

# 2021/22 ANNUAL REPORT

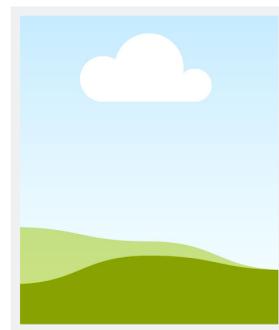
"Life as rich as the landscape"



# FROM THE PRESIDENT

## Cr Matthew Steber

The 2021/22 year seen a change of the guard for President during the year with Cr Scott O'Neill resigning as Shire President and a Councillor in August 2022. An election was held at the October 2022 Council meeting wherein I was elected to be your Shire President. I would like to firstly thank my fellow Councillors for showing me the faith and confidence to be President.



COVID-19 provides continued challenges for our community and operations. The flow on affect from COVID-19 has been the increase in raw materials and availability of contractors.

The compounding issue this brings is less work for more money which makes it hard for businesses to stay ahead of the game which is no different for us at the Shire of Kellerberrin. The increases in costs isn't reflective in increased funding from either State or Federal Governments therefore, having a massive impact on our operations.

Council has undertaken some significant capital projects this year including but not limited to;

- Stage 2 - Swimming Pool Construction. Council commenced the construction of the new Amenities Building at the Swimming Pool. This project was partly funded by Phase Two (2) of the Local Roads and Community Infrastructure Program (LRCIP) and Council. The building hosts Changerooms, Kiosk, Meeting Room, First Aid Room, BBQ areas and verandahs throughout for viewing of both the pool and the hockey oval.

## ACKNOWLEDGEMENT

The Shire of Kellerberrin would like to acknowledge the traditional custodians of this land and their continuing connection to land, waters and community.

We pay our respects to their Elders past, present and emerging.

Council has completed significant works on Capital Road Renewals/Upgrades being;

- James Street (Bedford - Moore Street)
- James Street (McCulloch - King Street)
- Ripper Street (Forrest - Rason Street)
- Baandee North Road.

I would like to thank all residents, visitors and stakeholders for their contribution in ensuring Kellerberrin remains a wonderful community live and visit and I would like to wish everyone a safe and prosperous 2022/23.

Cr. Matt Steber  
Shire President





## EXTERNAL STAKEHOLDERS:

- Macri Partners
- National Australia Bank
- CLOUD
- Local Government Insurance Services
- McLeods
- DLA Piper Australia
- Western Australian Local Government Association (WALGA)
- Local Government Professionals WA Division (LGPWA)

## FROM THE CHIEF EXECUTIVE OFFICER

Mr Raymond Griffiths

The 2021/22 reporting period seen the continuation of business interruption and economic impacts from the COVID Pandemic. The impact of COVID is not only the personal affect it has from when employees, family member or community member attract the virus it is also the financial impact it has had on the economy and the increased operational costs as a consequence. Council has experience extreme increases in not only operating costs but also our capital programs have been significantly affected.



The Federal Government have extended their Local Roads and Community Infrastructure Program (LRCIP) funding for a further year being Phase Three (3) providing Council with \$803,674. This funding was allocated to help fund Stage Three (3) of the Swimming Pool Construction to ensure the projects had sufficient funding to complete the project as per design.

The Phase Three (3) funding complimented the Phase Two (2) funding of \$299,304 which was also allocated to the Swimming Pool Stage Two (2) project being the construction of the Swimming Pool Amenities building which was constructed in the 2021/22 financial year.

In addition to the Swimming Pool building renewal Council completed a road program of both Construction/Upgrades, Gravel Sheeting and Maintenance exceeding \$2.5 million.

Council in addition to the above projects completed the following additional projects in the 2021/22 financial year;

- Completion of the Baandee, Mt Caroline and North Kellerberrin Bush Fire Sheds;
- Completion of the Exhibition Hall Construction; and
- Construction of new fence for Recreation Centre.



## COMMUNITY APPRECIATION

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*I would like to again highlight our sincere appreciation to the community members within the Shire of Kellerberrin for their time, input and honesty when partaking in Councils Strategic Community Plan review.*

*The Strategic Community Plan is the communities document and to have positive feedback on a direction and areas of focus from the community provides Council with a clear direction the community is looking for.*

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## APPRECIATION

### **Shire President**

I would like to take this opportunity to thank and congratulate Scott O'Neill on his exceptional commitment to the Shire of Kellerberrin and its ratepayers. Scott was a Councillor for Thirteen (13) years and President for One (1) year, we wish Scott all the best going forward and again thank him for his time on Council.

I also would like to thank and congratulate Wendy McNeil for her commitment and work for the community since being elected to Council in 2013. Wendy's eight (8) years on Council was very positive for both staff and our ratepayers with Wendy being a positive conduit between the community and Council.

To the current group of Councillors, thank you for your continued support, leadership and guidance within the 2021/22 financial year. The support that you have provided as a group to Council and the community is sincerely appreciated.

All the staff as President I would like to pass on my sincere appreciation from our Council and the community for your continued efforts throughout the year.

In addition I would like to pass on my sincere appreciation to our community leaders, volunteers and ratepayers for your continued input to Council to ensure we, as a Council group are representing the entire community as we are elected to do. In addition for the countless hours in which you all volunteer your personal time to progress our community whether it be through a community group or sporting club for the betterment of the community, Thank you.

### **Chief Executive Officer**

It would like to pass on my sincere appreciation for everyone that has taken part in our surveys and community forum for the drafting of your Strategic Community Plan. The consultation was positive, constructive and effective ensure Council has clear direction from the community in the way they wish to progress into the future.

Councils employees would like to pass on its sincere thanks and appreciation to Council for their support throughout the year and wish Wendy McNeil all the best since retiring from Council in 2021. Council employees thoroughly enjoyed working with Wendy to serve the community of Kellerberrin.

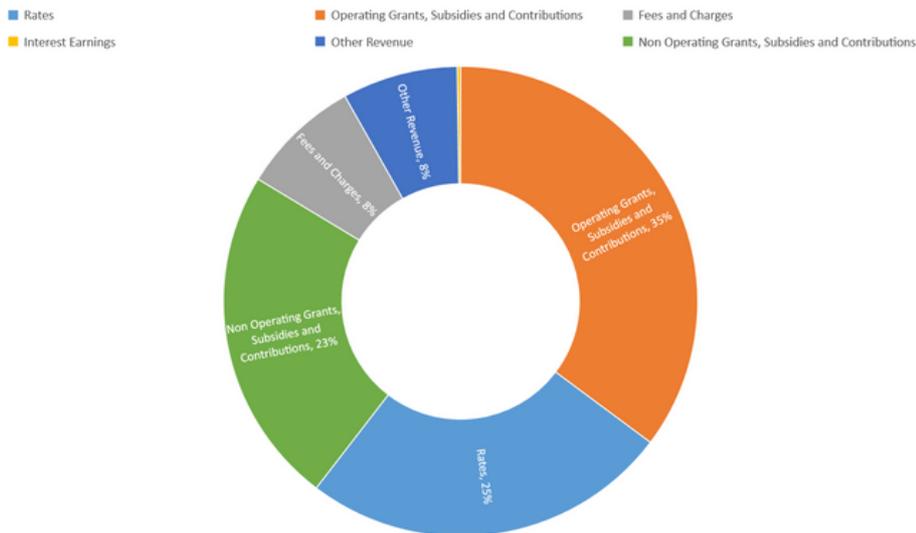
I personally would like to pass on my sincere appreciation and thanks to the entire workforce who have worked tirelessly this year to complete projects, programs, maintain and upkeep our Shire. The community is very lucky to have such a workforce that dedicates themselves to upkeep and maintain our Shire. The Shire of Kellerberrin Councilors and staff will continue to strive for excellence in operations to ensure the Shire of Kellerberrin is one of attraction for both new residents, business and tourists.



## QUICK STATISTICS

### FINANCE

Shire of Kellerberrin - Revenue  
By Nature & Type



#### EMERGENCY SERVICE LEVY

Income Collected - \$77,440  
 Operating Grant - \$48,700  
 Capital Funding 3 sheds -  
 \$1,551,000

**6X BUSHFIRE BRIGADES**

**4X BUSHFIRE SHEDS**

**4X TRUCKS**

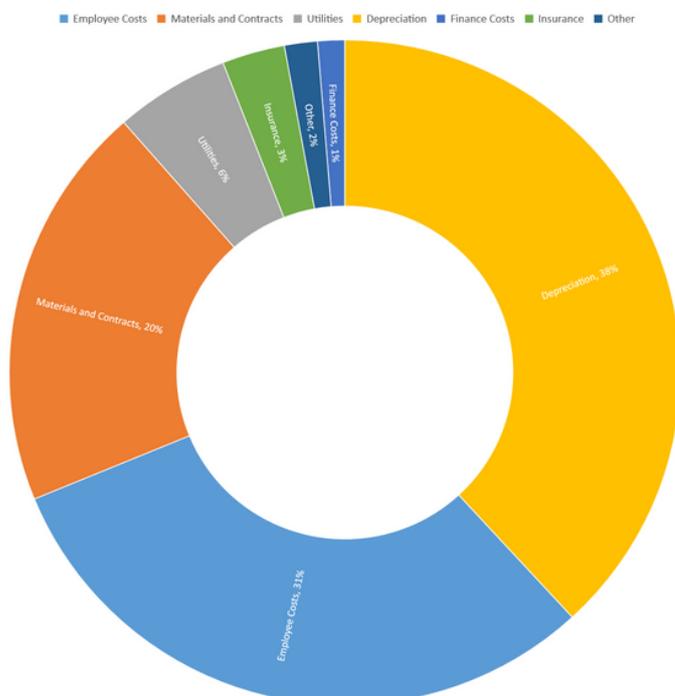
#### FEDERAL ASSISTANCE GRANTS (FAGS)

General Purpose Funding  
 \$1,543,949

Local Road Funding  
 \$633,002

**TOTAL**  
**\$2,176,951**

Shire of Kellerberrin Expenditure  
By Nature & Type



#### SOCIAL MEDIA COMMUNICATIONS



Facebook Followers  
 1,253



Instagram Followers  
 731



Registered Ratepayers  
 Contact  
 83



## 2020/21 CAPITAL PROJECTS

The Shire provided for capital programs amounting to \$4,405,869 in value, funded from a variety of sources including Grants and General Revenue.

### HIGHLIGHT: ROADS TO RECOVERY

James Street (Bedford to Moore)  
Total Cost: \$177,409  
Funding Received: \$177,409  
Cost to Council: NIL

James Street (McCulloch to King)  
Total Cost: \$146,802  
Funding Received: \$146,802  
Cost to Council: NIL

Ripper Street  
Total Cost: \$89,411  
Funding Received: \$40,809  
Cost to Council: \$48,602

### HIGHLIGHT: REGIONAL ROAD GROUP PROGRAM (RRG)

Baandee North Road  
Total Cost: \$559,618  
Funding Received: \$346,947  
Cost to Council: \$212,671

### HIGHLIGHT: CONSTRUCTION OF BUSHFIRE SHEDS

Completion of Baandee, North Kellerberrin and Mt Caroline  
Total Cost: \$509,262  
Funding Received: \$509,262  
Cost to Council: NIL

### HIGHLIGHT: POOL STAGE 2

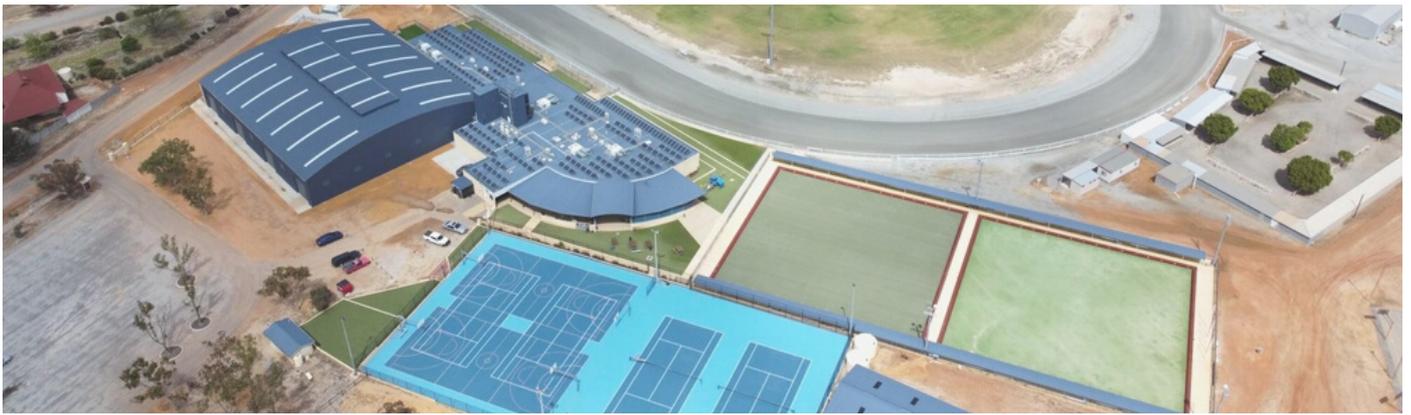
Kellerberrin Memorial Swimming Pool Upgrade:  
Construction of a new amenities building.

Total Cost: \$1,185,010  
Funding Received: \$299,304  
Cost to Council: \$885,706

*This project will be completed in 2022/2023 financial year*

### HIGHLIGHT: COMPLETION OF CONSTRUCTION OF EXHIBITION HALL

Total Cost: \$211,893  
Funding Received: \$211,893  
Cost to Council: NIL



## ELECTED MEMBERS



**CR SCOTT O'NEILL**

**Shire President**

president@kellerberrin.wa.gov.au  
 0429 454 102  
 Elected: 2007  
 Term Expires: 2023



**CR EMILY RYAN**

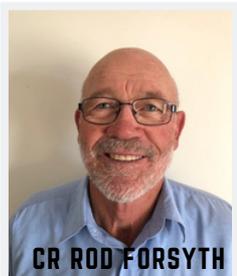
**Deputy President**

crryan@kellerberrin.wa.gov.au  
 0431 702 765  
 Elected: 2019  
 Term Expires: 2023



**CR MATT STEBER**

0427 458 296  
 president@kellerberrin.wa.gov.au  
 Elected: 2013  
 Term Expires: 2025



**CR ROD FORSYTH**

forsyth@kellerberrin.wa.gov.au  
 0427 459 017  
 Elected: 2009  
 Term Expires: 2025



**CR DENNIS REID**

reid@kellerberrin.wa.gov.au  
 0428 381 044  
 Elected: 2015  
 Term Expires: 2023



**CR DAVID LEAKE**

leake@kellerberrin.wa.gov.au  
 0428 458 202  
 Elected: 2015  
 Term Expires: 2023



**CR MONICA GARDINER**

gardiner@kellerberrin.wa.gov.au  
 0418 454 003  
 Elected: 2021  
 Term Expires: 2025

### COUNCILLOR ATTENDANCE

Cr Scott O'Neill	12
Cr Emily Ryan	12
Cr Matt Steber	12
Cr Rod Forsyth	12
Cr Dennis Reid	12
Cr David Leake	12
Cr Monica Gardiner	12

### QUICK STATISTICS

**MEETINGS ORDINARY  
 COUNCIL MEETING: 11**

**SPECIAL COUNCIL  
 MEETING: 1**



## COUNCIL STATICTISTS

### COUNCIL MEETINGS

Council meets on a monthly basis with a seven (7) Councillor Membership, to make decisions relating to Policy, Statutory and Forward Planning direction of the Shire. All Meetings are open to the Public excluding Confidential Items and the dates, times and venues are advertised annually as Public Information for the Community.

Council meetings are held on the third Tuesday of every month excluding January.

Council Agenda & Minutes can be viewed at the Shire Office and are published on the Shire's website at <https://www.kellerberrin.wa.gov.au/council/agendas-minutes/>

### COUNCIL COMMITTEES

Audit Committee

Roads Advisory Committee

Local Hospital Advisory Group (L-HAG)

Regional Development Assessment Panel (RDAP)

Great Eastern Country Zone WALGA (GECZ)

Arts & Cultural Committee

Local Emergency Management Committee (LEMC)

Wheatbelt Eastern Regional Organisation of Councils (WEROC)

Sport & Recreation Steering Committee

Emergency Committee

Central East Aged Care Committee (CEACA)

Regional Road Group

### QUICKSTATS - 2021 CENSUS



Private Houses  
464



Families  
213



Registered Ratepayers  
Contact  
83

### QUICKSTATS - DFES



Volunteers  
212



Bushfires within  
Kellerberrin  
6



Hectares lost  
217

### QUICKSTATS - DEVELOPMENT



Building Permits  
11



Planning Approvals  
13



Stall Holder  
Applications  
53

### QUICKSTATS - SERVICES

Dogs Renewals 21/22  
22

Cat Renewals 21/22  
5

Impounded Animals  
3

Gym Memberships - 21/22  
Yearly - 83

Quarterly - 18

Monthly - 32

Weekly - 11



## GOVERNANCE REPORTING STANDARDS

Local Government is governed by a number of various Acts of Legislation including the following Compliance and Statutory Reporting activities required for our Annual reporting processes and accountability;

**Freedom of Information (FOI) Statement** (Freedom of Information Act 2003) – Council maintains a number of records and registers including but not exclusive of; Town Planning Scheme, Financial Interest Register, Delegated Authority Register, Cemetery Register, Rate Book, Electoral Roll, Policy Manual, Local Laws, Minute Book, Gifts Register, Asset Register, Insurance Register, Keys Register, etc. Nominated Documents can be inspected free of charge upon application at the Office of Council 110 Massingham Street, Kellerberrin during normal business hours. During the year of review, Council didn't receive any applications for Freedom of Information and any application received is considered on the basis of not to contravene the privacy rights of the individuals and may be subject to a small administrative/copy charge for the enquiry. The Shire of Kellerberrin received no applications for Freedom of Information during the reporting period.

**Public Interest Disclosure (PID)** – The Public Interest Disclosure Act was established by the Commissioner for Public Sector Standards under section 20 of the Public Interest Disclosure Act 2003. Local Government has been legislated with some responsibility under the mentioned Act including that any matters that relate to the Shire of Kellerberrin Staff or Councillors should be referred to the appointed Officer. One of the principles of this new legislation is not just to provide protection to those who make disclosures (and those who are the subject of disclosures) but also encourages a system of transparency and accountability in the way government (parliamentarians) or government officials (public servants) act and utilise public monies. The Shire of Kellerberrin had no Public Interest Disclosures during the reporting period.

**National Competition Policy (NCP)** – In 1995 the Council of Australian Government entered into a number of agreements known as the National Competition Policy. The policy is a whole of Government approach to bring about reform in the public sector to encourage Government to become more competitive. Local Government will mainly be affected where it operates significant business activities that compete or could compete with private sector business. Local Government will also be impacted where its local laws unnecessarily affect competition. Local Government and more particularly the Shire of Kellerberrin is required to comply with certain policies contained within the National Competition Policy Statement and report on progress in connection with Competitive Neutrality Principles and review of Local Laws. The Shire of Kellerberrin has completed the majority of its statutory requirement for reviewing its Local Laws in association with the Joint Parliamentary Standing Committee.

**Competitive Neutrality (CN)** – The principle of “competitive neutrality” is that government businesses should not enjoy a competitive advantage, or suffer a disadvantage, simply as a result of their public sector ownership. Measures should be introduced to effectively neutralise any net competitive advantage flowing from government ownership. Competitive Neutrality should apply to all business activities that generate a user pays income of over \$200,000 per annum, unless it can be shown it is not in the public interest. A public benefit test is used to determine if competitive neutrality is in the public interest. The Shire of Kellerberrin does not control any business activity with a user pays income in excess of \$200,000.



## GOVERNANCE REPORTING STANDARDS

**Record Keeping Plan (RKP)** – The State Records Act 2000 is an Act to provide for the keeping of State Records and for related purposes. Section 19 of the Act requires that every government organisation must have a record keeping plan (RKP) that has been approved by the State Records Commission. A government organisation including local government, record keeping plan sets out the matters about which records are to be created by the organisation and how it is to keep its records. The record keeping plan comprises of a range of documents which, when assessed as a whole, provides an accurate reflection of the record keeping program within the organisation. More specifically, documentation regarding the organisation's record keeping system/s, disposal arrangements, policies, practices and processes will be essential components of the record keeping plan held by a local government.

The inclusion of such documentation will constitute evidence of compliance. The Shire of Kellerberrin currently complies with the requirements of the State Records Act 2000 and its requirements for a Record Keeping Plan.

**Information on Payments to Employees** – In accordance with section 5.53(2)(g) of the Local Government Act 1995 as amended, the Annual Report of a Local Government for a financial year is to contain the following information;

- (i) the number of employees of the local government entitled to an annual salary of \$100,000 or more;
- (ii) the number of those employees with an annual salary entitlement that falls within each band of \$10,000 in excess of 100,000.

The Shire of Kellerberrin has one employee who receives an annual salary in the \$150,000 to \$160,000 band.

**Disability Service Plan (DSP)** – Local Government under section 29(2) of the Disability Services Act 1993 is required to provide a summary report on Councils approach to assisting people with disabilities in our community as part of its Inclusiveness Planning summarised here under;

- Existing functions, services and facilities are adopted to meet the needs of people with disabilities;
- Council continues to consider the needs of people with disabilities wherever possible;
- Access to buildings and facilities are improved;
- Current Public Buildings have modifications undertaken for improved access to Public Buildings;
- Information is provided in the appropriate communications format;
- Council remains mindful of communicating at the simplest and easy to read format for all of its residents;
- Staff awareness of the needs of people with disabilities in delivery of council service;
- Staff remain aware to offer the appropriate assistance and advice to its residents on all occasions; and
- Opportunities for people with disabilities to participate at public buildings owned by the Council.

Access standards to all of Council Public Buildings remain a priority for people with disabilities to access these Public Buildings including the free Bus Service for Business and Shopping needs of the Aged.



## SENIOR MANAGEMENT



Chief Executive Officer  
Mr Raymond Griffiths  
ceo@kellerberrin.wa.gov.au  
0417 927 637



Manager of Governance  
Mrs Codi Brindley-Mullen  
mog@kellerberrin.wa.gov.au  
0428 454 389



Manager of Works Services  
Mr Mick Jones  
mws@kellerberrin.wa.gov.au  
0428 454 619

## TEAM

### Chief Executive Officer

Town Planner  
Builder/Contractor  
Senior Finance Officer

### Manager of Governance

Finance Officer  
Administration Officer  
Customer Service Officer  
Community Development Officer

### Works Services

Road Maintenance Team Leader  
4 x Plant Operator  
Grader Operator  
Parks & Gardens Team Leader  
GSG Curator  
4 x General Hand  
Mechanic  
Apprentice Mechanic  
Waste Transfer Site Supervisor  
3 x Part time Cleaner  
Pool Manager  
Caravan Park Caretaker

## AT A GLANCE

### Shire Location

Centrally located in the Wheatbelt, just 204km east of Perth, Kellerberrin is a warm, charming community, steeped in a vibrant history dating back from its Indigenous people to European pioneers. Kellerberrin celebrated its centenary in 2008, Kellerberrin's longevity is attributed to the passion and commitment of its community, the beauty of its natural attractions and the fostering of new forms of artistic expression. Kellerberrin is a town where life is as rich as the landscape.

### History

In 1830, Ensign Dale led an exploration party from York which reached into the Shire of Kellerberrin. Through the years 1861-68, a number of grazing leases were taken up in the area. In 1864, an explorer named C.C. Hunt named a granite outcrop "Killaberrin", this was named after the Aboriginal name for a large ant colony "Keller" found in the vicinity of the hill. In 1877 four sheep stations in the district, Cutting, Milligan, Mooranoppin and Mt Caroline, were established. The names of the first settlers were the Massingham, Ripper, Leake and Sewell.

### Roads and Area of the Shire

The Shire has a total area of 1,852 square kilometres and has 981 kilometres of roads, of which 271 kms are sealed.

### Population

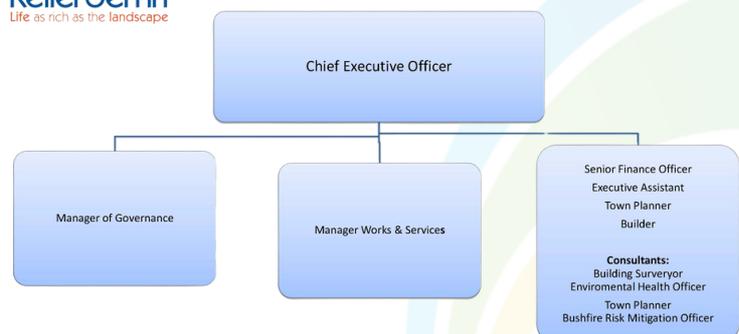
The Shire of Kellerberrin has a population of approximately 1,178 as of 2021 census with 796 electors. The Council employs 30 people.

### Education

Kellerberrin has within the Shire a Playgroup, District High School to Year 10, Activ Foundation for the intellectually handicapped. A daily school bus service is provided for students opting to attend Year 11 and 12 at Merredin College.



## STAFF STRUCTURE





## HIGHLIGHTS:

Woodstock Country  
Muster  
Kellerberrin Speedway  
CW Harness Racing  
CW Harness Racing &  
Kellerberrin & Agricultural  
Society 100 Years Show  
Golden Grains  
National Reconciliation  
Week  
Australia Day Awards &  
Activities  
Watch Around the Water -  
Swimming under the Stars  
NAIDOC Event  
Twilight Markets - Chrissy  
Up Kella

## COMMUNITY CROPPING:

The Shire of Kellerberrin continues to support a number of community groups through the community cropping program

## COMMUNITY DONATIONS AND CONTRIBUTIONS

### Donations and Contributions

Kellerberrin Agricultural Society	3,000.00
Central Wheatbelt Harness Racing Club	\$ 3,000.00
Kellerberrin Community Mens Shed	\$ 1,500.00
Wheatbelt Agcare Community Support Service	\$ 550.00
Doodlakine Bowling Club	\$ 300.00
Kellerberrin Bowling Club	\$ 300.00
Kellerberrin Golf Club	\$ 3,300.00
Kellerberrin Historical Society	\$ 300.00
Kellerberrin District High School	\$ 100.00
Lions Cancer Institute	\$ 300.00
Kellerberrin Riding & Pony Club	\$ 2,590.00
Kellerberrin Community Resource Centre	\$ 2,200.00
Kellerberrin Darts Club	\$ 300.00

### Law, Order and Public Safety

Brigade & Fire Prevention Expenses	\$ 375,973.00
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### Other Health

Medical Officer – Housing & Vehicle – Costs	\$ 17,220.00
Medical Centre & Gardens – Operating Maintenance Costs	\$ 8,473.00

### Education and Welfare

Kellerberrin's Children Centre – Operating Costs	\$ 10,641.00
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### Community Amenities

Community Bus	\$ 16,673.00
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### Recreation and Culture

Swimming Pool Maintenance	\$ 53,769.00
Councils Recreation Facilities (Inc ovals, park etc)	\$ 501,000.00
Community Resource Centre /Library Contribution	\$ 15,000.00
Information Bay Contribution	\$ 5,000.00



## COUNCILS VISION:

To welcome diversity, culture and industry; promote a safe and prosperous community with a rich, vibrant and sustainable lifestyle for all to enjoy.

## CORE DRIVERS:

Relationships that bring us tangible benefits (to the Shire and our community)

Our lifestyle and strong sense of community

We are prepared for opportunities and we are innovative to ensure our relevancy and destiny

## STRATEGIC COMMUNITY PLAN

In 2022 the Shire of Kellerberrin completed a major review on the Strategic Community Plan. This revised Plan is the product of considerable consultation with the Kellerberrin community, representing a minor though vital review of the journey we are on to ensure needs continue to be met and voices heard.

The Strategic Community Plan is our long term strategy aimed at enhancing the community in which we live in. The Plan details our aspirations, where we want to go, what we want to become and how we plan to get there. Council has been mindful of including and engaging the thoughts, views and ideas that each of our community representatives have when developing this Plan; this is a community plan that is owned by the community, not just by the Council.

Through surveys and community engagement, below are the emerging issues raised by our community members;

- The importance of agriculture and rural services and the need to think big to attract rural business opportunities.
- The lack of suitable rental accommodation to attract workers to the Shire.
- A desire for the Shire to assist with employment opportunities.
- The shrinking population and the impact this is having on our community and provision of services.
- The lack of leadership and communication from our Elected Members and Shire employees.
- A desire for the Shire to assist with Early Childhood Education, including Day care and Medical Centre.
- The importance of landscape and redevelopment of revegetation with the Shire.
- The appearance of the Main Street including landscape, businesses and traffic.
- The desire for the Shire to look into the Heritage, Culture and History within the Town to be promoted.
- Ensuring that the available facilities within our Townsite are appropriate for our Community needs.



## STRATEGIC COMMUNITY PLAN

In Section Two (2) Creating our Strategic Community Plan Council have four (4) key strategic priorities

Each of these Strategic Priorities contains a number of strategies and goals which outline what the community and Council will do to realise our Community's vision. Our strategies and goals have been grouped into the following four themes:

### LIFESTYLE

*To create a comfortable, inviting and welcoming lifestyle that us in keeping with the natural environment and cultural on historical heritage of the shire*

### SUSTAINABILITY

*To live in a region that promotes sustainability economic, social and environmental development and growth*

### LEADERSHIP

*To be led by an open, honest and transparent government*

### PROSPERITY

*To develop a community that fosters and encourages long term prosperity and growth and presents a diverse range of opportunities*

Under the *Local Government (Administration) Regulations 1996*, state government legislated an integrated framework for corporate planning and reporting. This framework requires each Local Government in Western Australia to have two key plans for the future;

1. A Strategic Community Plan; and
2. A Corporate Business Plan

These plans are supported by informing strategies being;

1. A Workforce Plan;
2. An Asset Management Plan; and
3. A Long Term Financial Plan.





# 2021/22 FINANCIAL STATEMENT REPORT

Shire of Kellerberrin Administration Office  
110 Massingham Street Kellerberrin  
PO Box 145 Kellerberrin WA 6410  
Office Hours: 8.30am - 4.30pm Monday to Friday  
**P** (08) 9045 4006  
**E** [shire@kellerberrin.wa.gov.au](mailto:shire@kellerberrin.wa.gov.au)  
**W** [www.kellerberrin.wa.gov.au](http://www.kellerberrin.wa.gov.au)



**SHIRE OF KELLERBERRIN**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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**COMMUNITY VISION**

To welcome diversity, culture and industry; promote a safe a prosperous community with a rich, vibrant and sustainable lifestyle for all to enjoy.

**Principal place of business:**

110 Massingham Street  
Kellerberrin, WA 6410



**SHIRE OF KELLERBERRIN  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

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

Signed on the

1<sup>st</sup>

day of DECEMBER

2022



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Raymond Griffiths  
Chief Executive Officer



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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>Revenue</b>				
Rates	25(a),2(a)	2,360,010	2,367,008	2,254,950
Operating grants, subsidies and contributions	2(a)	3,301,429	1,350,085	2,435,844
Fees and charges	24(c),2(a)	767,406	757,909	725,703
Interest earnings	2(a)	21,788	34,600	15,432
Other revenue	2(a)	738,193	377,356	994,017
		<b>7,188,826</b>	<b>4,886,958</b>	<b>6,425,946</b>
<b>Expenses</b>				
Employee costs		(2,227,398)	(2,344,657)	(1,939,505)
Materials and contracts		(1,436,736)	(1,260,768)	(1,210,478)
Utility charges		(402,158)	(258,487)	(322,490)
Depreciation	10(a)	(2,774,241)	(2,775,302)	(2,788,708)
Finance costs	2(b)	(94,906)	(83,221)	(104,149)
Insurance		(219,857)	(178,999)	(172,238)
Other expenditure	2(b)	(115,591)	(116,230)	(102,285)
		<b>(7,270,887)</b>	<b>(7,017,664)</b>	<b>(6,639,853)</b>
		<b>(82,061)</b>	<b>(2,130,706)</b>	<b>(213,907)</b>
Non operating grants, subsidies and contributions	2(a)	2,183,511	3,151,260	2,592,127
Profit on asset disposals	10(b)	42,536	39,410	40,417
Loss on asset disposals	10(b)	(905,865)	(4,000)	(14,968)
Fair value adjustments to financial assets at fair value through profit or loss		2,998	0	1,939
		<b>1,323,180</b>	<b>3,186,670</b>	<b>2,619,515</b>
<b>Net result for the period</b>	<b>24(b)</b>	<b>1,241,119</b>	<b>1,055,964</b>	<b>2,405,608</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	16	1,265,158	0	4,002,037
<b>Total other comprehensive income for the period</b>		<b>1,265,158</b>	<b>0</b>	<b>4,002,037</b>
<b>Total comprehensive income for the period</b>		<b>2,506,277</b>	<b>1,055,964</b>	<b>6,407,645</b>

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



SHIRE OF KELLERBERRIN  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022

	NOTE	2022 \$	2021 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	4,180,508	3,765,250
Trade and other receivables	5	187,067	374,980
Inventories	6	5,177	1,632
Other assets	7	2,680	2,962
<b>TOTAL CURRENT ASSETS</b>		<b>4,375,432</b>	<b>4,144,824</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	42,093	39,063
Other financial assets	4	58,353	55,354
Inventories	6	106,000	106,000
Property, plant and equipment	8	24,390,252	23,238,337
Infrastructure	9	73,595,928	72,916,997
Right-of-use assets	11(a)	0	19,002
<b>TOTAL NON-CURRENT ASSETS</b>		<b>98,192,626</b>	<b>96,374,753</b>
<b>TOTAL ASSETS</b>		<b>102,568,058</b>	<b>100,519,577</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	340,231	1,081,359
Other liabilities	13	610,274	154,440
Lease liabilities	11(b)	0	10,279
Borrowings	14	184,748	176,785
Employee related provisions	15	320,364	308,110
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,455,617</b>	<b>1,730,973</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	14	1,385,304	1,570,051
Employee related provisions	15	21,885	19,578
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,407,189</b>	<b>1,589,629</b>
<b>TOTAL LIABILITIES</b>		<b>2,862,806</b>	<b>3,320,602</b>
<b>NET ASSETS</b>		<b>99,705,252</b>	<b>97,198,975</b>
<b>EQUITY</b>			
Retained surplus		35,217,377	33,291,061
Reserve accounts	28	1,598,603	2,283,800
Revaluation surplus	16	62,889,272	61,624,114
<b>TOTAL EQUITY</b>		<b>99,705,252</b>	<b>97,198,975</b>

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



SHIRE OF KELLERBERRIN  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2020		30,973,695	2,195,558	57,622,077	90,791,330
Comprehensive income					
Net result for the period		2,405,608	0	0	2,405,608
Other comprehensive income	16	0	0	4,002,037	4,002,037
Total comprehensive income for the period		2,405,608	0	4,002,037	6,407,645
Transfers from reserves	28	290,751	(290,751)	0	0
Transfers to reserves	28	(378,993)	378,993	0	0
Balance as at 30 June 2021		33,291,061	2,283,800	61,624,114	97,198,975
Comprehensive income					
Net result for the period		1,241,119	0	0	1,241,119
Other comprehensive income	16	0	0	1,265,158	1,265,158
Total comprehensive income for the period		1,241,119	0	1,265,158	2,506,277
Transfers from reserves	28	716,797	(716,797)	0	0
Transfers to reserves	28	(31,600)	31,600	0	0
Balance as at 30 June 2022		35,217,377	1,598,603	62,889,272	99,705,252

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



SHIRE OF KELLERBERRIN  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		2,414,881	2,417,008	2,246,067
Operating grants, subsidies and contributions		3,809,653	1,162,840	2,569,090
Fees and charges		767,406	757,909	725,703
Interest received		21,789	34,600	15,432
Goods and services tax received		665,760	419,067	439,069
Other revenue		738,193	377,356	994,012
		<b>8,417,682</b>	<b>5,168,780</b>	<b>6,989,373</b>
<b>Payments</b>				
Employee costs		(2,168,664)	(2,344,657)	(1,907,802)
Materials and contracts		(2,258,146)	(1,470,768)	(472,748)
Utility charges		(402,158)	(258,487)	(322,490)
Finance costs		(95,373)	(83,221)	(104,149)
Insurance paid		(219,857)	(178,999)	(172,238)
Goods and services tax paid		(554,826)	(419,067)	(592,273)
Other expenditure		(115,591)	(116,230)	(102,283)
		<b>(5,814,615)</b>	<b>(4,871,429)</b>	<b>(3,673,983)</b>
<b>Net cash provided by (used in) operating activities</b>	17(b)	<b>2,603,067</b>	<b>297,351</b>	<b>3,315,390</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	8(a)	(2,443,512)	(1,745,915)	(3,412,050)
Payments for construction of infrastructure	9(a)	(1,962,357)	(3,322,434)	(2,377,472)
Non-operating grants, subsidies and contributions	2(a)	2,183,511	3,151,260	2,592,127
Proceeds from sale of property, plant & equipment	10(b)	221,613	294,945	365,160
<b>Net cash provided by (used in) investing activities</b>		<b>(2,000,746)</b>	<b>(1,622,144)</b>	<b>(2,832,235)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	27(a)	(176,784)	(176,785)	(169,207)
Payments for principal portion of lease liabilities	27(c)	(10,279)	(10,279)	(10,841)
<b>Net cash provided by (used in) financing activities</b>		<b>(187,063)</b>	<b>(187,064)</b>	<b>(180,048)</b>
<b>Net increase (decrease) in cash held</b>		<b>415,258</b>	<b>(1,511,857)</b>	<b>303,107</b>
Cash at beginning of year		3,765,250	3,765,250	3,462,143
<b>Cash and cash equivalents at the end of the year</b>	17(a)	<b>4,180,508</b>	<b>2,253,393</b>	<b>3,765,250</b>

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



SHIRE OF KELLERBERRIN  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>NET CURRENT ASSETS - At start of financial year - surplus/(deficit)</b>	26(b)	625,224	556,938	1,167,201
<b>OPERATING ACTIVITIES</b>				
Revenue from operating activities (excluding general rate)				
Rates (excluding general rate)	25(b)	28,845	28,800	27,602
Operating grants, subsidies and contributions		3,301,429	1,350,085	2,435,844
Fees and charges		767,406	757,909	725,703
Interest earnings		21,788	34,600	15,432
Other revenue		738,193	377,356	994,017
Profit on asset disposals	10(b)	42,536	39,410	40,417
Fair value adjustments to financial assets at fair value through profit or loss		2,998	0	1,939
		4,903,195	2,588,160	4,240,954
Expenditure from operating activities				
Employee costs		(2,227,398)	(2,344,657)	(1,939,505)
Materials and contracts		(1,436,736)	(1,260,768)	(1,210,478)
Utility charges		(402,158)	(258,487)	(322,490)
Depreciation		(2,774,241)	(2,775,302)	(2,788,708)
Finance costs		(94,906)	(83,221)	(104,149)
Insurance		(219,857)	(178,999)	(172,238)
Other expenditure		(115,591)	(116,230)	(102,285)
Loss on asset disposals	10(b)	(905,865)	(4,000)	(14,968)
		(8,176,752)	(7,021,664)	(6,654,821)
Non-cash amounts excluded from operating activities	26(a)	3,646,103	2,739,892	2,745,067
<b>Amount attributable to operating activities</b>		997,770	(1,136,674)	1,498,401
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	2,183,511	3,151,260	2,592,127
Proceeds from disposal of assets	10(b)	221,613	294,945	365,160
Purchase of property, plant and equipment	8(a)	(2,443,512)	(1,745,915)	(3,412,050)
Purchase and construction of infrastructure	9(a)	(1,962,357)	(3,322,434)	(2,377,472)
<b>Amount attributable to investing activities</b>		(2,000,745)	(1,622,144)	(2,832,235)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	27(a)	(176,784)	(176,785)	(169,207)
Payments for principal portion of lease liabilities	27(c)	(10,279)	(10,279)	(10,841)
Transfers to reserves (restricted assets)	28	(31,600)	(6,000)	(378,993)
Transfers from reserves (restricted assets)	28	716,797	613,674	290,751
<b>Amount attributable to financing activities</b>		498,134	420,610	(268,290)
<b>Surplus/(deficit) before imposition of general rates</b>		(504,841)	(2,338,208)	(1,602,124)
<b>Total amount raised from general rates</b>	25(a)	2,331,165	2,338,208	2,227,348
<b>Surplus/(deficit) after imposition of general rates</b>	26(b)	1,826,324	0	625,224

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



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

1. BASIS OF PREPARATION

<p><b>Basis of preparation</b>          The financial report comprises general purpose financial statements which have been prepared in accordance with the Local Government Act 1996 and accompanying regulations.</p>	<p><b>The local government reporting entity</b>          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.</p>
<p><b>Local Government Act 1996 requirements</b>          Section 6.4(2) of the Local Government Act 1996 read with the Local Government (Financial Management) Regulations 1996 prescribe that the financial report be prepared in accordance with the Local Government Act 1996 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.</p> <p>The Local Government (Financial Management) Regulations 1996 specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost. Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.</p>	<p>All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 29 of the financial report.</p> <p><b>Judgements and estimates</b>          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.</p> <p>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.</p> <p>The balances, transactions and disclosures impacted by accounting estimates are as follows:</p> <ul style="list-style-type: none"> <li>• <b>estimated fair value of certain financial assets</b></li> <li>• <b>impairment of financial assets</b></li> <li>• <b>estimation of fair values of land and buildings, and infrastructure.</b></li> <li>• <b>estimation uncertainties made in relation to lease accounting</b></li> </ul>

## 2. REVENUE AND EXPENSES

### (a) Revenue

#### Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	When rates notice is issued
Operating grants, subsidies and contributions with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms with transfer of funds based on agreed milestones and reporting	Contract obligation if project not completed	Output method based on project milestones and/or completion date matched to performance obligations
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	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Fees and charges - licenses, registrations and approvals	Building, planning, development and animal control	Single point in time	Full payment prior to issue	None	On payment of the license, registration or approval
Fees and charges - waste management entry fees	Waste collection at disposal sites	Single point in time	Payment in advance on entry, or on normal trade terms if credit is provided	None	On entry to facility
Fees and charges - caravan park entry fees	Sire accommodation at caravan park facility	Single point in time	Payment in advance on entry, or on normal trade terms if credit is provided	None	On entry to facility
Fees and charges - sale of stock	Kiosk and visitor centre stock	Single point in time	Payment in advance, or on normal trade terms if credit is provided	Refunds provided for faulty goods	Output method based on good sold
Other Revenue - private works	Contracted private works	Single point in time	Payment in advance, or on normal trade terms if credit is provided	None	Output method based on works completed

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

#### Revenue Recognition

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

For the year ended 30 June 2022

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	2,360,010	0	2,360,010
Operating grants, subsidies and contributions	227,759	0	0	3,073,670	3,301,429
Fees and charges	498,964	0	43,037	225,405	767,406
Interest earnings	0	0	15,142	6,646	21,788
Other revenue	279,619	0	78	458,496	738,193
Non operating grants, subsidies and contributions	0	2,183,511	0	0	2,183,511
Total	1,006,342	2,183,511	2,418,267	3,764,217	9,372,337

For the year ended 30 June 2021

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	2,254,950	0	2,254,950
Operating grants, subsidies and contributions	243,006	0	0	2,192,838	2,435,844
Fees and charges	467,103	0	54,818	203,782	725,703
Interest earnings	0	0	3,916	11,516	15,432
Other revenue	589,673	0	115	404,229	994,017
Non operating grants, subsidies and contributions	0	2,592,217	0	0	2,592,217
Total	1,299,782	2,592,217	2,313,799	2,812,365	9,018,163

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

2. REVENUE AND EXPENSES (Continued)

	Note	2022 Actual	2022 Budget	2021 Actual
Interest earnings				
Interest on reserve funds		6,231	6,000	11,069
Rates instalment and penalty interest (refer Note 25(d))		15,142	26,600	3,916
Other interest earnings		415	2,000	447
		<u>21,788</u>	<u>34,600</u>	<u>15,432</u>
(b) Expenses				
Auditors remuneration				
- Audit of the Annual Financial Report		39,800	39,000	43,800
- Other services		2,700	13,120	0
		<u>42,500</u>	<u>52,120</u>	<u>43,800</u>
Finance costs				
Borrowings	27(a)	94,724	83,039	103,549
Lease liabilities	27(c)	182	182	510
Other		0	0	90
		<u>94,906</u>	<u>83,221</u>	<u>104,149</u>
Other expenditure				
Write down of inventories to net realisable value	6	0	0	72,537
Sundry expenses		115,591	116,230	29,748
		<u>115,591</u>	<u>116,230</u>	<u>102,285</u>

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

3. CASH AND CASH EQUIVALENTS

Note	2022	2021
	\$	\$
Cash at bank and on hand	2,550,791	1,443,502
Term deposits	1,629,717	2,321,748
<b>Total cash and cash equivalents</b>	<b>4,180,508</b>	<b>3,765,250</b>
Held as		
- Unrestricted cash and cash equivalents	1,940,715	1,288,763
- Restricted cash and cash equivalents	2,239,793	2,476,487
	<b>4,180,508</b>	<b>3,765,250</b>

The restricted assets are a result of the following specific purposes to which the assets may be used:

Reserves - cash backed	28	1,598,603	2,283,800
Contract liabilities from contracts with customers	13	610,274	154,440
Bonds and deposits held	12	30,916	38,247
<b>Total restricted assets</b>		<b>2,239,793</b>	<b>2,476,487</b>

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.

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

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

Restricted financial assets

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

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

4. OTHER FINANCIAL ASSETS

	2022	2021
	\$	\$
<b>Non-current assets</b>		
Financial assets at fair value through profit and loss	58,353	55,354
	<b>58,353</b>	<b>55,354</b>
<b>Financial assets at fair value through profit and loss</b>		
Units in Local Government House Trust	58,353	55,354
	<b>58,353</b>	<b>55,354</b>

Fair value of financial assets at fair value through profit and loss is determined from the net asset value of the units held in the trust at balance date as compiled by the Western Australian Local Government Association.

SIGNIFICANT ACCOUNTING POLICIES

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 19.

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

5. TRADE AND OTHER RECEIVABLES

Note	2022	2021
	\$	\$
<b>Current</b>		
Rates receivable	100,836	125,425
Trade and other receivables	61,656	114,046
ATO receivables	24,575	135,509
	187,067	374,980
<b>Non-current</b>		
Pensioner's rates and ESL deferred	42,093	39,063
	42,093	39,063

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other receivables**

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

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

**Impairment and risk exposure**

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 21.

**Classification and subsequent measurement**

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

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

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

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

6. INVENTORIES

	Note	2022	2021
Current		\$	\$
Fuel and materials		5,177	1,632
		5,177	1,632
Non-current			
Land held for resale			
Cost of acquisition		106,000	106,000
		106,000	106,000

The following movements in inventories occurred during the year:

Balance at beginning of year		107,632	191,778
Inventories expensed during the year		(81,890)	(359)
Write down of inventories to net realisable value	2(b)	0	(72,537)
Disposal of land held for resale		0	(11,250)
Additions to inventory		85,435	0
Balance at end of year		111,177	107,632

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for resale

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

Land held for resale (Continued)

Borrowing costs and holding charges incurred after development is completed are expensed.

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

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

SHIRE OF KELLERBERRIN  
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7. OTHER ASSETS

	2022	2021
	\$	\$
<b>Other assets - current</b>		
Prepayments	2,680	0
Accrued income	0	2,962
	<b>2,680</b>	<b>2,962</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Other current assets**

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

**SHIRE OF KELLERBERRIN  
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**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.

Note	Land \$	Buildings - non- specialised \$	Buildings - specialised \$	Total land and buildings \$	Furniture and equipment \$	Plant and equipment \$	Work in progress \$	Total property, plant and equipment \$
Balance at 1 July 2020	1,442,750	2,402,190	10,193,378	14,038,317	218,952	2,775,107	0	17,032,377
Additions	26,794	0	2,400,225	2,427,019	24,647	960,384	0	3,412,050
Disposals	(20,200)	0	0	(20,200)	0	(308,261)	0	(328,461)
Revaluation increments / (decrements) transferred to revaluation surplus	(167,344)	(99,440)	4,341,358	4,074,574	0	0	0	4,074,574
Depreciation	0	(53,750)	(241,435)	(295,185)	(34,454)	(615,163)	0	(944,802)
Transfers	0	0	(1,708,020)	(1,708,020)	0	0	1,700,620	(7,400)
Balance at 30 June 2021	1,282,000	2,249,000	14,985,505	18,516,505	209,145	2,812,067	1,700,620	23,238,337
Comprises:								
Gross balance amount at 30 June 2021	1,282,000	2,249,000	14,985,505	18,516,505	289,316	4,454,627	1,700,620	24,961,068
Accumulated depreciation at 30 June 2021	0	0	0	0	(80,171)	(1,642,560)	0	(1,722,731)
Balance at 30 June 2021	1,282,000	2,249,000	14,985,505	18,516,505	209,145	2,812,067	1,700,620	23,238,337
Additions	0	0	721,155	721,155	0	412,370	1,309,987	2,443,512
Disposals	0	0	(210,716)	(210,716)	(1,150)	(179,077)	0	(390,943)
Depreciation	0	(48,420)	(358,448)	(406,868)	(31,316)	(435,469)	0	(873,653)
Transfers	0	0	1,641,615	1,641,615	(27,001)	0	(1,641,615)	(27,001)
Balance at 30 June 2022	1,282,000	2,200,580	16,779,111	20,261,691	149,678	2,609,891	1,368,992	24,390,252
Comprises:								
Gross balance amount at 30 June 2022	1,282,000	2,249,000	17,132,775	20,663,775	258,315	4,664,614	1,368,992	26,955,696
Accumulated depreciation at 30 June 2022	0	(48,420)	(353,664)	(402,084)	(108,637)	(2,054,723)	0	(2,565,444)
Balance at 30 June 2022	1,282,000	2,200,580	16,779,111	20,261,691	149,678	2,609,891	1,368,992	24,390,252

**SHIRE OF KELLERBERRIN  
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**8. PROPERTY, PLANT AND EQUIPMENT (Continued)**

(b) Carrying Value Measurements

Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>(i) Fair Value</b>				
Land and buildings				
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
3	Cost approach and current replacement cost	Independent registered valuer	June 2021	Construction costs and current condition, residual values and remaining useful life assessments inputs
3	Cost approach and current replacement cost	Independent registered valuer	June 2021	Construction costs and current condition, residual values and remaining useful life assessments inputs

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

**(ii) Cost**

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.

SHIRE OF KELLERBERRIN  
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9. INFRASTRUCTURE

(a) Movements in Balances

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

Note	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - public facilities	Other infrastructure - public facilities	Total Infrastructure
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	58,962,194	679,495	6,944,627	5,783,381		72,369,697
Additions	2,065,423	188,006	0	124,043		2,377,472
Depreciation	(1,407,199)	(52,181)	(138,272)	(239,920)		(1,837,572)
Transfers	0	0	0	7,400		7,400
Balance at 30 June 2021	59,620,418	815,320	6,806,355	5,674,904		72,916,997
Comprises:						
Gross balance at 30 June 2021	89,967,361	2,016,261	10,421,895	6,456,919		108,862,436
Accumulated depreciation at 30 June 2021	(30,346,943)	(1,200,941)	(3,615,540)	(782,015)		(35,945,439)
Balance at 30 June 2021	59,620,418	815,320	6,806,355	5,674,904		72,916,997
Additions	1,779,490	55,964	81,653	45,250		1,962,357
(Disposals)	0	0	0	(681,331)		(681,331)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	1,265,158		1,265,158
Depreciation	(1,445,297)	(57,665)	(138,611)	(252,681)		(1,894,254)
Transfers	0	0	0	27,001		27,001
Balance at 30 June 2022	59,954,611	813,619	6,749,397	6,078,301		73,595,928
Comprises:						
Gross balance at 30 June 2022	91,746,850	2,072,224	10,503,548	7,012,814		111,335,436
Accumulated depreciation at 30 June 2022	(31,792,239)	(1,258,605)	(3,754,151)	(934,513)		(37,739,508)
Balance at 30 June 2022	59,954,611	813,619	6,749,397	6,078,301		73,595,928

SHIRE OF KELLERBERRIN  
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9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - roads	3	Cost approach using current replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - footpaths	3	Cost approach using current replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - drainage	3	Cost approach using current replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure - public facilities	3	Cost approach using current replacement cost	Independent valuation	June 2022	Construction costs and current condition, residual values and remaining useful life assessments inputs

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

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

SHIRE OF KELLERBERRIN  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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10. FIXED ASSETS

(a) Depreciation

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - non-specialised	8(a)	48,420	53,492	53,750
Buildings - specialised	8(a)	358,448	240,422	241,435
Furniture and equipment	8(a)	31,316	34,288	34,454
Plant and equipment	8(a)	435,469	612,206	615,163
Infrastructure - roads	9(a)	1,445,297	1,400,434	1,407,199
Infrastructure - footpaths	9(a)	57,665	51,930	52,181
Infrastructure - drainage	9(a)	138,611	137,607	138,272
Other infrastructure - public facilities	9(a)	252,681	238,619	239,920
Right-of-use assets - furniture and equipment	11(a)	6,334	6,304	6,334
		2,774,241	2,775,302	2,788,708

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	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets formation pavement seal	not depreciated
- bituminous seals	75 years
- asphalt surfaces	20 years
Gravel Roads	25 years
- Formation	not depreciated
- Pavement	75 Years
- Gravel Sheet	12 Years

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10. FIXED ASSETS (Continued)

(b) Disposals of assets

	2022		2022		2022		2022		2021		2021	
	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	0	0	0	0	7,975	10,000	2,025	0	31,450	32,575	12,097	(10,972)
Buildings - specialised	210,716	0	0	(210,716)	0	0	0	0	0	0	0	0
Furniture and equipment	1,150	0	0	(1,150)	0	0	0	0	0	0	0	0
Plant and equipment	179,077	221,613	42,536	0	251,560	284,945	37,385	(4,000)	308,261	332,585	28,320	(3,096)
Other infrastructure - public facilities	681,331	0	0	(681,331)	0	0	0	0	0	0	0	0
Right-of-use assets - furniture and equipment	12,668	0	0	(12,668)	0	0	0	0	0	0	0	0
	1,084,942	221,613	42,536	(905,865)	259,535	294,945	39,410	(4,000)	339,711	365,160	40,417	(14,968)

The following assets were disposed of during the year.

	2022		2022	
	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss
	\$	\$	\$	\$
<b>Plant and Equipment</b>				
<b>Governance</b>				
Isuzu MUX	37,474	45,000	7,526	0
Toyota Prado	52,414	73,182	20,768	0
<b>Transport</b>				
Ford Ranger	45,081	49,431	4,350	0
Ford Ranger	44,108	54,000	9,892	0
	179,077	221,613	42,536	0
<b>Buildings - Specialised</b>				
<b>Recreation and culture</b>				
Swimming Pool Refurbishment	210,716	0	0	(210,716)
	210,716	0	0	(210,716)
<b>Furniture and Equipment</b>				
<b>Recreation and culture</b>				
Swimming Pool Refurbishment	1,150	0	0	(1,150)
	1,150	0	0	(1,150)
<b>Other Infrastructure - Public Facilities</b>				
<b>Recreation and culture</b>				
Swimming Pool Refurbishment	676,909	0	0	(676,909)
<b>Transport</b>				
Airport Fencing	600	0	0	(600)
<b>Economic services</b>				
Caravan Park	3,822	0	0	(3,822)
	681,331	0	0	(681,331)
<b>Right of Use Assets</b>				
<b>Recreation and culture</b>				
Gym Equipment	12,668	0	0	(12,668)
	12,668	0	0	(12,668)
	1,084,942	221,613	42,536	(905,865)

SHIRE OF KELLERBERRIN  
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10. FIXED ASSETS (Continued)

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

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

**Initial recognition and measurement for assets held at cost**

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

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

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

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

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

**Revaluation**

The fair value of land, buildings and infrastructure is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

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

**Revaluation (continued)**

For property, plant and equipment and infrastructure, increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

**Depreciation**

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

**Depreciation on revaluation**

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

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. 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
- (ii) 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 ready 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 in the Statement of Comprehensive Income and in Note 10(a).

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11. LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Note	Right-of-use assets - furniture and equipment	Right-of-use assets Total
		\$	\$
Balance at 1 July 2020		25,336	25,336
Depreciation		(6,334)	(6,334)
Balance at 30 June 2021		19,002	19,002
Gains/(losses) from sale and leaseback transactions		(12,668)	(12,668)
Depreciation	10(a)	(6,334)	(6,334)
Balance at 30 June 2022		0	0

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

		2022 Actual	2021 Actual
		\$	\$
Depreciation on right-of-use assets	10(a)	(6,334)	(6,334)
Interest expense on lease liabilities	27(c)	(182)	(510)
Gains/(losses) from sale and leaseback transactions		(12,668)	(12,668)
Total amount recognised in the statement of comprehensive income		(19,184)	(6,844)
Total cash outflow from leases		(10,461)	(11,351)
(b) Lease Liabilities			
Current		0	10,279
	27(c)	0	10,279

Secured liabilities and assets pledged as security

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

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 27(c).

Right-of-use assets - valuation measurement

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

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

Right-of-use assets - depreciation

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

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

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

**SIGNIFICANT ACCOUNTING POLICIES**

**The Shire as Lessor**

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

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

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

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

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**12. TRADE AND OTHER PAYABLES**

	2022	2021
	\$	\$
<b>Current</b>		
Sundry creditors	122,787	933,603
Prepaid rates	69,917	36,605
Accrued payroll liabilities	44,472	38,625
ATO liabilities	53,276	0
Bonds and deposits held	30,916	38,247
Payroll Creditors	14,729	29,678
Accrued interest on loans	4,134	4,601
	<b>340,231</b>	<b>1,081,359</b>

**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 usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

**Prepaid rates**

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

SHIRE OF KELLERBERRIN  
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13. OTHER LIABILITIES

	2022	2021
	\$	\$
Current		
Contract liabilities	610,274	154,440
Reconciliation of changes in contract liabilities	610,274	154,440
Opening balance	154,440	0
Additions	610,274	154,440
Revenue from contracts with customers included as a contract liability at the start of the period	(154,440)	0
	610,274	154,440

The Shire expects to satisfy the performance obligations from contracts with customers unsatisfied at the end of the reporting period to be satisfied within the next 12 months.

Reconciliation of changes in capital grant/contribution liabilities

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract liabilities**

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

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

**SHIRE OF KELLERBERRIN  
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**14. BORROWINGS**

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Debentures		184,748	1,385,304	1,570,052	176,785	1,570,051	1,746,836
<b>Total secured borrowings</b>	27(a)	184,748	1,385,304	1,570,052	176,785	1,570,051	1,746,836

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing costs**

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate.

**Risk**

Information regarding exposure to risk can be found at Note 21.

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

SHIRE OF KELLERBERRIN  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2022	2021
Current provisions	\$	\$
Employee benefit provisions		
Annual Leave	167,451	168,565
Long Service Leave	152,913	139,545
	320,364	308,110
Non-current provisions		
Long Service Leave	21,885	19,578
	21,885	19,578
	342,249	327,688

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

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

Amounts are expected to be settled on the following basis:  
 Less than 12 months after the reporting date  
 More than 12 months from reporting date

Note	2022	2021
	\$	\$
	320,364	308,110
	21,885	19,578
	342,249	327,688

Expected reimbursements of employee related provisions from other WA local governments included within other receivables

5	0	0
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SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

SHIRE OF KELLERBERRIN  
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16. REVALUATION SURPLUS

	2022	2022	2022	2022	2022	2022	2022	2022	2022	2021	2021	2021	2021	2021	2021	2021	2021
	Opening	Revaluation	Revaluation	Revaluation	Total	2022	2022	2022	2022	Opening	Revaluation	Revaluation	Revaluation	2021	2021	2021	2021
	Balance	Increment	(Decrement)	Movement on	Revaluation	Closing	Balance	Balance	Balance	Balance	Increment	(Decrement)	Movement on	Revaluation	Revaluation	Closing	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	601,328	0	0	0	0	601,328	601,328	768,672	0	(167,344)	0	(167,344)	(167,344)	0	0	601,328	601,328
Revaluation surplus - Land held for resale	106,000	0	0	0	0	106,000	106,000	178,537	0	(72,537)	0	(72,537)	(72,537)	0	0	106,000	106,000
Revaluation surplus - Buildings - specialised	7,877,332	0	0	0	0	7,877,332	7,877,332	3,635,414	4,241,918	0	4,241,918	0	4,241,918	0	0	7,877,332	7,877,332
Revaluation surplus - Furniture and equipment	32,881	0	0	0	0	32,881	32,881	32,881	0	0	0	0	0	0	0	32,881	32,881
Revaluation surplus - Plant and equipment	1,851,158	0	0	0	0	1,851,158	1,851,158	1,851,158	0	0	0	0	0	0	0	1,851,158	1,851,158
Revaluation surplus - Infrastructure - roads	42,841,502	0	0	0	0	42,841,502	42,841,502	42,841,502	0	0	0	0	0	0	0	42,841,502	42,841,502
Revaluation surplus - Infrastructure - footpaths	405,185	0	0	0	0	405,185	405,185	405,185	0	0	0	0	0	0	0	405,185	405,185
Revaluation surplus - Infrastructure - drainage	6,275,922	0	0	0	0	6,275,922	6,275,922	6,275,922	0	0	0	0	0	0	0	6,275,922	6,275,922
Revaluation surplus - Other infrastructure - public facilities	1,632,806	1,265,158	0	1,265,158	0	2,897,964	2,897,964	1,632,806	4,241,918	0	0	0	0	0	0	6,275,922	6,275,922
	61,624,114	1,265,158	0	1,265,158	0	62,889,272	62,889,272	57,622,077	4,241,918	(239,881)	4,002,037	4,002,037	4,002,037	0	0	61,624,114	61,624,114

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

SHIRE OF KELLERBERRIN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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17. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	4,180,508	2,253,393	3,765,250
<b>Restrictions</b>				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents	3	2,239,793	1,676,126	2,476,487
		<u>2,239,793</u>	<u>1,676,126</u>	<u>2,476,487</u>
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Restricted reserve accounts	28	1,598,603	1,676,126	2,283,800
- Contract liabilities from contracts with customers	13	610,274	0	154,440
- Bonds and deposits held	12	30,916	0	38,247
<b>Total restricted financial assets</b>		<u>2,239,793</u>	<u>1,676,126</u>	<u>2,476,487</u>
<b>(b) Reconciliation of Net Result to Net Cash Provided By Operating Activities</b>				
Net result		1,241,119	1,055,964	2,405,608
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(2,998)	0	(1,939)
Depreciation/amortisation		2,774,241	2,775,302	2,788,708
(Profit)/loss on sale of asset		863,329	(35,410)	(25,449)
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		184,883	50,000	(154,249)
(Increase)/decrease in other assets		282	0	176
(Increase)/decrease in inventories		(3,545)	(10,000)	359
Increase/(decrease) in trade and other payables		(741,128)	(200,000)	788,144
Increase/(decrease) in employee related provisions		14,561	0	(338)
Increase/(decrease) in other liabilities		455,834	(187,245)	106,497
Non-operating grants, subsidies and contributions		(2,183,511)	(3,151,260)	(2,592,127)
<b>Net cash provided by/(used in) operating activities</b>		<u>2,603,067</u>	<u>297,351</u>	<u>3,315,390</u>
<b>(c) Undrawn Borrowing Facilities</b>				
<b>Credit Standby Arrangements</b>				
Bank overdraft limit		500,000	500,000	500,000
Bank overdraft at balance date		0	0	0
Credit card limit		15,000	15,000	15,000
Credit card balance at balance date		(1,053)	0	(1,187)
<b>Total amount of credit unused</b>		<u>513,947</u>	<u>0</u>	<u>513,813</u>
<b>Loan facilities</b>				
Loan facilities - current		184,748	176,785	176,785
Loan facilities - non-current		1,385,304	1,570,051	1,570,051
<b>Total facilities in use at balance date</b>		<u>1,570,052</u>	<u>0</u>	<u>1,746,836</u>
<b>Unused loan facilities at balance date</b>		<u>0</u>	<u>0</u>	<u>0</u>

**SHIRE OF KELLERBERRIN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**18. CONTINGENT LIABILITIES**

The Shire has no contingent liabilities at the end of the reporting period.

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

19. CAPITAL COMMITMENTS

	2022	2021
	\$	\$
Contracted for:		
- capital expenditure projects	3,297,000	0
	3,297,000	0
Payable:		
- not later than one year	3,297,000	0

SHIRE OF KELLERBERRIN  
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20. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration	Note	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
<b>Cr Scott O'Neill</b>				
President's annual allowance		3,750	0	0
Deputy President's annual allowance		312	1,250	0
Meeting attendance fees		3,780	4,510	2,200
Annual Allowance for ICT expenses		355	428	0
Travel and accommodation expenses		600	550	550
		<b>8,797</b>	<b>6,738</b>	<b>2,750</b>
<b>Cr Emily Ryan</b>				
Deputy President's annual allowance		938	0	0
Meeting attendance fees		3,720	2,530	2,400
Annual Allowance for ICT expenses		355	428	0
Travel and accommodation expenses		600	550	600
		<b>5,613</b>	<b>3,508</b>	<b>3,000</b>
<b>Cr Matthew Steber</b>				
Meeting attendance fees		3,060	2,530	2,400
Annual Allowance for ICT expenses		355	428	0
Travel and accommodation expenses		600	550	600
		<b>4,015</b>	<b>3,508</b>	<b>3,000</b>
<b>Cr David Leake</b>				
Meeting attendance fees		2,730	2,530	2,200
Annual Allowance for ICT expenses		356	428	0
Travel and accommodation expenses		600	550	550
		<b>3,686</b>	<b>3,508</b>	<b>2,750</b>
<b>Cr Monica Gardiner</b>				
Meeting attendance fees		2,350	0	0
Annual Allowance for ICT expenses		318	0	0
Travel and accommodation expenses		450	0	0
		<b>3,118</b>	<b>0</b>	<b>0</b>
<b>Cr Dennis Reid</b>				
Meeting attendance fees		2,730	2,530	2,400
Annual Allowance for ICT expenses		354	428	0
Travel and accommodation expenses		600	550	600
		<b>3,684</b>	<b>3,508</b>	<b>3,000</b>
<b>Cr Rodney Forsyth</b>				
President's annual allowance		1,250	5,000	5,000
Meeting attendance fees		4,280	6,160	4,200
Annual Allowance for ICT expenses		354	432	0
Travel and accommodation expenses		600	550	600
		<b>6,484</b>	<b>12,142</b>	<b>9,800</b>
<b>Cr Wendy McNeil</b>				
Meeting attendance fees		820	2,530	2,400
Annual Allowance for ICT expenses		136	428	0
Travel and accommodation expenses		150	550	600
		<b>1,106</b>	<b>3,508</b>	<b>3,000</b>
		<b>36,503</b>	<b>36,420</b>	<b>27,300</b>
<b>Fees, expenses and allowances to be paid or reimbursed to elected council members.</b>				
		2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
President's annual allowance		5,000	5,000	5,000
Deputy President's annual allowance		1,250	1,250	0
Meeting attendance fees		23,470	23,320	18,200
Annual Allowance for ICT expenses		2,583	3,000	0
Travel and accommodation expenses		4,200	3,850	4,100
	20(b)	<b>36,503</b>	<b>36,420</b>	<b>27,300</b>

SHIRE OF KELLERBERRIN  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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20. RELATED PARTY TRANSACTIONS (Continued)

(b) Key Management Personnel (KMP) Compensation

		2022 Actual	2021 Actual
		\$	\$
The total of compensation paid to KMP of the Shire during the year are as follows:			
		495,706	385,285
	Short-term employee benefits	64,352	48,337
	Post-employment benefits	12,122	9,632
	Employee - other long-term benefits	36,503	27,300
	Council member costs	<u>608,683</u>	<u>470,554</u>
20(a)			

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

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

*Council member costs*

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

(c) Transactions with related parties

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

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

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

		2022 Actual	2021 Actual
		\$	\$
	Purchase of goods and services	158,826	240,000
Amounts payable to related parties:			
	Trade and other payables	567	13,254

(d) Related Parties

The Shire's main related parties are as follows:

*i. Key management personnel*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel.

*ii. Other Related Parties*

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

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

*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 KELLERBERRIN  
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21. FINANCIAL RISK MANAGEMENT

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

Risk	Exposure arising from	Measurement	Management
Market risk - interest rates	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow 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
	%	\$	\$	\$	\$
2022					
Cash and cash equivalents	0.05%	4,180,508	1,272,344	2,908,164	0
2021					
Cash and cash equivalents	0.41%	3,765,250	2,066,176	1,698,514	0

Sensitivity

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

	2022	2021
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	29,082	16,985

\* 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 27(a).

SHIRE OF KELLERBERRIN  
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21. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

**Trade and Other Receivables**

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

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

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

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

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

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

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
<b>30 June 2022</b>						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	740	1,052	26,134	115,003	142,929	
Loss allowance	0	0	0	0	0	5
<b>30 June 2021</b>						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	1,311	41,220	34,252	87,705	164,488	
Loss allowance	0	0	0	0	0	5

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

	Less than 1 year past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
<b>30 June 2022</b>						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	46,196	1,346	2,300	11,814	61,656	
Loss allowance	0	0	0	0	0	5
<b>30 June 2021</b>						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	93,568	5,958	1,864	12,656	114,046	
Loss allowance	0	0	0	0	0	5

SHIRE OF KELLERBERRIN  
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21. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2022</b>					
Trade and other payables	286,955	0	0	286,955	286,955
Borrowings	259,823	1,028,153	637,622	1,925,598	1,570,052
	<u>546,778</u>	<u>1,028,153</u>	<u>637,622</u>	<u>2,212,553</u>	<u>1,857,007</u>
<b>2021</b>					
Trade and other payables	1,081,359	0	0	1,081,359	1,081,359
Borrowings	259,823	1,039,292	886,303	2,185,418	1,746,836
Lease liabilities	10,279	0	0	10,279	10,279
	<u>1,351,461</u>	<u>1,039,292</u>	<u>886,303</u>	<u>3,277,056</u>	<u>2,838,474</u>

SHIRE OF KELLERBERRIN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**22. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

There were no significant events after the end of the reporting period.

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**23. 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) Interest earnings**

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

**i) 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 this measurement can be categorised into as follows:

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

**j) Impairment of assets**

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

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, to the asset's carrying amount.

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

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

**k) Initial application of accounting standards**

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

**New accounting standards for application in future years**

The following new accounting standards will have application to local government in future years:

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-7 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

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

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

24. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

Objective	Description
<b>Governance</b> To provide a decision making process for the efficient allocation of scarce resources.	Administration and operation of facilities and services to members of Council. Other costs that relate to the task of assisting elected members and ratepayers on matters which do not concern specific local government service:
<b>General purpose funding</b> To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
<b>Law, order, public safety</b> To provide services to help ensure a safer community.	Supervision of various by-laws, fire prevention, emergency services, animal control and other aspects of public safety including emergency services.
<b>Health</b> To provide an operational framework for good community health.	Food quality, pest control, medical and other health services.
<b>Education and welfare</b> To meet the needs of the community in these areas	Includes education programs, youth based activities, resources centres, care of families and the aged & disabled activities.
<b>Housing</b> To provide and maintain housing for staff and the community.	To provide and maintain housing for staff and the community.
<b>Community amenities</b> To provide services required by the community.	Rubbish collection services, operation of tips, noise control, administration of town planning scheme, maintenance of cemetery and provision of Land Care services.
<b>Recreation and culture</b> To establish and manage effectively infrastructure and resources which will help the social well being of the community.	Maintenance of halls, aquatic centre, recreation centre, library, reserves and parks.
<b>Transport</b> To provide effective and efficient transport services to the community.	Construction and maintenance of streets, roads, bridges; cleaning and lighting of streets, depot maintenance, licensing services and airstrip maintenance.
<b>Economic services</b> To help promote the Shire and improve its economic wellbeing.	The regulation and provision of tourism, area promotion, building control, sale yards, noxious weeds, vermin control and standpipes.
<b>Other property and services</b> To monitor and control council's overheads operating accounts.	Private works operations, plant repairs and operations costs.

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

24. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
<b>Income excluding grants, subsidies and contributions</b>			
Governance	67,770	32,609	39,620
General purpose funding	2,432,716	2,509,312	2,305,242
Law, order, public safety	51,642	5,100	8,615
Health	15,622	13,444	16,456
Education and welfare	3,571	5,000	5,000
Housing	35,401	0	(697)
Community amenities	150,481	139,291	146,419
Recreation and culture	289,788	44,550	587,596
Transport	9,888	18,776	81,590
Economic services	550,180	566,256	452,765
Other property and services	325,872	241,945	389,852
	<b>3,932,931</b>	<b>3,576,283</b>	<b>4,032,458</b>
<b>Grants, subsidies and contributions</b>			
Governance	5,780	0	5,000
General purpose funding	2,901,283	951,000	2,019,159
Law, order, public safety	972,407	956,638	974,793
Housing	1,214	0	697
Community amenities	1,656	0	31,733
Recreation and culture	463,042	1,452,928	795,354
Transport	1,111,642	1,130,779	1,189,055
Economic services	27,916	10,000	12,180
	<b>5,484,940</b>	<b>4,501,345</b>	<b>5,027,971</b>
<b>Total Income</b>	<b>9,417,871</b>	<b>8,077,628</b>	<b>9,060,429</b>
<b>Expenses</b>			
Governance	(608,993)	(711,407)	(667,700)
General purpose funding	(148,142)	(272,059)	(186,420)
Law, order, public safety	(420,984)	(283,673)	(299,277)
Health	(108,233)	(182,897)	(118,182)
Education and welfare	(21,197)	(54,853)	(13,425)
Housing	(148,479)	(93,632)	(38,983)
Community amenities	(440,897)	(539,870)	(473,176)
Recreation and culture	(2,379,924)	(1,437,689)	(1,143,024)
Transport	(2,506,762)	(2,456,109)	(2,695,749)
Economic services	(838,328)	(689,936)	(664,462)
Other property and services	(554,813)	(299,539)	(354,423)
<b>Total expenses</b>	<b>(8,176,752)</b>	<b>(7,021,664)</b>	<b>(6,654,821)</b>
<b>Net result for the period</b>	<b>1,241,119</b>	<b>1,055,964</b>	<b>2,405,608</b>

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

24. FUNCTION AND ACTIVITY (Continued)

	2022 Actual	2022 Budget	2021 Actual
(c) Fees and Charges	\$	\$	\$
Governance	4,016	4,000	4,000
General purpose funding	5,140	82,704	2,820
Law, order, public safety	3,537	5,100	5,097
Health	15,621	13,444	16,457
Education and welfare	3,500	5,000	5,000
Housing	146,165	161,720	164,302
Community amenities	150,481	139,291	146,419
Recreation and culture	33,623	24,550	26,568
Transport	9,887	5,000	4,829
Economic services	248,249	292,100	198,868
Other property and services	147,187	25,000	151,343
	767,406	757,909	725,703
(d) Total Assets	2022 \$	2021 \$	
Governance	1,456,689	1,402,967	
General purpose funding	2,693,719	0	
Law, order, public safety	2,114,497	1,625,597	
Health	453,402	463,046	
Education and welfare	276,516	280,000	
Housing	2,620,764	2,471,000	
Community amenities	942,673	837,997	
Recreation and culture	17,926,716	16,001,136	
Transport	70,330,143	73,777,979	
Economic services	1,022,256	943,119	
Other property and services	2,730,683	2,716,736	
	102,568,058	100,519,577	

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

25. RATING INFORMATION

(a) General Rates

RATE TYPE	Rate Description	Basis of valuation	Rate in \$	Number of Properties	2021/22 Actual		2021/22 Actual Interim		2021/22 Actual Back Rates		2021/22 Budget Rate		2021/22 Budget Back Rate		2021/22 Budget Total Revenue		2020/21 Actual Total Revenue	
					Rateable Value *	Revenue	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Revenue	Revenue
	Kellerberrin Residential	Gross rental valuation	0.139700	333	3,076,736	429,820	0	0	0	0	429,820	0	0	434,820	0	411,298		
	Other Residential	Gross rental valuation	0.139700	3	19,240	2,688	0	0	0	0	2,688	0	0	2,688	0	2,572		
	Kellerberrin Commercial	Gross rental valuation	0.160500	29	654,277	105,012	(1,708)	0	0	0	105,011	0	0	105,011	0	100,002		
	Other Commercial	Gross rental valuation	0.160500	3	27,976	4,490	0	0	0	0	4,490	0	0	4,490	0	4,297		
	Mining Tenements	Unimproved valuation	0.018620	0	0	0	0	0	0	0	0	0	0	0	0	0		
	Rural	Unimproved valuation	0.018620	264	87,472,500	1,628,738	(3,074)	(199)	0	0	1,628,738	0	0	1,628,738	0	1,559,015		
	<b>Sub-Total</b>			<b>632</b>	<b>91,250,729</b>	<b>2,170,748</b>	<b>(4,782)</b>	<b>(199)</b>	<b>0</b>	<b>0</b>	<b>2,170,747</b>	<b>5,000</b>	<b>0</b>	<b>2,175,747</b>	<b>0</b>	<b>1,559,015</b>		
	<b>Minimum</b>															<b>2,077,184</b>		
	Minimum payment																	
	Kellerberrin Residential	Gross rental valuation	818	62	69,524	50,716	0	0	0	0	50,716	0	0	50,716	0	45,356		
	Other Residential	Gross rental valuation	818	26	37,668	21,268	0	0	0	0	21,268	0	0	21,268	0	21,309		
	Kellerberrin Commercial	Gross rental valuation	897	25	71,744	22,425	0	0	0	0	22,425	0	0	22,425	0	21,475		
	Other Commercial	Gross rental valuation	897	2	170	1,794	0	0	0	0	1,794	0	0	1,794	0	1,718		
	Mining Tenements	Unimproved valuation	818	6	14,895	4,908	2,937	0	0	0	4,908	0	0	4,908	0	2,438		
	Rural	Unimproved valuation	818	75	1,467,400	61,350	0	0	0	0	61,350	0	0	61,350	0	57,868		
	<b>Sub-Total</b>			<b>196</b>	<b>1,661,401</b>	<b>162,461</b>	<b>2,937</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>162,461</b>	<b>0</b>	<b>0</b>	<b>162,461</b>	<b>0</b>	<b>150,164</b>		
	<b>Total amount raised from general rates</b>			<b>828</b>	<b>92,912,130</b>	<b>2,333,209</b>	<b>(1,845)</b>	<b>(199)</b>	<b>0</b>	<b>0</b>	<b>2,333,208</b>	<b>5,000</b>	<b>0</b>	<b>2,338,208</b>	<b>0</b>	<b>2,227,348</b>		
	<b>* Rateable value is based on the value of properties at the time the rate is raised.</b>																	
	<b>(b) Rates (excluding general rates)</b>																	
	Ex-gratia Rates																	
	CBH																	
	<b>Sub-Total</b>					<b>28,845</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>28,800</b>	<b>0</b>	<b>0</b>	<b>28,800</b>	<b>0</b>	<b>27,602</b>		
	<b>(c) Total Rates</b>					<b>28,845</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>28,800</b>	<b>0</b>	<b>0</b>	<b>28,800</b>	<b>0</b>	<b>27,602</b>		
	<b>Total Rates</b>													<b>2,367,008</b>		<b>2,254,950</b>		

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

SHIRE OF KELLERBERRIN  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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25. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
<b>Option One</b>				
Single full payment	27/08/2021	N/A	N/A	7.00%
<b>Option Two</b>				
First instalment	27/08/2021	N/A	N/A	7.00%
Second instalment	7/01/2022	5	5.00%	7.00%
<b>Option Three</b>				
First instalment	27/08/2021	5	5.00%	7.00%
Second instalment	29/10/2021	5	5.00%	7.00%
Third instalment	7/01/2022	5	5.00%	7.00%
Fourth instalment	11/03/2022	5	5.00%	7.00%

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Interest on unpaid rates	9,588	20,100	3,916
Interest on instalment plan	5,554	6,500	0
Charges on instalment plan	1,720	2,000	0
	16,862	28,600	3,916

SHIRE OF KELLERBERRIN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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26. RATE SETTING STATEMENT INFORMATION

		2021/22 Budget	2021/22 Budget	2020/21
		(30 June 2022	(30 June 2022	(30 June 2021
		Carried	Carried	Carried
	Note	Forward)	Forward)	Forward
		\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>				
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> .				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	10(b)	(42,536)	(39,410)	(40,417)
Less: Movement in pensioner deferred rates (non-current)		0	0	(4,665)
Less: Movement in employee provisions		12,254	0	(338)
Less: Movement in land held for sale (current)		0	0	(11,250)
Less: Fair value adjustments to financial assets at fair value through profit and loss		(2,998)	0	(1,939)
Add: Loss on disposal of assets	10(b)	905,865	4,000	14,968
Add: Depreciation	10(a)	2,774,241	2,775,302	2,788,708
<b>Non-cash movements in non-current assets and liabilities:</b>				
Pensioner deferred rates		(3,030)	0	0
Employee benefit provisions		2,307	0	0
<b>Non-cash amounts excluded from operating activities</b>		<b>3,646,103</b>	<b>2,739,892</b>	<b>2,745,067</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>				
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.				
<b>Adjustments to net current assets</b>				
Less: Reserve accounts	28	(1,598,603)	(1,676,126)	(2,283,800)
- Land held for resale	6	0	7,975	0
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	14	184,748	0	176,785
- Current portion of lease liabilities	11(b)	0	0	10,279
- Employee benefit provisions		320,364	291,443	308,109
<b>Total adjustments to net current assets</b>		<b>(1,093,491)</b>	<b>(1,376,708)</b>	<b>(1,788,627)</b>
<b>Net current assets used in the Rate Setting Statement</b>				
Total current assets		4,375,432	2,519,532	4,144,824
Less: Total current liabilities		(1,455,617)	(1,142,824)	(1,730,973)
Less: Total adjustments to net current assets		(1,093,491)	(1,376,708)	(1,788,627)
<b>Net current assets used in the Rate Setting Statement</b>		<b>1,826,324</b>	<b>0</b>	<b>625,224</b>

SHIRE OF KELLERBERRIN  
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27. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual				Budget			
		Principal		New Loans		Principal		New Loans	
		Principal at 1 July 2020	New Loans During 2020-21	Repayments During 2020-21	Principal at 30 June 2021	Principal at 1 July 2021	New Loans During 2021-22	Repayments During 2021-22	Principal at 30 June 2022
Police Housing (Hammond St)		\$ 592,052	\$ 0	\$ (64,259)	\$ 527,793	\$ 0	\$ (66,202)	\$ 461,591	
Recreation Centre Construction		\$ 1,054,068	\$ 0	\$ (68,486)	\$ 985,582	\$ 0	\$ (72,954)	\$ 912,628	
14 CEACA Units		\$ 269,923	\$ 0	\$ (36,462)	\$ 233,461	\$ 0	\$ (37,628)	\$ 195,833	
Total		\$ 1,916,043	\$ 0	\$ (169,207)	\$ 1,746,836	\$ 0	\$ (176,784)	\$ 1,570,052	

Borrowing Interest Repayments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending 30 June 2021	Budget for year ending 30 June 2022
Police Housing (Hammond St)		Housing	120	WATC	2.99%	\$ (22,743)	\$ (15,043)
Recreation Centre Construction		Recreation and culture	118	WATC	6.37%	\$ (70,753)	\$ (61,052)
14 CEACA Units		Recreation and culture	119	WATC	3.16%	\$ (10,053)	\$ (6,934)
Total						\$ (103,549)	\$ (83,039)

Total Interest Repayments 2(b)

(b) New Borrowings - 2021/22

There were no new borrowings in 2021/22.

(c) Lease Liabilities

Purpose	Note	Actual				Budget			
		Principal		New Leases		Principal		New Leases	
		Principal at 1 July 2020	New Leases During 2020-21	Repayments During 2020-21	Principal at 30 June 2021	Principal at 1 July 2021	New Leases During 2021-22	Repayments During 2021-22	Principal at 30 June 2022
Gym Equipment	11(b)	\$ 21,120	\$ 0	\$ (10,841)	\$ 10,279	\$ 0	\$ (10,279)	\$ 0	
Total Lease Liabilities		\$ 21,120	\$ 0	\$ (10,841)	\$ 10,279	\$ 0	\$ (10,279)	\$ 0	

Lease Interest Repayments

Purpose	Note	Function and activity	Lease Number	Institution	Interest Rate	Actual for year ending 30 June 2021	Budget for year ending 30 June 2022
Gym Equipment		Recreation and culture	1	MAIA	2.99%	\$ (510)	\$ (510)
Total Interest Repayments	2(b)					\$ (510)	\$ (510)

**SHIRE OF KELLERBERRIN  
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**28. RESERVE ACCOUNTS**

	2022 Actual		2022 Actual		2022 Actual		2022 Budget		2022 Budget		2021 Actual		2021 Actual	
	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Opening Balance	Transfer to	Closing Balance
<b>Restricted by council</b>														
(a) Leave reserve	77,086	243	0	77,329	77,086	203	0	77,289	76,682	404	0	76,682	404	77,086
(b) Plant Replacement Reserve	223,210	704	0	223,914	223,210	586	0	223,796	420,992	2,218	(200,000)	420,992	2,218	223,210
(c) Community Bus Reserve	67,757	214	0	67,971	67,757	178	0	67,935	67,402	355	0	67,402	355	67,757
(d) Housing Reserve	192,328	607	0	192,935	192,328	505	0	192,833	191,320	1,008	0	191,320	1,008	192,328
(e) Swimming Pool Reserve	1,612,658	4,395	(675,000)	942,053	1,612,658	4,237	(573,674)	1,043,221	1,250,688	361,970	0	1,250,688	361,970	1,612,658
(f) Sport And Recreation Reserve	15,117	25,437	(5,056)	35,498	15,117	40	0	15,157	92,830	13,038	(90,751)	92,830	13,038	15,117
(g) Pathways Reserve	51,056	0	0	51,056	51,056	134	0	51,190	51,056	0	0	51,056	0	51,056
(h) Special Projects Reserve	44,588	0	(36,741)	7,847	44,588	117	(40,000)	4,705	44,588	0	0	44,588	0	44,588
	<b>2,283,800</b>	<b>31,600</b>	<b>(716,797)</b>	<b>1,598,603</b>	<b>2,283,800</b>	<b>6,000</b>	<b>(613,674)</b>	<b>1,676,126</b>	<b>2,195,558</b>	<b>378,993</b>	<b>(290,751)</b>	<b>2,195,558</b>	<b>378,993</b>	<b>2,283,800</b>

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserves - cash 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	Ongoing	To be used to fund employees long service leave
(b) Plant Replacement Reserve	Ongoing	To be used for the future purchase of plant and machinery
(c) Community Bus Reserve	Ongoing	To subsidise the replacement of community bus
(d) Housing Reserve	Ongoing	To be used for the provision of staff housing
(e) Swimming Pool Reserve	Ongoing	To be used to improve the swimming pool facilities
(f) Sport And Recreation Reserve	Ongoing	To provide sporting and recreation amenities
(g) Pathways Reserve	Ongoing	To be used for the construction of new pathways
(h) Special Projects Reserve	Ongoing	To be used in the funding of special projects

SHIRE OF KELLERBERRIN  
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29. TRUST FUNDS

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

	1 July 2021	Amounts Received	Amounts Paid	30 June 2022
	\$	\$	\$	\$
Community Bus Bond	4,400	1,000	(800)	4,600
BCITF Levy	0	2,788	(2,788)	0
Bush Fire Brigade Funds - Trust	3,327	0	(3,000)	327
Hall Bond	3,190	5,600	(4,900)	3,890
Building Registration Levy	257	2,673	(2,735)	195
Cuolahan/Cottle Room Bond	5,550	450	(450)	5,550
Housing Bond	3,164	2,520	(2,120)	3,564
Key Bond	12,814	4,150	(8,550)	8,414
Equipment Hire Bond Trust	350	450	(600)	200
Transport (CRC) Licencing Trust	3,596	703,943	(704,464)	3,075
Rec Centre Bonds	1,300	0	0	1,300
Nomination Bonds	0	400	(400)	0
	37,948	723,974	(730,807)	31,115



# Auditor General

## INDEPENDENT AUDITOR'S REPORT 2022 Shire of Kellerberrin

To the Councillors of the Shire of Kellerberrin

### Opinion

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

- the Statement of Financial Position at 30 June 2022, the Statement of Comprehensive Income by Nature or Type, Statement of Changes in Equity, and Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2022 and its financial position at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

### Basis for opinion

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

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

### Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial report and my auditor's report.

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

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

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

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

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

The Chief Executive Officer of the Shire is responsible for:

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

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

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

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

## **Auditor's responsibilities for the audit of the financial report**

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

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

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

## **My independence and quality control relating to the report on the financial report**

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

## **Matters relating to the electronic publication of the audited financial report**

This auditor's report relates to the financial report of the Shire of Kellerberrin for the year ended 30 June 2022 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.

Efthalia Samaras  
Senior Director Practice Manager Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
2 December 2022