SHIRE OF KOORDA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

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

To build a vibrant and sustainable community with shared social values,
in which we can live and work in harmony with our environment.

Principal place of business:
10 Haig Street
Koorda WA 6475

SHIRE OF KOORDA
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

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

STATEMENT BY CEO

The accompanying financial report of the Shire of Koorda has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2023 and the financial position as at 30 June 2023.

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

Signed on the 11th day of December 2023

Lana Foote

Acting Chief Executive Officer

Lana Foote

OAG AUDITED

DRY KIRKNESS

SHIRE OF KOORDA
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 Actual	2023 Budget	2022 Actual
		$	$	$
Revenue				
Rates	2(a),23	1,178,085	1,174,278	1,145,170
Grants, subsidies and contributions	2(a)	3,168,607	1,207,917	2,976,456
Fees and charges	2(a)	619,525	525,510	533,461
Interest revenue	2(a)	154,241	21,000	24,040
Other revenue	2(a)	22,813	22,400	20,352
		5,143,271	2,951,105	4,699,479
Expenses				
Employee costs	2(b)	(1,266,922)	(1,487,645)	(1,388,534)
Materials and contracts		(1,163,519)	(569,853)	(983,831)
Utility charges		(200,362)	(230,900)	(196,489)
Depreciation		(1,911,611)	(1,777,500)	(1,869,790)
Finance costs	2(b)	(1,970)	0	(1,466)
Insurance		(171,606)	(167,880)	(127,600)
Other expenditure	2(b)	(43,587)	(99,025)	(65,127)
		(4,759,577)	(4,332,803)	(4,632,837)
		383,694	(1,381,698)	66,642
Capital grants, subsidies and contributions	2(a)	780,930	748,890	797,414
Profit on asset disposals		127,521	90,600	92,771
Loss on asset disposals		0	(13,000)	(81,332)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	2,764	0	2,998
Reversal of other provisions	13	142,646	0	2,932
		1,053,861	826,490	814,783
Net result for the period		**1,437,555**	**(555,208)**	**881,425**
Other comprehensive income for the period				
Items that will not be reclassified subsequently to profit or loss				
Changes in asset revaluation surplus	14	14,977,230	0	0
Total other comprehensive income for the period		**14,977,230**	**0**	**0**
Total comprehensive income for the period		**16,414,785**	**(555,208)**	**881,425**

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

DRY KIRKNESS

SHIRE OF KOORDA
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	NOTE	2023	2022
		$	$
CURRENT ASSETS			
Cash and cash equivalents	3	2,785,894	1,433,866
Trade and other receivables	5	167,100	92,328
Other financial assets	4(a)	6,024,334	5,877,725
Inventories	6	23,568	27,851
TOTAL CURRENT ASSETS		9,000,896	7,431,770
NON-CURRENT ASSETS			
Trade and other receivables	5	15,156	18,207
Other financial assets	4(b)	61,117	58,353
Property, plant and equipment	7	13,640,111	13,658,706
Infrastructure	8	92,645,554	77,212,577
TOTAL NON-CURRENT ASSETS		106,361,938	90,947,843
TOTAL ASSETS		115,362,834	98,379,613
CURRENT LIABILITIES			
Trade and other payables	10	419,797	158,957
Other liabilities	11	423,185	16,145
Employee related provisions	12	304,342	245,392
TOTAL CURRENT LIABILITIES		1,147,324	420,494
NON-CURRENT LIABILITIES			
Employee related provisions	12	37,645	55,363
Other provisions	13	553,337	694,013
TOTAL NON-CURRENT LIABILITIES		590,982	749,376
TOTAL LIABILITIES		1,738,306	1,169,870
NET ASSETS		113,624,528	97,209,743
EQUITY			
Retained surplus		53,351,556	52,060,610
Reserve accounts	25	6,024,334	5,877,725
Revaluation surplus	14	54,248,638	39,271,408
TOTAL EQUITY		113,624,528	97,209,743

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

DRY KIRKNESS

SHIRE OF KOORDA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	RETAINED SURPLUS	RESERVE ACCOUNTS	REVALUATION SURPLUS	TOTAL EQUITY
		$	$	$	$
Balance as at 1 July 2021		**51,308,559**	**5,748,351**	**39,271,408**	**96,328,318**
Comprehensive income for the period					
Net result for the period		881,425	0	0	881,425
Total comprehensive income for the period		881,425	0	0	881,425
Transfers to reserve accounts	25	(129,374)	129,374	0	0
Balance as at 30 June 2022		**52,060,610**	**5,877,725**	**39,271,408**	**97,209,743**
Comprehensive income for the period					
Net result for the period		1,437,555	0	0	1,437,555
Other comprehensive income for the period	14	0	0	14,977,230	14,977,230
Total comprehensive income for the period		1,437,555	0	14,977,230	16,414,785
Transfers to reserve accounts	25	(146,609)	146,609	0	0
Balance as at 30 June 2023		**53,351,556**	**6,024,334**	**54,248,638**	**113,624,528**

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

SHIRE OF KOORDA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 Actual $	2022 Actual $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		1,184,669	1,178,842
Grants, subsidies and contributions		3,152,462	2,772,226
Fees and charges		622,931	531,073
Interest revenue		154,241	35,852
Goods and services tax received		141,187	118,396
Other revenue		22,813	20,352
		5,278,303	4,656,741
Payments			
Employee costs		(1,223,855)	(1,322,043)
Materials and contracts		(923,593)	(825,166)
Utility charges		(200,362)	(196,489)
Insurance paid		(171,606)	(127,600)
Goods and services tax paid		(204,536)	(294,811)
Other expenditure		(43,587)	(65,127)
		(2,767,539)	(2,831,236)
Net cash provided by operating activities		2,510,764	1,825,505
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	7(a)	(755,785)	(669,615)
Payments for construction of infrastructure	8(a)	(1,725,574)	(1,633,154)
Capital grants, subsidies and contributions		1,204,115	797,414
Proceeds from financial assets at amortised cost		(146,609)	(129,374)
Proceeds from sale of property, plant & equipment		260,117	385,360
Proceeds from other receivables		5,000	0
Net cash (used in) investing activities		(1,158,736)	(1,249,369)
Net increase in cash held		1,352,028	576,136
Cash at beginning of year		1,433,866	857,730
Cash and cash equivalents at the end of the year		2,785,894	1,433,866

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

DRY KIRKNESS

SHIRE OF KOORDA
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 Actual $	2023 Budget $	2022 Actual $
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates		1,144,551	1,142,037	1,118,127
Rates excluding general rates		33,534	32,241	27,043
Grants, subsidies and contributions		3,168,607	1,207,917	2,976,456
Fees and charges		619,525	525,510	533,461
Interest revenue		154,241	21,000	24,040
Other revenue		22,813	22,400	20,352
Profit on asset disposals		127,521	90,600	92,771
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	2,764	0	2,998
Reversal of other provisions		142,646	0	2,932
		5,416,202	3,041,705	4,798,180
Expenditure from operating activities				
Employee costs		(1,266,922)	(1,487,645)	(1,388,534)
Materials and contracts		(1,163,519)	(569,853)	(983,831)
Utility charges		(200,362)	(230,900)	(196,489)
Depreciation		(1,911,611)	(1,777,500)	(1,869,790)
Finance costs		(1,970)	0	(1,466)
Insurance		(171,606)	(167,880)	(127,600)
Other expenditure		(43,587)	(99,025)	(65,127)
Loss on asset disposals		0	(13,000)	(81,332)
		(4,759,577)	(4,345,803)	(4,714,169)
Non-cash amounts excluded from operating activities	24(a)	1,630,999	1,634,517	1,743,326
Amount attributable to operating activities		2,287,624	330,419	1,827,337
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		780,930	748,890	797,414
Proceeds from disposal of assets		260,117	452,000	385,360
Proceeds from financial assets at amortised cost - self supporting loans		0	5,000	0
		1,041,047	1,205,890	1,182,774
Outflows from investing activities				
Purchase of property, plant and equipment	7(a)	(755,785)	(2,103,000)	(669,615)
Purchase and construction of infrastructure	8(a)	(1,725,574)	(1,666,000)	(1,633,154)
		(2,481,359)	(3,769,000)	(2,302,769)
Non-cash amounts excluded from investing activities	24(b)	0	(5,000)	5,000
Amount attributable to investing activities		(1,440,312)	(2,568,110)	(1,114,995)
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	25	0	810,586	0
		0	810,586	0
Outflows from financing activities				
Transfers to reserve accounts	25	(146,609)	(288,002)	(129,374)
		(146,609)	(288,002)	(129,374)
Amount attributable to financing activities		(146,609)	522,584	(129,374)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	24(c)	1,334,638	1,715,107	751,670
Amount attributable to operating activities		2,287,624	330,419	1,827,337
Amount attributable to investing activities		(1,440,312)	(2,568,110)	(1,114,995)
Amount attributable to financing activities		(146,609)	522,584	(129,374)
Surplus or deficit after imposition of general rates	24(c)	**2,035,341**	**0**	**1,334,638**

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

DRY KIRKNESS

SHIRE OF KOORDA
FOR THE YEAR ENDED 30 JUNE 2023
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1. BASIS OF PREPARATION

The financial report of the Shire of Koorda which is a Class 4 local government, comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations. The class 4 designation for the Shire of Koorda is in accordance with the Local Government (Constitution) Regulations 1998.

Local Government Act 1995 requirements
Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the *Local Government Act 1995*, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied except for disclosure requirements of:
• AASB 7 *Financial Instruments* Disclosures
• AASB 16 *Leases* paragraph 58
• AASB 101 *Presentation of Financial Statements* paragraph 61
• AASB 107 *Statement of Cash Flows* paragraphs 43 and 45
• AASB 116 *Property, Plant and Equipment* paragraph 79
• AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* paragraph 85

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

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

The local government reporting entity
All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

No monies were held in the Trust Fund during the year.

Judgements and estimates
The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

• estimated fair value of certain financial assets
• impairment of financial assets
• estimation of fair values of land and buildings, and infrastructure.
• estimation of fair value of provisions
• impairment of financial assets
• estimation of fair values of land and buildings, and infrastructure.
• estimation of fair value of provisions

Initial application of accounting standards
During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.
• *AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
• *AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date*
• *AASB 2021-7a Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [general editorials]*
• *AASB 2022-3 Amendments to Australian Accounting Standards - Illustrative Examples for Not-for-Profit Entities accompanying AASB 15 Revenue from Contracts with Customers*
These amendments have no material impact on the current annual financial report

New accounting standards for application in future years
The following new accounting standards will have application to local government in future years:
• *AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
• *AASB 2020-1 Amendments to Australian Accounting* Standards - *Classification of Liabilities as Current or Non-current*
• *AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*
This standard will result in a terminology change for significant accounting policies
• *AASB 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*
• *AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback*
• *AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*
• *AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards*
• *AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*
The amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.
Except as described above these amendments are not expected to have any material impact on the financial report on initial application.

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	General rates	Over time	Payment dates adopted by council during the year	None	When rates notice is issued
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

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 of goods or services is provided in the table below:

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	$	$	$	$	$
Rates	0	0	1,178,085	0	1,178,085
Grants, subsidies and contributions	43,245	0	0	3,125,362	3,168,607
Fees and charges	598,210	0	19,302	2,013	619,525
Interest revenue	0	0	7,632	146,609	154,241
Other revenue	21,086	0	0	1,727	22,813
Capital grants, subsidies and contributions	0	764,408	0	16,522	780,930
Total	662,541	764,408	1,205,019	3,292,233	5,924,201

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	$	$	$	$	$
Rates	0	0	1,138,527	6,643	1,145,170
Grants, subsidies and contributions	230,302	0	0	2,746,154	2,976,456
Fees and charges	387,246	0	15,550	130,665	533,461
Interest revenue	0	0	6,000	18,040	24,040
Other revenue	2,648	0	12,622	5,082	20,352
Capital grants, subsidies and contributions	0	797,414	0	0	797,414
Total	620,196	797,414	1,172,699	2,906,584	5,496,893

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	Note	2023 Actual	2022 Actual
		$	$
Other revenue			
Commissions		14,086	12,622
Reimbursements		8,727	7,730
		22,813	23,284
Interest revenue			
Interest on reserve account funds		146,609	18,040
Other interest revenue	23(a)	7,632	6,000
		154,241	24,040
(b) Expenses			
Auditors remuneration			
- Audit of the Annual Financial Report		29,600	33,400
- Other services – grant acquittals		3,000	0
		32,600	33,400
Employee Costs			
Employee benefit costs		1,157,492	1,314,209
Other employee costs		109,430	74,325
		1,266,922	1,388,534
Finance costs			
Provisions: unwinding of discount	13	1,970	1,466
		1,970	1,466
Other expenditure			
Council member costs	19(a)	40,049	38,644
Sundry expenses		3,538	26,483
		43,587	65,127

3. CASH AND CASH EQUIVALENTS

	Note	2023	2022
		$	$
Cash at bank and on hand		2,785,894	1,433,866
Total cash and cash equivalents		2,785,894	1,433,866
Held as			
- Unrestricted cash and cash equivalents		2,362,709	1,417,721
- Restricted cash and cash equivalents	15	423,185	16,145
		2,785,894	1,433,866

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.

Restricted financial assets

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

4. OTHER FINANCIAL ASSETS

		2023	2022
		$	$
(a) Current assets			
Financial assets at amortised cost		6,024,334	5,877,725
		6,024,334	5,877,725
Other financial assets at amortised cost			
Term deposits		6,024,334	5,877,725
		6,024,334	5,877,725
Held as			
- Restricted other financial assets at amortised cost	15	6,024,334	5,877,725
		6,024,334	5,877,725
(b) Non-current assets			
Financial assets at fair value through profit or loss		61,117	58,353
		61,117	58,353
Financial assets at fair value through profit or loss			
Units in Local Government House Trust - opening balance		58,353	55,355
Movement attributable to fair value increment		2,764	2,998
Units in Local Government House Trust - closing balance		61,117	58,353

Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Local Government House Trust at balance date as compiled by WA Local Government Association.

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

The Shire classifies financial assets at amortised cost if both of the following criteria are met:
- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierachy (see Note 22 (i)) due to the observable market rates).

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

Financial assets at fair value through profit or loss

The Shire has elected to classify the following financial assets at fair value through profit or loss:
- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has elected to recognise as fair value gains and losses through profit or loss.

5. TRADE AND OTHER RECEIVABLES

	2023	2022
	$	$
Current		
Rates and statutory receivables	88,681	68,852
Trade receivables	12,155	15,561
Other receivables	0	5,000
GST receivable	66,264	2,915
	167,100	92,328
Non-current		
Rates and statutory receivables	15,156	18,207
	15,156	18,207

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables
Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

Trade receivables
Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations or for the construction of recognisable non financial assets as part of the ordinary course of business.

Other receivables
Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers and amounts received as grants for the construction of recognisable non financial assets.

Measurement
Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

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

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

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

6. INVENTORIES

	2023	2022
Current	$	$
Fuel and materials	23,568	27,851
	23,568	27,851

The following movements in inventories occurred during the year:

Balance at beginning of year	27,851	10,992
Inventories expensed during the year	(153,931)	(147,162)
Additions to inventory	149,648	164,021
Balance at end of year	23,568	27,851

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.

7. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

Movement in the balances of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	$	$		$	$	$
Balance at 1 July 2021	520,300	10,899,642	11,419,942	162,218	2,427,675	14,009,835
Additions	0	148,671	148,671	28,954	491,990	669,615
Disposals	(7,000)	(91,869)	(98,869)	0	(275,052)	(373,921)
Depreciation	0	(198,353)	(198,353)	(28,796)	(419,674)	(646,823)
Balance at 30 June 2022	513,300	10,758,091	11,271,391	162,376	2,224,939	13,658,706
Comprises:						
Gross balance amount at 30 June 2022	513,300	10,955,313	11,468,613	328,348	3,983,172	15,780,133
Accumulated depreciation at 30 June 2022	0	(197,222)	(197,222)	(165,972)	(1,758,233)	(2,121,427)
Balance at 30 June 2022	513,300	10,758,091	11,271,391	162,376	2,224,939	13,658,706
Additions	0	109,969	109,969	0	645,816	755,785
Disposals	(6,000)	0	(6,000)	0	(126,596)	(132,596)
Depreciation	0	(202,036)	(202,036)	(30,868)	(408,880)	(641,784)
Balance at 30 June 2023	507,300	10,666,024	11,173,324	131,508	2,335,279	13,640,111
Comprises:						
Gross balance amount at 30 June 2023	507,300	11,065,282	11,572,582	328,348	4,362,940	16,263,870
Accumulated depreciation at 30 June 2023	0	(399,258)	(399,258)	(196,840)	(2,027,661)	(2,623,759)
Balance at 30 June 2023	507,300	10,666,024	11,173,324	131,508	2,335,279	13,640,111

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Market approach using recent observable market data for similar properties/income approach using discounted cashflow methodology	Independent registered valuer	June 2021	Price per hectare/market borrowing rate
Buildings - specialised	3	Cost approach using 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.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

(ii) Cost					
Furniture and equipment		N/A	At cost	N/A	N/A
Plant and equipment		N/A	At cost	N/A	N/A

8. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - other	Infrastructure - landfill	Total Infrastructure
	$	$	$	$
Balance at 1 July 2021	73,862,166	2,244,745	695,479	76,802,390
Additions	1,562,911	70,243	0	1,633,154
Depreciation	(991,448)	(185,154)	(46,365)	(1,222,967)
Balance at 30 June 2022	74,433,629	2,129,834	649,114	77,212,577
Comprises:				
Gross balance at 30 June 2022	78,244,329	3,009,135	695,479	81,948,943
Accumulated depreciation at 30 June 2022	(3,810,700)	(879,301)	(46,365)	(4,736,366)
Balance at 30 June 2022	74,433,629	2,129,834	649,114	77,212,577
Additions	1,725,574	0	0	1,725,574
Revaluation increments / (decrements) transferred to revaluation surplus	8,937,219	6,023,293	16,718	14,977,230
Depreciation	(1,032,485)	(190,977)	(46,365)	(1,269,827)
Balance at 30 June 2023	84,063,937	7,962,150	619,467	92,645,554
Comprises:				
Gross balance at 30 June 2023	84,063,937	7,962,150	619,467	92,645,554
Balance at 30 June 2023	84,063,937	7,962,150	619,467	92,645,554

8. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using current replacement cost	Management valuation	June 2023	Construction csts and current condition, residual values and remaining useful life assessments inputs
Infrastructure - other	3	Cost approach using current replacement cost	Management valuation	June 2023	Construction csts and current condition, residual values and remaining useful life assessments inputs
Infrastructure - landfill	3	Cost approach using depreciated discounted cash flow methodology	Management valuation	June 2023	Discounted future construction cost estimates based on inflated current costs

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.

9. FIXED ASSETS

(a) Depreciation

Depreciation rates
Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Buildings - specialised	25 to 100 years
Furniture and equipment	4 to 10 years
Plant and equipment	4 to 7 years
Infrastructure - roads	25 to 60 years
Infrastructure - other	5 to 50 years
Infrastructure - landfill	15 years

9. 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 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.

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

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the Shire's revaluation policy, are recognised at cost and disclosed as being fair value as management believes cost approximates fair value.
They are subject to subsequent revaluation at the next revaluation date consistent with *Financial Management Regulation 17A(4).*

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 consistent with *Financial Management Regulation 17A(2)* which requires land, buildings infrastructure and vested improvements to be shown at fair value.

Revaluation (continued)

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

Depreciation

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

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

Depreciation on revaluation

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

(i) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Impairment

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 or losses on disposal

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

10. TRADE AND OTHER PAYABLES

	2023	2022
	$	$
Current		
Sundry creditors	288,255	53,123
Prepaid rates	40,325	16,963
Accrued payroll liabilities	59,666	55,423
PAYG liabilities	21,346	23,754
Bonds and deposits held	10,205	9,694
	419,797	158,957

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

Non-derivative financial liabilities (excluding financial Financial liabilities are derecognised where the related profit or loss.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these amounts of trade and other payables are occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises income for the prepaid rates that have not been refunded.

11. OTHER LIABILITIES

	2023	2022
	$	$
Current		
Contract liabilities	0	16,145
Capital grant/contributions liabilities	423,185	0
	423,185	16,145
Reconciliation of changes in contract liabilities		
Opening balance	16,145	16,145
Revenue from contracts with customers included as a contract liability at the start of the period	(16,145)	0
	0	16,145

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

Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	0	0
Additions	423,185	0
Revenue from capital grant/contributions held as a liability at the start of the period	0	0
	423,185	0

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

Capital grant/contribution liabilities represent the Shire's obligations to construct recognisable non-financial assets to identified specifications to be controlled by the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as income when the obligations in the contract are satisfied.

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 22(i)) due to the unobservable inputs, including own credit risk.

12. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2023	2022
Current provisions	**$**	**$**
Employee benefit provisions		
Annual leave	169,690	137,668
Long service leave	134,652	107,724
Total current employee related provisions	304,342	245,392
Non-current provisions		
Employee benefit provisions		
Long service leave	37,645	55,363
Total non-current employee related provisions	37,645	55,363
Total employee related provisions	341,987	300,755

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.

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.

13. OTHER PROVISIONS

	Make good provisions	Total
	$	$
Opening balance at 1 July 2022		
Non-current provisions	694,013	694,013
	694,013	694,013
Unused amounts reversed	(142,646)	(142,646)
Charged to profit or loss		
- unwinding of discount	1,970	1,970
Balance at 30 June 2023	553,337	553,337
Comprises		
Non-current	553,337	553,337
	553,337	553,337

Other provisions
Amounts which are expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligations is unable to be reliably estimated as it is dependent on factors beyond the control of the local government.

Make good provisions
Unused amounts of the make good provisions were reversed due to the movement in the net present value of the non-current provision.

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

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

14. REVALUATION SURPLUS

	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance	2022 Opening Balance	2022 Closing Balance
	$	$	$	$	$
Revaluation surplus - Land - freehold land	915,782	0	915,782	915,782	915,782
Revaluation surplus - Buildings - specialised	5,835,459	0	5,835,459	5,835,459	5,835,459
Revaluation surplus - Plant and equipment	603,573	0	603,573	603,573	603,573
Revaluation surplus - Infrastructure - roads	29,800,929	8,937,219	38,738,148	29,800,929	29,800,929
Revaluation surplus - Infrastructure - other	2,115,665	6,023,293	8,138,958	2,115,665	2,115,665
Revaluation surplus - Infrastructure - landfill	0	16,718	16,718		0
	39,271,408	14,977,230	54,248,638	39,271,408	39,271,408

15. RESTRICTIONS OVER FINANCIAL ASSETS

	Note	2023 Actual	2022 Actual
		$	$
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	423,185	16,145
- Financial assets at amortised cost	4	6,024,334	5,877,725
		6,447,519	5,893,870
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	25	6,024,334	5,877,725
Contract liabilities	11	0	16,145
Capital grant liabilities	11	423,185	0
Total restricted financial assets		6,447,519	5,893,870

16. UNDRAWN BORROWING FACILITIES AND CREDIT STANDBY ARRANGEMENTS

Credit card limit		15,000	15,000
Total amount of credit unused		15,000	15,000

17. CONTINGENT LIABILITIES

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

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

To ensure Department of Water and Environment Regulation (DWER) contaminated site investigation requirements are met, the Shire intends to seek quotes from suitably qualified environmental consultants to carry out a site investigation and provide a report detailing their findings a report detailing their findings and, if necessary detail any, recommended remediation works.

18. CAPITAL COMMITMENTS

	2023	2022
	$	$
Contracted for:		
- plant & equipment purchases	294,271	0
	294,271	0
Payable:		
- not later than one year	294,271	0

19. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Fees, expenses and allowances to be paid or reimbursed to elected council members.	Note	2023 Actual	2023 Budget	2022 Actual
		$	$	$
President's annual allowance		7,500	7,500	7,500
President's meeting attendance fees		4,500	4,500	4,500
President's annual allowance for ICT expenses		900	900	900
President's travel and accommodation expenses		1,532	600	600
		14,432	13,500	13,500
Deputy President's annual allowance		1,725	1,650	1,650
Deputy President's meeting attendance fees		3,650	3,600	3,600
Deputy President's annual allowance for ICT expenses		900	900	900
		6,275	6,150	6,150
All other council member's meeting attendance fees		14,600	14,400	14,400
All other council member's annual allowance for ICT expenses		3,600	3,600	3,600
All other council member's travel and accommodation expenses		1,142	994	994
		19,342	18,994	18,994
	19(b)	40,049	38,644	38,644

(b) Key Management Personnel (KMP) Compensation

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

Short-term employee benefits		318,477		331,458
Post-employment benefits		70,340		68,498
Employee - other long-term benefits		44,943		43,337
Council member costs	19(a)	40,049		38,644
		473,809		481,937

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.

19. RELATED PARTY TRANSACTIONS

(c) Transactions with related parties

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

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

In addition to KMP compensation above the following transactions occurred with related parties:	2023 Actual $	2022 Actual $
Sale of goods and services	5,654	5,580
Purchase of goods and services	79,592	123,465

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 and are detailed in Notes 19(a) and 19(b)

ii. Other Related Parties

An 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

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

20. JOINT ARRANGEMENTS

Share of joint operations
The Shire of Koorda has 3 separate joint agreements with the Department of Communities for the provision of housing at 38, 46 and 49 Smith Street, Koorda.
For accounting purposes, these joint arrangements constitutes joint operations. The assets are land and 9 housing units. The ownership of the assets is determined by agreements which includes the percentage of each parties equitable interest. The assets are included in the Land and Buildings as follows:

	2023 Actual	2022 Actual
Non-Current Assets	**$**	**$**
Land and Buildings		
Land - Lot 550 Smith Street @ 100%	19,000	19,000
38 Smith Street Koorda x 3 (A, B & C) @ 12.12%	22,233	25,452
Land - Lot 291 Smith Street @ 100%	7,000	7,000
46 Smith Street Koorda x 3 (1, 2 & 3) @ 15.35%	58,033	64,470
Land - Lot 13 Smith Street @ 100%	7,000	7,000
49 Smith Street Koorda x 3 (1, 2 & 3) @ 39.70%	137,402	142,920
Total assets	250,668	265,842

The Shire of Koorda manages the property and tenancy under the joint operation.

Statement of Comprehensive Income		
Fees and charges	48,799	46,284
Depreciation	(15,174)	(16,533)
Employee costs	(3,686)	(5,483)
Insurance	(3,930)	(3,566)
Materials and contracts	(20,896)	(23,713)
Utilities	(7,922)	(6,900)
Profit/(loss) for the period	(2,809)	(9,911)
Other comprehensive income	0	0
Total comprehensive income for the period	(2,809)	(9,911)

21. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

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

22. 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 report is presented.

e) Budget comparative figures
Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

f) Superannuation
The Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

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

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

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

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

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

i) Fair value hierarchy
AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2
Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3
Measurements based on unobservable inputs for the asset or liability.

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

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

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

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

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

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

j) Impairment of assets
In accordance with Australian Accounting Standards the Shire's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

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

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

23. RATING INFORMATION

(a) General Rates

RATE TYPE Rate Description	Basis of valuation	Rate in $	Number of Properties	2022/23 Actual Rateable Value*	2022/23 Actual Rate Revenue	2022/23 Actual Interim Rates	2022/23 Actual Total Revenue	2022/23 Budget Rate Revenue	2022/23 Budget Interim Rate	2022/23 Budget Total Revenue	2021/22 Actual Total Revenue
				$	$	$	$	$	$	$	$
General rate	Gross rental valuation	0.11870	135	959,024	113,836	0	113,836	113,836	0	113,836	111,535
General rate	Unimproved valuation	0.01501	218	71,480,000	1,073,201	1,086	1,074,287	1,073,201	0	1,073,201	1,049,145
Total general rates			353	72,439,024	1,187,037	1,086	1,188,123	1,187,037	0	1,187,037	1,160,680
		Minimum Payment $									
Minimum payment											
General rate	Gross rental valuation	410	28	29,070	11,480	293	11,773	11,480	0	11,480	10,800
General rate	Unimproved valuation	410	31	365,471	12,710	590	13,300	12,300	0	12,300	9,600
Total minimum payments			59	394,541	24,190	883	25,073	23,780	0	23,780	20,400
Total general rates and minimum payments			412	72,833,565	1,211,227	1,969	1,213,196	1,210,817	0	1,210,817	1,181,080
		Rate in									
Ex-gratia Rates											
General rate	Unimproved valuation				8,461		8,461	8,461	0	8,461	6,643
Total amount raised from rates (excluding general rates)			0	0	8,461	0	8,461	8,461	0	8,461	6,643
Discounts							(43,572)			(45,000)	(42,553)
Total Rates							1,178,085			1,174,278	1,145,170
Rate overdue interest	Note 2(a)						7,632			6,000	6,000

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

*Rateable Value at time of raising of rate.

24. DETERMINATION OF SURPLUS OR DEFICIT

	Note	2022/23 (30 June 2023 Carried Forward)	2022/23 Budget (30 June 2023 Carried Forward)	2021/22 (30 June 2022 Carried Forward
		$	$	$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32.*				
Adjustments to operating activities				
Less: Profit on asset disposals		(127,521)	(90,600)	(92,771)
Less: Movement in liabilities associated with restricted cash		5,016	522	627
Less: Fair value adjustments to financial assets at fair value through profit or loss		(2,764)	0	(2,998)
Add: Loss on disposal of assets		0	13,000	81,332
Add: Depreciation		1,911,611	1,777,500	1,869,790
Less: Reversal of other provisions		(142,646)	0	(2,932)
Non-cash movements in non-current assets and liabilities:				
Pensioner deferred rates		3,051	0	(2,251)
Employee benefit provisions		(17,718)	0	16,924
Other provisions		1,970	0	40,366
Capital grant liabilities		0	(65,905)	(164,761)
Non-cash amounts excluded from operating activities		1,630,999	1,634,517	1,743,326
(b) Non-cash amounts excluded from investing activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32.*				
Adjustments to investing activities				
Movement in non current loan receivable		0	(5,000)	5,000
Non-cash amounts excluded from investing activities		0	(5,000)	5,000
(c) Surplus or deficit after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserve accounts	25	(6,024,334)	(5,346,747)	(5,877,725)
Add: Current liabilities not expected to be cleared at end of year				
- Employee benefit provisions		206,103	201,317	201,087
Total adjustments to net current assets		(5,818,231)	(5,145,430)	(5,676,638)
Net current assets used in the Statement of Financial Activity				
Total current assets		9,000,896	5,611,507	7,431,770
Less: Total current liabilities		(1,147,324)	(466,077)	(420,494)
Less: Total adjustments to net current assets		(5,818,231)	(5,145,430)	(5,676,638)
Surplus or deficit after imposition of general rates		2,035,341	0	1,334,638

25. RESERVE ACCOUNTS

	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance	2023 Budget Opening Balance	2023 Budget Transfer to	2023 Budget Transfer (from)	2023 Budget Closing Balance	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance
	$	$	$	$	$	$	$	$	$	$	$	$
Restricted by council												
(a) Leave reserve	201,087	5,016	0	206,103	200,795	84,102	0	284,897	200,048	1,039	0	201,087
(b) Plant reserve	873,267	21,782	0	895,049	872,055	46,586	(445,000)	473,641	829,437	43,830	0	873,267
(c) Road reserve	707,677	17,652	0	725,329	706,649	41,837	0	748,486	704,021	3,656	0	707,677
(d) Council Building reserve	842,671	21,019	0	863,690	841,446	2,188	(115,000)	728,634	838,317	4,354	0	842,671
(e) TV reserve	31,982	798	0	32,780	31,936	83	0	32,019	31,817	165	0	31,982
(f) Recreation reserve	1,271,844	31,724	0	1,303,568	1,269,997	3,302	(250,586)	1,022,713	1,265,274	6,570	0	1,271,844
(g) Medical Practitioners reserve	299,029	7,459	0	306,488	298,595	776	0	299,371	297,484	1,545	0	299,029
(h) IT and Administration reserve	386,311	9,636	0	395,947	385,750	1,003	0	386,753	384,315	1,996	0	386,311
(i) Sewerage reserve	1,024,632	25,557	0	1,050,189	1,023,231	62,504	0	1,085,735	959,649	64,983	0	1,024,632
(j) Community Bus reserve	62,927	1,569	0	64,496	62,835	163	0	62,998	62,601	326	0	62,927
(k) NRM reserve	22,105	551	0	22,656	22,073	58	0	22,131	21,991	114	0	22,105
(l) Waste Management reserve	154,193	3,846	0	158,039	153,969	45,400	0	199,369	153,397	796	0	154,193
	5,877,725	146,609	0	6,024,334	5,869,331	288,002	(810,586)	5,346,747	5,748,351	129,374	0	5,877,725

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

In accordance with council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Name of reserve account	Purpose of the reserve account
Restricted by council	
(a) Leave reserve	To be used to fund annual, long serve, accrued holiday and sick leave requirements.
(b) Plant reserve	To be used to ensure plant purchases are funded from funds set aside and the use of those funds determined by a ten year Forward Plan, which is reviewed annually.
(c) Road reserve	To be used to assist future road works difficult to fund on an annual basis including acts of nature.
(d) Council Building reserve	To be used to fund the major asset category the Shire owns, and allow some management of the various building requirements.
(e) TV reserve	To be used to fund future upgrading or extension of receiver/transmission facility.
(f) Recreation reserve	To be used to fund future upgrading, renovations and general requirements.
(g) Medical Practitioners reserve	To be used to fund future costs of attracting and retaining a qualified medical practitioner within the District/Region.
(h) IT and Administration reserve	To be used to fund future technology that will require future updating.
(i) Sewerage reserve	To be used to fund upgrading and replacement of the town sewerage treatment plant.
(j) Community Bus reserve	To be used to fund the change over of costs of the community bus.
(k) NRM reserve	To be used to fund the future retention of the Natural Resource Management (NRM) officer.
(l) Waste Management reserve	To be used to fund future refuse development.