29,800,929
Revaluation surplus - Infrastructure - Other	430,506	1,685,159	0	0	0	2,115,665	430,506	0	0	0	430,506
	37,653,151	0	2,500,770	0	2,500,770	40,153,921	37,653,151	0	0	0	37,653,151

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Accrued salaries and wages
ATO liabilities
Bonds and deposits held

2021	2020
\$	\$
50,103	47,660
29,066	24,312
0	20,001
40,251	92,606
119,420	184,579

SIGNIFICANT ACCOUNTING POLICIES

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 normally paid within 30 days of recognition

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

Current

Contract liabilities

Non-current

Contract liabilities

2021	2020
\$	\$
49,429	65,905
49,429	65,905
164,761	214,190
164,761	214,190
214,190	280,095

Performance obligations for each type of liability are expected to be recognised as revenue in accordance with the following time bands:

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

Contract liabilities
\$
49,428
65,905
65,905
32,952
214,190

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

With respect to transfers for recognisable non-financial assets, contract liabilities represent performance obligations which are not yet satisfied.

Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity

Grant liabilities represent the the Shire's performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied.

Grant liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

14. INFORMATION ON BORROWINGS

	2021	2020
	\$	\$
Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	5,000	5,000
Credit card balance at balance date	0	0
Total amount of credit unused	5,000	5,000

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

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.

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.

Risk

Information regarding exposure to risk can be found at Note 24.

15. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Opening balance at 1 July 2020

Current provisions
Non-current provisions

Additional provision
Amounts used

Balance at 30 June 2021

Comprises

Current
Non-current

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

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2020			
Current provisions	103,295	117,442	220,737
Non-current provisions	0	59,131	59,131
	103,295	176,573	279,868
Additional provision	111,878	0	111,878
Amounts used	(87,092)	(20,279)	(107,371)
Balance at 30 June 2021	128,081	156,294	284,375
Comprises			
Current	128,081	117,855	245,936
Non-current	0	38,439	38,439
	128,081	156,294	284,375

	2021	2020
	\$	\$
Less than 12 months after the reporting date	107,104	106,984
More than 12 months from reporting date	177,271	172,884
	284,375	279,868

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as 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 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

Other long-term employee benefits (Continued)

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.

Provisions

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

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

16. OTHER PROVISIONS

	Make good provisions	Total
	\$	\$
Opening balance at 1 July 2020		
Current provisions	240,000	240,000
Non-current provisions	1,540,923	1,540,923
	1,780,923	1,780,923
Reduction of provision	(1,049,898)	(1,049,898)
Amounts used	(58,800)	(58,800)
Charged to profit or loss		
- unwinding of discount	23,254	23,254
Balance at 30 June 2021	695,479	695,479
Comprises		
Current	38,900	38,900
Non-current	656,579	656,579
	695,479	695,479

Make good provisions

The Shire has a legal obligation to restore the waste landfill site.

A make good provision is recognised when:

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

The estimated future obligations include the costs of restoring the affected areas and continued monitoring of the site.

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

Amounts which are reliably expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligation is unable to be reliably estimated as it is dependent on the remaining life of the waste facility.

17. NOTES TO THE STATEMENT OF CASH FLOWS

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:

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cash and cash equivalents	857,730	6,550,214	717,164
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	691,923	(560,168)	813,364
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(1,939)	0	(865)
Depreciation on non-current assets	2,145,256	2,007,296	1,992,890
(Profit)/loss on sale of asset	(29,006)	2,000	(469,689)
Adjustment to valuation of waste rehabilitation	1,049,898	0	0
Changes in assets and liabilities:			
(Increase)/decrease in receivables	54,791	0	11,080
(Increase)/decrease in inventories	(5,738)	0	9,733
Increase/(decrease) in payables	(65,159)	0	(357,034)
Increase/(decrease) in employee provisions	4,507	0	0
Increase/(decrease) in other provisions	(1,085,444)	0	(23,733)
Increase/(decrease) in other liabilities	(65,905)	(65,905)	169,095
Non-operating grants, subsidies and contributions	(704,500)	(702,000)	(701,890)
Net cash from operating activities	1,988,684	681,223	1,442,951

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
General purpose funding	133,329	154,044
Law, order, public safety	895,953	890,782
Health	824,315	815,495
Education and welfare	101,079	78,076
Housing	5,567,084	3,567,483
Community amenities	2,165,969	3,360,874
Recreation and culture	7,967,304	6,715,453
Transport	76,901,939	76,310,750
Economic services	616,902	421,811
Other property and services	2,367,336	3,360,581
Unallocated	857,730	742,899
	98,398,940	96,418,248

19. CONTINGENT LIABILITIES

Under the *Contaminated Sites Act 2003*, the Shire is required to report known and suspected contaminated sites to the Department of Water and Environmental Regulation (DWER). In accordance with the Act, DWER classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as 'contaminated - remediation required' or 'possibly contaminated - investigation required', the Shire may have a liability in respect of investigation or remediation expenses.

Department of Water and Environmental Regulation has classified Ninghan Location 4187, Mollerin 6475 as 'possibly contaminated - investigation required'. Until the Shire conducts an investigation, it is not possible to estimate the potential financial effect or to identify the uncertainties relating to the amount or timing of any outflows.

20. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Elected member - President J Stratford			
President's annual allowance	7,500	7,500	7,500
Meeting attendance fees	4,500	4,500	4,500
Annual allowance for ICT expenses	900	900	900
Travel and accommodation expenses	0	1,142	784
	12,900	14,042	13,684
Elected member - Deputy President P McWha			
Deputy President's annual allowance	1,650	1,650	1,650
Meeting attendance fees	3,600	3,600	3,600
Annual allowance for ICT expenses	900	900	900
Travel and accommodation expenses	0	1,143	0
	6,150	7,293	6,150
Elected member - G Boyne			
Meeting attendance fees	3,600	3,600	3,600
Annual allowance for ICT expenses	900	900	900
Travel and accommodation expenses	229	1,143	153
	4,729	5,643	4,653
Elected member - B Cooper			
Meeting attendance fees	3,600	3,600	3,600
Annual allowance for ICT expenses	900	900	900
Travel and accommodation expenses	0	1,143	0
	4,500	5,643	4,500
Elected member - L Smith			
Meeting attendance fees	3,600	3,600	3,600
Annual allowance for ICT expenses	900	900	900
Travel and accommodation expenses	0	1,143	0
	4,500	5,643	4,500
Elected member - G Storer			
Meeting attendance fees	3,600	3,600	3,600
Annual allowance for ICT expenses	900	900	900
Travel and accommodation expenses	484	1,143	527
	4,984	5,643	5,027
Former Elected member - R Storer			
Meeting attendance fees	0	3,600	2,700
Annual allowance for ICT expenses	0	900	600
Travel and accommodation expenses	0	1,143	459
	0	5,643	3,759
	37,763	49,550	42,273
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	7,500	7,500	7,500
Deputy President's allowance	1,650	1,650	1,650
Meeting attendance fees	22,500	26,100	25,200
Annual allowance for ICT expenses	5,400	6,300	6,000
Travel and accommodation expenses	713	8,000	1,923
	37,763	49,550	42,273

21. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2021 Actual	2020 Actual
	\$	\$
The total of remuneration paid to KMP of the Shire during the year are as follows:		
Short-term employee benefits	317,800	300,420
Post-employment benefits	47,525	46,407
Other long-term benefits	41,222	37,694
	406,547	384,521

Short-term employee benefits

These amounts include all salary, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found above.

Post-employment benefits

These amounts are the current-year's estimated cost of providing for the Shire's superannuation contributions made during the year.

Other long-term benefits

These amounts represent long service benefits accruing during the year.

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 guaranties exist in relation to related parties at year end.

	2021 Actual	2020 Actual
	\$	\$
The following transactions occurred with related parties:		
Sale of goods and services	7,086	12,575
Purchase of goods and services	184,660	127,587

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 elected 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.

iii. Entities subject to significant influence by the Shire

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

22. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2020/21 Actual Rateable Value \$	2020/21 Actual Rate Revenue \$	2020/21 Actual Interim Rates \$	2020/21 Actual Back Rates \$	2020/21 Actual Total Revenue \$	2020/21 Budget Rate Revenue \$	2020/21 Budget Interim Rate \$	2020/21 Budget Back Rate \$	2020/21 Budget Total Revenue \$	2019/20 Actual Total Revenue \$
Differential general rate / general rate												
Gross rental valuations												
GRV	0.1135	135	959,024	108,849	0	0	108,849	108,849	0	0	108,849	108,849
Unimproved valuations												
UV	0.0192	217	53,236,500	1,021,608	(875)	0	1,020,733	1,022,155	0	0	1,022,155	1,010,678
Sub-Total		352	54,195,524	1,130,457	(875)	0	1,129,582	1,131,004	0	0	1,131,004	1,119,527
Minimum payment												
Gross rental valuations												
GRV	400	27	27,250	10,800	0	0	10,800	10,800	0	0	10,800	10,800
Unimproved valuations												
UV	400	25	233,828	10,000	(361)	0	9,639	9,600	0	0	9,600	21,583
Sub-Total		52	261,078	20,800	(361)	0	20,439	20,400	0	0	20,400	32,383
		404	54,456,602	1,151,257	(1,236)	0	1,150,021	1,151,404	0	0	1,151,404	1,151,910
Discounts/concessions (Note 22(c))							(43,602)				(45,000)	(89,077)
Total amount raised from general rate							1,106,419				1,106,404	1,062,833
Ex-gratia rates							0				0	6,870
Totals							1,106,419				1,106,404	1,069,703

SIGNIFICANT ACCOUNTING POLICIES

Rates

Control over assets acquired from rates is obtained at the commencement of the rating period.

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.

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

22. RATING INFORMATION (Continued)

(b) Service Charges

Service Charges	Amount of Charge	2020/21 Actual Revenue Raised	2020/21 Actual Charges Applied to Costs	2020/21 Actual Charges Set Aside to Reserve	2020/21 Actual Reserve Applied to Costs	2020/21 Budget Revenue	2020/21 Budget Charges Applied to Costs	2020/21 Budget Charges Set Aside to Reserve	2020/21 Budget Reserve Applied to Costs	2019/20 Total Actual Revenue
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TV & Satellite Transmission Levy		0	0	0	0	0	0	0	0	3,450
		0	0	0	0	0	0	0	0	3,450

Nature of the Service Charge	Objects of the Charge	Reasons for the Charge	Area/Properties Charge Imposed
TV & Satellite Transmission Levy	To provide equipment for a quality retransmission.	To fund additional channels and upgrade to equipment.	Koorda Townsite.

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

Rates Discounts

Rate or Fee Discount Granted	Discount %	Discount \$	2021 Actual \$	2021 Budget \$	2020 Actual \$	Circumstances in which Discount is Granted
General Rates	5.00%		40,152	45,000	89,077	Current year rates and all arrears are paid in full by 4:00pm, 20 August 2020.
			40,152	45,000	89,077	Full payment must be received at the Shire Office prior to cut off date.

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	2021 Actual \$	2021 Budget \$	2020 Actual \$
Refuse Charge	Concession	0.00%	90.00	2,070	2,160	2,070
Recycling Charge	Concession	0.00%	90.00	1,380	1,440	1,380
				3,450	3,600	3,450
Total discounts/concessions				43,602	48,600	92,527

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
Refuse Charge	Eligible aged pensioners	Encourage elderly residents to remain in their own home.	To give recognition for service to the community
Recycling Charge	Eligible aged pensioners	Encourage elderly residents to remain in their own home.	To give recognition for service to the community

22. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	20/08/2020	0	0%	8%
Option Two				
First instalment	3/09/2020	0	0%	8%
Second instalment				
Option Three				
First instalment	3/09/2020	0	0%	8%
Second instalment	12/11/2020	0	0%	8%
Third instalment	14/01/2021	0	0%	8%
Fourth instalment	18/03/2021	0	0%	8%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	9,242	6,000	11,847
	9,242	6,000	11,847

23. RATE SETTING STATEMENT INFORMATION

		2020/21 Budget	2019/20
	2020/21 (30 June 2021 Carried Forward)	(30 June 2021 Carried Forward)	(30 June 2020 Carried Forward)
Note	\$	\$	\$
(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(a)	(53,864)	(16,000)	(485,009)
	Less: Change in accounting policies	0	0
	Less: Movement in liabilities associated with restricted cash	2,437	(21,175)
	Less: Fair value adjustments to financial assets at fair value through profit and loss	0	(865)
	Movement in pensioner deferred rates (non-current)	0	596
	Movement in employee benefit provisions (non-current)	0	(24,352)
	Movement in other provisions (non-current)	0	(240,000)
	Movement in contract liabilities (non-current)	(65,905)	133,238
	Add: Revaluation of landfill	0	0
	Add: Loss on disposal of assets	18,000	15,320
10(b)	2,145,256	2,007,296	1,992,890
	Non cash amounts excluded from operating activities	1,945,828	1,370,643
(b) Non-cash amounts excluded from investing activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to investing activities			
	Movement in non- current loans receivable	0	5,000
	Non cash amounts excluded from investing activities	0	5,000
(c) 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: Reserves - cash/financial asset backed		
4	(5,748,351)	(6,330,988)	(6,114,376)
	Less: Current assets not expected to be received at end of year		
	- Unspent grants, subsidies and contributions	(214,190)	0
	Add: Current liabilities not expected to be cleared at end of year		
	- Current portion of contract liability held in reserve	65,905	0
	- Change in accounting policy	1,196	1,196
	- Employee benefit provisions	200,782	198,943
	Total adjustments to net current assets	(6,277,295)	(5,914,237)
Net current assets used in the Rate Setting Statement			
	Total current assets	6,958,803	7,019,314
	Less: Total current liabilities	(681,508)	(711,221)
	Less: Total adjustments to net current assets	(6,277,295)	(5,914,237)
	Net current assets used in the Rate Setting Statement	0	393,856

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

The 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 and term deposits 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 \$
2021					
Cash and cash equivalents	0.45%	857,730	0	804,488	53,242
Financial assets at amortised cost - term deposits	0.50%	5,748,351	5,748,351	0	0
2020					
Cash and cash equivalents	0.13%	717,164	0	627,914	89,250
Financial assets at amortised cost	0.95%	6,114,376	6,114,376	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.

	2021 \$	2020 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	8,045	6,279

* 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 13(a).

24. 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. Whilst the Shire was historically able to charge interest on overdue rates and annual charges at higher than market rates, which further encourage 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 2020 or 1 July 2021 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 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
30 June 2021					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	29,781	21,264	17,624	35,099	103,768
Loss allowance	0	0	0	0	0
30 June 2020					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	44,239	39,312	25,433	47,074	156,058
Loss allowance	0	0	0	0	0

The loss allowance as at 30 June 2021 for trade receivables was considered immaterial and not calculated.

The loss allowance as at 30 June 2020 was determined as follows for trade receivables:

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	430	231	2,728	987	4,376
Loss allowance	0	0	0	0	0
30 June 2020					
Trade and other receivables					
Expected credit loss	0.65%	3.37%	23.29%	31.07%	
Gross carrying amount	8,978	1,045	1,117	6,549	17,689
Loss allowance	58	35	260	2,035	2,388

24. 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 14.

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.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<u>2021</u>					
Payables	119,420	0	0	119,420	119,420
Contract liabilities	49,429	164,761	0	214,190	214,190
	168,849	164,761	0	333,610	333,610
<u>2020</u>					
Payables	184,579	0	0	184,579	184,579
Contract liabilities	65,905	214,191	0	280,096	280,095
	250,484	214,191	0	464,675	464,674

SHIRE OF KOORDA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

25. 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 restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial 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 plans.

g) Fair value of assets and liabilities

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

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

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

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

h) 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 categorised into as follows:

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

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 regulatory 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.

SHIRE OF KOORDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

26. ACTIVITIES/PROGRAMS

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<p>GOVERNANCE</p> <p>To provide decision making process for the efficient allocation of scarce resources.</p> <p>To provide decision making process for the efficient allocation of scarce resources.</p>	<p>Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.</p>
<p>GENERAL PURPOSE FUNDING</p> <p>To collect revenue to allow for the provision of services.</p>	<p>Rates, general purpose government grants and interest revenue.</p>
<p>LAW, ORDER, PUBLIC SAFETY</p> <p>To provide services to help ensure a safer and environmentally conscious community.</p>	<p>Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.</p>
<p>HEALTH</p> <p>To provide an operational framework for environmental and community health.</p>	<p>Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.</p>
<p>EDUCATION AND WELFARE</p> <p>To provide services to disadvantaged persons, the elderly, children and youth.</p>	<p>Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.</p>
<p>HOUSING</p> <p>To provide and maintain elderly residents housing.</p>	<p>Provision and maintenance of elderly residents housing.</p>
<p>COMMUNITY AMENITIES</p> <p>To provide services required by the community.</p>	<p>Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.</p>
<p>RECREATION AND CULTURE</p> <p>To establish and effectively manage infrastructure and resources which will help the social well being of the community.</p>	<p>Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities.</p> <p>Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.</p>
<p>TRANSPORT</p> <p>To provide safe, effective and efficient transport services to the community.</p>	<p>Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control.</p> <p>Cleaning of streets and maintenance of street trees, street lighting etc.</p>
<p>ECONOMIC SERVICES</p> <p>To help promote the Shire and its economic well being.</p>	<p>Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building control.</p>
<p>OTHER PROPERTY AND SERVICES</p> <p>To monitor and control council's overheads operating accounts.</p>	<p>Private works operation, plant repair and operation costs and engineering operation costs.</p>

27. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	3.87	1.04	2.45
Asset consumption ratio	0.95	0.65	0.64
Asset renewal funding ratio	1.30	1.33	N/A
Asset sustainability ratio	1.36	0.20	1.36
Debt service cover ratio (a)	N/A	N/A	N/A
Operating surplus ratio	(0.01)	0.05	(0.22)
Own source revenue coverage ratio	0.38	0.50	0.42

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

(a) The Shire does not have any borrowings, hence it is unable to disclose a result for this ratio.



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Koorda

To the Councillors of the Shire of Koorda

Report on the audit of the annual financial report

Opinion

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

- the Statement of Financial Position at 30 June 2021, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, 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
- the Statement by the Chief Executive Officer.

In my opinion the financial report of the Shire of Koorda:

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2021 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 section below. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for 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 and 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 responsibility 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.

Report on other legal and regulatory requirements

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) The following material matters indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:
 - a) The Shire has not reported the Asset Renewal Funding Ratio for 2019 in the annual financial report as required by section 50(1) of the FM Regulations, as management could not confirm the reliability of the available information on planned capital renewals and required capital expenditure in the long-term financial plan and asset management plan respectively.
 - b) For approximately 7% of purchase transactions we sampled, there was no evidence that a sufficient number of quotations were obtained to test the market. We also noted two of the purchase orders we sampled were dated after the dates of the corresponding supplier invoices. In addition, we noted three invoices were approved for payments above the approver's delegated limit. For one invoice, there was no evidence of approval for payment. These practices increase the risk of fraud or favouritism of suppliers, not obtaining value for money in procurement, and inappropriate or unnecessary purchases.
 - c) A review of the appropriateness and effectiveness of the Shire's financial management systems and procedures was last completed in 2015. Regulation 5(2)(c) of the FM Regulations requires a review to take place at least once in every three financial years.

- d) The Corporate Business Plan and Workforce Plan were last reviewed in 2016 and 2015 respectively. Section 19DA(4) of the Local Government (Administration) Regulations requires the corporate business plan to be reviewed every year. Matters relating to resources, which includes workforce planning, are developed and integrated with the corporate business plan, as per Section 19DA(3)(c).
 - e) There were no written comprehensive risk management policies, and the risk register has not been reviewed since 2018.
- (ii) All required information and explanations were obtained by me.
 - (iii) All audit procedures were satisfactorily completed.
 - (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

Other information

The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

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

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Koorda for the year ended 30 June 2021 included 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 described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
25 February 2022

13.1.2 2020/2021 ANNUAL AUDIT PROCESS

Section 5.23 – Applicability

Location:

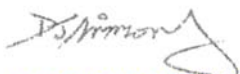
Portfolio: Governance, Administration and Finance
Cr JM Stratford

File Reference: ADM 0114

Disclosure of Interest: No interest declared by the CEO

Author: Lana Foote, Deputy Chief Executive Officer

Signature of CEO



Attachment: [2020/2021 Draft Annual Report and Financial Statements](#)
[Draft Independent Auditor's Report](#)

Background:

The Draft Independent Auditor's Opinion on the Audit of the Financial Report for the year ending 30 June 2021 has been received. Copies of annual audit completion report have been provided to the Councillors under separate cover.

Prior to this Council meeting, the Audit Committee (including all other Councillors as guests) met as part of the exit meeting, which is an audit requirement with the Office of Auditor General.

The Chief Executive Officer has reviewed the draft audited financials in readiness to return to the Auditor General. The Auditor General will respond and issue the final report and sign off within five business days. We anticipate that if any documents change, they will be referred to a future Audit Committee meeting, to consider and recommend to Council the adoption of the modified Annual Financial Statements and Independent Auditor's Report for the year ending 30 June 2021.

Comment

Subject to the Auditor General's confirmation of the Draft Annual Financial Statements and Independent Auditor's Report as presented, as part of the following proposed late item of Council *11.2.4 Annual Reporting Requirements*, Council will consider receiving and adopting the Shire of Koorda Annual Report for the year ended 2020/2021.

The audit report raised no new concerns. The auditor comments are clearly identified in below (the blue text being the findings from the audit, and the black text being the management comment). The blue excerpts are from the Audit opinion, hence the personal comments.

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- i The following material matters indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:
 - a) The Shire has not reported the Asset Renewal Funding Ratio for 2019 in the annual financial report as required by section 50(1) of the FM Regulations, as management could not confirm the reliability of the available information on planned capital renewals

and required capital expenditure in the long-term financial plan and asset management plan respectively.

The management team supported the finding and recommendation and engaged specialist external consultants in the 2019/2020 FY to assist staff in developing and maintaining a new combined asset management and long-term financial plan in order to provide the verifiable information and see the development of reasonable assumptions to support an accurate and robust calculation of the asset renewal funding ratio for the 2019/2020 and future financial years.

- b) For approximately 7% of purchase transactions we sampled, there was no evidence that a sufficient number of quotations were obtained to test the market. We also noted two of the purchase orders we sampled were dated after the dates of the corresponding supplier invoices. In addition, we noted three invoices were approved for payments above the approver's delegated limit. For one invoice, there was no evidence of approval for payment. These practices increase the risk of fraud or favouritism of suppliers, not obtaining value for money in procurement, and inappropriate or unnecessary purchases.

Finding noted and recommendation agreed.

As part its 1 July 2021 financial management system (IT Vision's SynergySoft) installation, staff will develop and implement appropriate procedures and processes to ensure compliance

- c) A review of the appropriateness and effectiveness of the Shire's financial management systems and procedures was last completed in 2015. Regulation 5(2)(c) of the FM Regulations requires a review to take place at least once in every three financial years.

In noting the finding and agreeing with the recommendation, Council's decision to procure and implement a new financial management system (IT Vision's SynergySoft) from 1 July 2021 as a result of previous audit concerns of the prevailing financial management system, the CEO is of the view that it would be more practical and beneficial to undertake a review of the financial management systems and procedures of the local government following the installation and implementation of SynergySoft.

- d) The Corporate Business Plan and Workforce Plan were last reviewed in 2016 and 2015 respectively. Section 19DA(4) of the Local Government (Administration) Regulations requires the corporate business plan to be reviewed every year. Matters relating to resources, which includes workforce planning, are developed and integrated with the corporate business plan, as per Section 19DA(3)(c).

Due to the COVID-19 Pandemic, the review of the Shire's integrated planning and reporting (IPR) documents scheduled for 2020 was delayed and is now part of the DLGSC/ LG Professionals WA and NEWROC pilot IPR programme currently underway.

- e) There were no written comprehensive risk management policies, and the risk register has not been reviewed since 2018.

Finding noted and recommendation accepted.

ii All required information and explanations were obtained by me.

- iii All audit procedures were satisfactorily completed.
- iv In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

A final management letter was issued.

Consultation:

Darren Simmons, CEO, Shire of Koorda
Marius van der Merwe, Partner, Butler Settineri
Ashish Agrawal, Auditor, Butler Settineri
Ann Ang, Assistant Director, Office of the Auditor General for WA

Statutory Environment:

Local Government Act 1995 Section 6.10 & 7.9(1)
Local Government Financial Management Regulation 1996 Part 2
Local Government (Audit) Regulations 1996 – Reg 10

Policy Implications:

Nil

Financial Implications:

Nil

Strategic Implications:

- C 1.1 - Enhance open and interactive communication between Council and the community (ongoing)
- C 3.2 - Enhance the capacity and effectiveness of administrative processes (short term)
- C 3.3 - Provide reporting processes in a transparent, accountable and timely manner (short term)

Voting Requirement:

Simple majority

COUNCIL DECISION

Committee Recommendation

Moved CR NJ Chandler

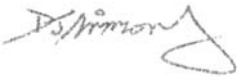
Seconded CR GL Boyne

That the report of the Deputy Chief Executive Officer outlining the 2020/2021 annual audit process be noted and endorsed.

**PUT & CARRIED: 6/0
RESOLUTION NO: 100222**

President extended thanks to staff in annual report and financial report process.

13.1.3 ANNUAL REPORTING REQUIREMENTS

Section 5.23 – Applicability	
Location:	Shire of Koorda
Portfolio:	Governance, Administration and Finance Cr JM Stratford
File Reference:	ADM 0320
Disclosure of Interest:	No interest declared by the CEO
Author:	Lana Foote, Deputy Chief Executive Officer
Signature of CEO	
Attachment:	Nil

Background:

Under Section 5.53 of the Local Government Act;

- (1) *The local government is to prepare an annual report for each financial year.*
- (2) *The annual report is to contain —*
 - (a) *a report from the mayor or president; and*
 - (b) *a report from the CEO; and*
 - [(c), (d) *deleted*]
 - (e) *an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year; and*
 - (f) *the financial report for the financial year; and*
 - (g) *such information as may be prescribed in relation to the payments made to employees; and*
 - (h) *the auditor’s report prepared under section 7.9(1) or 7.12AD(1) for the financial year; and*
 - (ha) *a matter on which a report must be made under section 29(2) of the Disability Services Act 1993 ; and*
 - (hb) *details of entries made under section 5.121 during the financial year in the register of complaints, including —*
 - (i) *the number of complaints recorded in the register of complaints; and*
 - (ii) *how the recorded complaints were dealt with; and*
 - (iii) *any other details that the regulations may require; and*
 - (i) *such other information as may be prescribed.*

Under Section 5.54;

- (1) *Subject to subsection (2), the annual report for a financial year is to be accepted* by the local government no later than 31 December after that financial year.*

** Absolute majority required.*

- (2) *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.*

Comment:

The 2020/2021 Draft Annual Report has been prepared for Council consideration.

However, it is important to note that the Auditors Report and the Annual Financial Statements are in draft format only and are subject to change/confirmation.

Due to an extended Audit process, the usual time frame for the Shire's Annual Report/Financial Statement adoption and Annual Electors Meeting will be later than usual.

With final audit processing and statutory advertising requirements, it is envisaged that the annual meeting of electors could not be held any earlier than Wednesday, 16 March 2022.

Consultation:

Darren Simmons, CEO, Shire of Koorda
Marius van der Merwe, Partner, Butler Settineri
Ashish Agrawal, Auditor, Butler Settineri
Ann Ang, Assistant Director, Office of the Auditor General for WA

Statutory Environment:

Local Government Act 1995 – Sections 5.27, 5.29, 5.53, 5.54, 5.55

Policy Implications:

A24 (preferable to hold the General Meeting of Electors October of each year)
5.27 (2): 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 from the previous financial year.
5.29 (1) (a) at least 14 days' local public notice

Financial Implications:

Nil

Strategic Implications:

Shire of Koorda Strategic Community Plan
C 3.3 - Provide reporting processes in a transparent, accountable and timely manner

Voting Requirement:

Absolute majority

COUNCIL DECISION
Officer Recommendation

Moved CR LC Smith

Seconded CR GL Boyne

That;

- 1. Subject to there being no change to the Draft Independent Auditor's Report, the Shire of Koorda Annual Report, Annual Financial Statements and Auditor's Report for the year ended 2020/2021, as presented and/or issued, be adopted.**
- 2. Resolve that the Annual Meeting of Electors' be held on Wednesday 16th March 2022, commencing at 7.00pm in the Shire of Koorda Council Chambers.**
- 3. Move the March 2022 Council Meeting to Wednesday 23rd March 2022, commencing at 5.00pm in the Shire of Koorda Council Chambers.**

PUT & CARRIED BY ABSOLUTE MAJORITY: 6/0
RESOLUTION NO: 110222