

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

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Statement of Financial Activity	7
Index of Notes to the Financial Report	8
Independent Auditor's Report	36

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

A regional place that is progressive and will provide opportunities, offering a unique lifestyle and a sense of belonging.

A place that connects people; a place that connects Transport; and a place that connects businesses.

Principal place of business:
37 Lundy Avenue
Cunderdin WA 6407

**SHIRE OF CUNDERDIN
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 Cunderdin 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

day of

2023

Chief Executive Officer

Name of Chief Executive Officer

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

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
Revenue				
Rates	2(a),21	2,327,887	2,326,948	2,137,491
Grants, subsidies and contributions	2(a)	3,152,997	1,203,908	2,339,414
Fees and charges	2(a)	632,069	571,956	513,653
Interest revenue	2(a)	133,681	29,700	41,829
Other revenue	2(a)	0	817,420	19,989
		6,246,634	4,949,932	5,052,376
Expenses				
Employee costs	2(b)	(1,286,391)	(1,769,423)	(1,351,605)
Materials and contracts		(1,179,894)	(2,418,165)	(1,588,745)
Utility charges		(196,625)	(249,143)	(251,280)
Depreciation		(3,270,911)	(3,089,916)	(3,143,176)
Finance costs	2(b)	(56,343)	(50,932)	(58,184)
Insurance		(182,585)	(187,942)	(168,056)
Other expenditure	2(b)	(84,163)	(68,250)	(58,292)
		(6,256,912)	(7,833,771)	(6,619,338)
		(10,278)	(2,883,839)	(1,566,962)
Capital grants, subsidies and contributions	2(a)	3,765,979	2,901,474	3,576,566
Profit on asset disposals		20,843	97,000	65,506
Loss on asset disposals		(500)	0	0
Fair value adjustments to financial assets at fair value through profit or loss		0	0	7,682
		3,786,322	2,998,474	3,649,754
Net result for the period		3,776,044	114,635	2,082,792
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	0	0	3,433,522
Total other comprehensive income for the period		0	0	3,433,522
Total comprehensive income for the period		3,776,044	114,635	5,516,314

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

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

	NOTE	2023	2022
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	4,890,882	3,092,805
Trade and other receivables	5	165,778	633,543
Other financial assets	4(a)	1,386,844	1,231,979
TOTAL CURRENT ASSETS		6,443,504	4,958,327
NON-CURRENT ASSETS			
Trade and other receivables	5	33,524	26,473
Other financial assets	4(b)	83,666	83,666
Property, plant and equipment	6	18,681,930	19,053,126
Infrastructure	7	98,692,087	96,064,748
TOTAL NON-CURRENT ASSETS		117,491,207	115,228,013
TOTAL ASSETS		123,934,711	120,186,340
CURRENT LIABILITIES			
Trade and other payables	9	335,338	193,793
Other liabilities	10	318,638	425,051
Borrowings	11	78,991	110,742
Employee related provisions	12	248,976	233,145
TOTAL CURRENT LIABILITIES		981,943	962,731
NON-CURRENT LIABILITIES			
Borrowings	11	816,466	877,207
Employee related provisions	12	84,132	70,278
TOTAL NON-CURRENT LIABILITIES		900,598	947,485
TOTAL LIABILITIES		1,882,541	1,910,216
NET ASSETS		122,052,170	118,276,126
EQUITY			
Retained surplus		8,930,893	5,246,558
Reserve accounts	24	1,388,689	1,296,980
Revaluation surplus	13	111,732,588	111,732,588
TOTAL EQUITY		122,052,170	118,276,126

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

**SHIRE OF CUNDERDIN
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		3,232,446	1,228,300	108,299,066	112,759,812
Comprehensive income for the period					
Net result for the period		2,082,792	0	0	2,082,792
Other comprehensive income for the period	13	0	0	3,433,522	3,433,522
Total comprehensive income for the period		2,082,792	0	3,433,522	5,516,314
Transfers to reserve accounts	24	(68,680)	68,680	0	0
Balance as at 30 June 2022		5,246,558	1,296,980	111,732,588	118,276,126
Comprehensive income for the period					
Net result for the period		3,776,044	0	0	3,776,044
Total comprehensive income for the period		3,776,044	0	0	3,776,044
Transfers from reserve accounts	24	20,000	(20,000)	0	0
Transfers to reserve accounts	24	(111,709)	111,709	0	0
Balance as at 30 June 2023		8,930,893	1,388,689	111,732,588	122,052,170

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

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

	NOTE	2023 Actual \$	2022 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		2,442,525	2,211,509
Grants, subsidies and contributions		3,494,810	1,992,539
Fees and charges		546,058	508,838
Interest revenue		133,681	41,829
Goods and services tax received		79,980	100,397
Other revenue		0	19,989
		6,697,054	4,875,101
Payments			
Employee costs		(1,194,599)	(1,276,962)
Materials and contracts		(982,516)	(1,867,490)
Utility charges		(196,625)	(251,280)
Finance costs		(56,343)	(59,549)
Insurance paid		(182,585)	(168,056)
Goods and services tax paid		(214,057)	(42,007)
Other expenditure		(84,163)	(58,292)
		(2,910,888)	(3,723,636)
Net cash provided by (used in) operating activities		3,786,166	1,151,465
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for financial assets at amortised cost		0	(1,231,977)
Payments for purchase of property, plant & equipment	6(a)	(578,307)	(506,739)
Payments for construction of infrastructure	7(a)	(5,007,954)	(3,622,805)
Capital grants, subsidies and contributions		3,765,979	3,576,566
Proceeds for financial assets at amortised cost		(154,865)	0
Proceeds from sale of property, plant & equipment		79,550	81,506
Net cash provided by (used in) investing activities		(1,895,597)	(1,703,449)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	23(a)	(92,492)	(87,511)
Net cash provided by (used In) financing activities		(92,492)	(87,511)
Net increase (decrease) in cash held		1,798,077	(639,495)
Cash at beginning of year		3,092,805	3,732,300
Cash and cash equivalents at the end of the year	3	4,890,882	3,092,805

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

**SHIRE OF CUNDERDIN
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	21	2,327,887	2,326,948	2,137,491
Grants, subsidies and contributions		3,152,997	1,203,908	2,339,414
Fees and charges		632,069	571,956	513,653
Interest revenue		133,681	29,700	41,829
Other revenue		0	817,420	19,989
Profit on asset disposals		20,843	97,000	65,506
Fair value adjustments to financial assets at fair value through profit or loss		0	0	7,682
		6,267,477	5,046,932	5,125,564
Expenditure from operating activities				
Employee costs		(1,286,391)	(1,769,423)	(1,351,605)
Materials and contracts		(1,179,894)	(2,418,165)	(1,588,745)
Utility charges		(196,625)	(249,143)	(251,280)
Depreciation		(3,270,911)	(3,089,916)	(3,143,176)
Finance costs		(56,343)	(50,932)	(58,184)
Insurance		(182,585)	(187,942)	(168,056)
Other expenditure		(84,163)	(68,250)	(58,292)
Loss on asset disposals		(500)	0	0
		(6,257,412)	(7,833,771)	(6,619,338)
Non-cash amounts excluded from operating activities	22(a)	3,263,564	2,992,916	3,096,676
Amount attributable to operating activities		3,273,629	206,077	1,602,902
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		3,765,979	2,901,474	3,576,566
Proceeds from disposal of assets		79,550	97,000	81,506
		3,845,529	2,998,474	3,658,072
Outflows from investing activities				
Purchase of property, plant and equipment	6(a)	(578,307)	(1,620,000)	(506,739)
Purchase and construction of infrastructure	7(a)	(5,007,954)	(5,106,246)	(3,622,805)
		(5,586,261)	(6,726,246)	(4,129,544)
Amount attributable to investing activities		(1,740,732)	(3,727,772)	(471,472)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	23(a)	0	200,000	0
Transfers from reserve accounts	24	20,000	400,000	0
		20,000	600,000	0
Outflows from financing activities				
Repayment of borrowings	23(a)	(92,492)	(92,492)	(87,511)
Transfers to reserve accounts	24	(111,709)	(65,000)	(68,680)
		(204,201)	(157,492)	(156,191)
Amount attributable to financing activities		(184,201)	442,508	(156,191)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	22(b)	2,988,333	3,079,239	2,013,098
Amount attributable to operating activities		3,273,629	206,077	1,602,902
Amount attributable to investing activities		(1,740,732)	(3,727,772)	(471,472)
Amount attributable to financing activities		(184,201)	442,508	(156,191)
Surplus or deficit after imposition of general rates	22(b)	4,337,027	52	2,988,337

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

**SHIRE OF CUNDERDIN
FOR THE YEAR ENDED 30 JUNE 2023
INDEX OF NOTES TO THE FINANCIAL REPORT**

Note 1	Basis of Preparation	9
Note 2	Revenue and Expenses	10
Note 3	Cash and Cash Equivalents	12
Note 4	Other Financial Assets	12
Note 5	Trade and Other Receivables	13
Note 6	Property, Plant and Equipment	14
Note 7	Infrastructure	16
Note 8	Fixed Assets	18
Note 9	Trade and Other Payables	20
Note 10	Other Liabilities	21
Note 11	Borrowings	22
Note 12	Employee Related Provisions	23
Note 13	Revaluation Surplus	24
Note 14	Restrictions Over Financial Assets	25
Note 15	Undrawn Borrowing Facilities and Credit Standby Arrangements	25
Note 16	Contingent Liabilities	26
Note 17	Capital Commitments	26
Note 18	Related Party Transactions	27
Note 19	Events Occurring After the End of the Reporting Period	29
Note 20	Other Significant Accounting Policies	30
Information required by legislation		
Note 21	Rating Information	31
Note 22	Determination of Surplus or Deficit	32
Note 23	Borrowing and Lease Liabilities	33
Note 24	Reserve accounts	34
Note 25	Trust Funds	35

SHIRE OF CUNDERDIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

1. BASIS OF PREPARATION

The financial report of Shire of Cunderdin which is a class 4 local government comprises of general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the 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 except for disclosure requirements of:

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

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

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

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 25 of the financial report.

Judgements and estimates

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

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

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

- estimated fair value of certain financial assets
- impairment of financial assets

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

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.

SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and charges - sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

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	2,327,887	0	2,327,887
Grants, subsidies and contributions	3,152,997	0	0	0	3,152,997
Fees and charges	632,069	0	0	0	632,069
Interest revenue	0	0	0	133,681	133,681
Capital grants, subsidies and contributions	0	3,765,979	0	0	3,765,979
Total	3,785,066	3,765,979	2,327,887	133,681	10,012,613

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	2,137,491	0	2,137,491
Grants, subsidies and contributions	2,339,414	0	0	0	2,339,414
Fees and charges	513,653	0	0	0	513,653
Interest revenue	0	0	38,149	3,680	41,829
Other revenue	0	0	0	19,989	19,989
Capital grants, subsidies and contributions	0	3,576,566	0	0	3,576,566
Total	2,853,067	3,576,566	2,175,640	23,669	8,628,942

SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2023 Actual	2022 Actual
	\$	\$
Interest revenue		
Interest on reserve account funds	44,865	3,680
Trade and other receivables overdue interest	88,816	38,149
	<u>133,681</u>	<u>41,829</u>

The 2023 original budget estimate in relation to:
Trade and other receivables overdue interest was \$28,200.

The 2023 original budget estimate in relation to:
Charges on instalment plan was \$5,500.

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report	32,000	29,200
- Other services – grant acquittals	2,300	1,600
	<u>34,300</u>	<u>30,800</u>

Employee Costs

Employee benefit costs	1,286,391	1,351,605
Other employee costs	0	0
	<u>1,286,391</u>	<u>1,351,605</u>

Finance costs

Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	56,343	58,184
	<u>56,343</u>	<u>58,184</u>

Other expenditure

Sundry expenses	84,163	58,292
	<u>84,163</u>	<u>58,292</u>

**SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

3. CASH AND CASH EQUIVALENTS

Note	2023	2022
	\$	\$
Cash at bank and on hand	4,890,882	3,092,805
Total cash and cash equivalents	4,890,882	3,092,805
Held as		
- Unrestricted cash and cash equivalents	4,570,399	2,602,753
- Restricted cash and cash equivalents	320,483	490,052
14	4,890,882	3,092,805

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	1,386,844	1,231,979
	1,386,844	1,231,979
Other financial assets at amortised cost		
Term deposits	1,386,844	1,231,979
	1,386,844	1,231,979
Held as		
- Restricted other financial assets at amortised cost	1,386,844	1,231,979
14	1,386,844	1,231,979
(b) Non-current assets		
Financial assets at fair value through profit or loss	83,666	83,666
	83,666	83,666
Financial assets at fair value through profit or loss		
Local Government House Trust	81,490	81,490
Cunderdin Co-Operative Shares	2,176	2,176
	83,666	83,666

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 Trust at balance date as compiled by WALGA.

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 hierarchy (see Note 20 (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.

**SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

5. TRADE AND OTHER RECEIVABLES

Note	2023	2022
	\$	\$
Current		
Rates and statutory receivables	179,943	296,255
Trade receivables	76,633	524,859
GST receivable	52,769	42,007
Allowance for credit losses of rates and statutory receivables	(143,567)	(229,578)
	165,778	633,543
Non-current		
Rates and statutory receivables	33,524	26,473
	33,524	26,473

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 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 including 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.

SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

6. 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	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$		\$	\$	\$
Balance at 1 July 2021	2,504,889	10,850,792	13,355,681	9,655	2,612,314	15,977,650
Additions	0	0	0	35,559	471,180	506,739
Disposals	0	0	0	0	(16,000)	(16,000)
Revaluation increments / (decrements) transferred to revaluation surplus	516,410	2,898,921	3,415,331	0	0	3,415,331
Depreciation	0	(520,986)	(520,986)	(6,866)	(302,742)	(830,594)
Balance at 30 June 2022	3,021,299	13,228,727	16,250,026	38,348	2,764,752	19,053,126
Comprises:						
Gross balance amount at 30 June 2022	3,021,299	29,178,722	32,200,021	216,288	4,510,088	36,926,397
Accumulated depreciation at 30 June 2022	0	(15,949,995)	(15,949,995)	(177,940)	(1,745,336)	(17,873,271)
Balance at 30 June 2022	3,021,299	13,228,727	16,250,026	38,348	2,764,752	19,053,126
Additions	282,361	161,824	444,185	9,670	124,452	578,307
Disposals	0	0	0	(500)	(58,706)	(59,206)
Depreciation	0	(565,324)	(565,324)	(10,295)	(314,678)	(890,297)
Balance at 30 June 2023	3,303,660	12,825,227	16,128,887	37,223	2,515,820	18,681,930
Comprises:						
Gross balance amount at 30 June 2023	3,303,660	29,340,546	32,644,206	219,798	4,550,223	37,414,227
Accumulated depreciation at 30 June 2023	0	(16,515,319)	(16,515,319)	(182,575)	(2,034,403)	(18,732,297)
Balance at 30 June 2023	3,303,660	12,825,227	16,128,887	37,223	2,515,820	18,681,930

**SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

6. 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	Independent Valuation	June 2022	Price per hectare
Buildings	3	Cost Approach using current replacement cost	Independent Valuation	June 2022	Cost of components used to create the assets and condition based on estimates.
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	N/A	Cost	N/A	N/A
Plant and equipment	N/A	N/A	Cost	N/A	N/A

SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

7. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Other infrastructure- bridges	Other infrastructure - footpaths	Other infrastructure - airports	Other infrastructure	Total Infrastructure
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	82,122,385	1,271,780	389,910	5,991,369	4,960,892	94,736,336
Additions	3,081,178	0	0	0	541,627	3,622,805
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	18,190	18,190
Depreciation	(1,836,424)	(49,800)	(21,475)	(98,275)	(306,608)	(2,312,582)
Balance at 30 June 2022	83,367,139	1,221,980	368,435	5,893,094	5,214,101	96,064,749
Comprises:						
Gross balance at 30 June 2022	140,836,049	2,490,000	859,022	18,872,000	9,873,589	172,930,660
Accumulated depreciation at 30 June 2022	(57,468,910)	(1,268,020)	(490,587)	(12,978,906)	(4,659,488)	(76,865,911)
Balance at 30 June 2022	83,367,139	1,221,980	368,435	5,893,094	5,214,101	96,064,748
Additions	4,024,850	0	0	0	983,104	5,007,954
Depreciation	(1,898,047)	(49,800)	(21,476)	(97,704)	(313,589)	(2,380,616)
Balance at 30 June 2023	85,493,942	1,172,180	346,959	5,795,390	5,883,616	98,692,086
Comprises:						
Gross balance at 30 June 2023	144,860,899	2,490,000	859,022	18,872,000	10,856,693	177,938,614
Accumulated depreciation at 30 June 2023	(59,366,957)	(1,317,820)	(512,063)	(13,076,610)	(4,973,077)	(79,246,527)
Balance at 30 June 2023	85,493,942	1,172,180	346,959	5,795,390	5,883,616	98,692,087

**SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

7. 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	Independent Valuation	June 2020	Cost of components used to create the assets and condition based on estimates.
Other infrastructure- bridges	3	Cost Approach using current replacement cost	Independent Valuation	June 2020	Cost of components used to create the assets and condition based on estimates.
Other infrastructure -footpaths	3	Cost Approach using current replacement cost	Independent Valuation	June 2020	Cost of components used to create the assets and condition based on estimates.
Other infrastructure - airports	3	Cost Approach using current replacement cost	Independent Valuation	June 2019	Cost of components used to create the assets and condition based on estimates.
Other infrastructure	3	Cost Approach using current replacement cost	Independent Valuation	June 2019	Cost of components used to create the assets and condition based on estimates.

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 CUNDERDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

8. 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
Land	Not Depreciated
Buildings	30 to 75 years
Furniture and equipment	5 to 20 years
Plant and equipment	4 to 15 years
Infrastructure - roads	15 to 120 years
Other infrastructure- bridges	50 years
Other infrastructure -footpaths	10 to 80 years
Other infrastructure - airports	10 to 30 years
Other infrastructure	5 to 50 years
Other infrastructure - Urban stormwater drainage	5 to 80 years
Other infrastructure -parks and ovals	10 to 40 years
Other infrastructure -sewerage	60 to 100 years
Other infrastructure -townscape	25 to 35 years
Other infrastructure -laneways	20 to 80 years

**SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

8. 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 at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next revaluation consistent with *Financial Management Regulation 17A(4)*.

Revaluation

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

Depreciation

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

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

Depreciation on revaluation

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

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
- (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 .

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.

**SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

9. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued payroll liabilities
ATO liabilities
Bonds and deposits held
Accrued Interest on loans
Payroll creditors

	2023	2022
	\$	\$
	208,727	30,473
	37,249	31,874
	54,071	36,439
	0	58,084
	1,227	858
	10,076	11,521
	23,988	24,544
	335,338	193,793

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are usually amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Prepaid rates

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

**SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

10. OTHER LIABILITIES

Current

Contract liabilities

Reconciliation of changes in contract liabilities

Opening balance

Additions

Revenue from contracts with customers included as a contract liability at the start of the period

	2023	2022
	\$	\$
Contract liabilities	318,638	425,051
	<u>318,638</u>	<u>425,051</u>
Opening balance	425,051	214,576
Additions	318,638	425,051
Revenue from contracts with customers included as a contract liability at the start of the period	(425,051)	(214,576)
	<u>318,638</u>	<u>425,051</u>

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.

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 20(i)) due to the unobservable inputs, including own credit risk.

**SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

11. BORROWINGS

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		78,991	816,466	895,457	110,742	877,207	987,949
Total secured borrowings	23(a)	78,991	816,466	895,457	110,742	877,207	987,949

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Cunderdin. Other loans relate to transferred receivables. Refer to Note 5.

The Shire of Cunderdin has complied with the financial covenants of its borrowing facilities during the 2023 and 2022 years.

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 20(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 23(a).

**SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

12. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2023	2022
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	143,745	141,199
Long service leave	105,231	91,946
	248,976	233,145
Total current employee related provisions	248,976	233,145
Non-current provisions		
Employee benefit provisions		
Long service leave	84,132	70,278
	84,132	70,278
Total non-current employee related provisions	84,132	70,278
Total employee related provisions	333,108	303,423

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.

**SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

13. REVALUATION SURPLUS

	2023 Opening Balance	2023 Closing Balance	2022 Opening Balance	Total Movement on Revaluation	2022 Closing Balance
	\$	\$	\$	\$	\$
Revaluation surplus - Land	2,791,300	2,791,300	2,274,890	516,410	2,791,300
Revaluation surplus - Buildings	7,548,982	7,548,982	4,650,061	2,898,921	7,548,982
Revaluation surplus - Plant and equipment	1,406,509	1,406,509	1,406,509	0	1,406,509
Revaluation surplus - Infrastructure - roads	86,590,103	86,590,103	86,590,103	0	86,590,103
Revaluation surplus - Other infrastructure- bridges	1,553,380	1,553,380	1,553,380	0	1,553,380
Revaluation surplus - Other infrastructure -footpaths	143,634	143,634	143,634	0	143,634
Revaluation surplus - Other infrastructure - airports	6,683,159	6,683,159	6,683,159	0	6,683,159
Revaluation surplus - Other infrastructure	5,015,521	5,015,521	4,997,331	18,190	5,015,521
	111,732,588	111,732,588	108,299,067	3,433,521	111,732,588

SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

14. 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	320,483	490,052
- Financial assets at amortised cost	4	1,386,844	1,231,979
		1,707,327	1,722,031
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	24	1,388,689	1,296,980
Contract liabilities	10	318,638	425,051
Total restricted financial assets		1,707,327	1,722,031
15. UNDRAWN BORROWING FACILITIES AND CREDIT STANDBY ARRANGEMENTS			
Credit card limit		10,000	10,000
Credit card balance at balance date		(807)	(1,781)
Total amount of credit unused		9,193	8,219
Loan facilities			
Loan facilities - current		78,991	110,742
Loan facilities - non-current		816,466	877,207
Total facilities in use at balance date		895,457	987,949
Unused loan facilities at balance date		0	0

**SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

16. CONTINGENT LIABILITIES

The Shire had no contingent liabilities to disclose at the end of the reporting period.

17. CAPITAL COMMITMENTS

	2023	2022
	\$	\$
Contracted for:		
- capital expenditure projects	318,638	0
- plant & equipment purchases	397,738	0
	<hr/> 716,376	<hr/> 0
Payable:		
- not later than one year	716,376	0

Capital commitment relates to the O'Connor Park redevelopment project and the purchase of a Water Truck and 2 Deck Mowers.

**SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

18. 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		0	1,500	0
President's meeting attendance fees		6,370	6,370	5,348
		6,370	7,870	5,348
Deputy President's annual allowance		0	750	0
Deputy President's meeting attendance fees		2,856	3,094	2,856
		2,856	3,844	2,856
All other council member's meeting attendance fees		11,662	15,470	16,254
		11,662	15,470	16,254
	18(b)	20,888	27,184	24,458

(b) Key Management Personnel (KMP) Compensation

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

	Note	2023 Actual	2022 Actual
		\$	\$
Short-term employee benefits		434,582	408,601
Post-employment benefits		42,509	37,967
Employee - other long-term benefits		40,980	37,746
Council member costs	18(a)	20,888	24,458
		538,959	508,772

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.

**SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

18. RELATED PARTY TRANSACTIONS

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
	\$	\$
Purchase of goods and services	0	9,007

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 18(a) and 18(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 to be related parties.

iii. Entities subject to significant influence by the Shire

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

**SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

19. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

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

SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

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

SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

21. RATING INFORMATION

(a) General Rates

RATE TYPE	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
Residential	Gross rental valuations	0.09883	404	5,678,772	561,205	714	561,919	561,205	0	561,205	503,159
Rural	Unimproved valuations	0.00691	268	224,683,000	1,552,784	7,013	1,559,797	1,552,785	0	1,552,785	1,532,139
Total general rates			672	230,361,772	2,113,989	7,727	2,121,716	2,113,990	0	2,113,990	2,035,298
Minimum payment											
Residential	Gross rental valuations	778	108	310,948	84,024	0	84,024	84,025	0	84,025	92,752
Rural	Unimproved valuations	778	114	7,020,500	88,692	0	88,692	88,692	0	88,692	72,556
Mining	Unimproved valuations	778	17	255,744	13,226	0	13,226	13,226	0	13,226	11,220
Total minimum payments			239	7,587,192	185,942	0	185,942	185,943	0	185,943	176,528
Total general rates and minimum payments			911	237,948,964	2,299,931	7,727	2,307,658	2,299,933	0	2,299,933	2,211,826
Ex-gratia Rates											
		0.0723	373,650	27,015	27,015	0	27,015	27,015	0	27,015	16,730
Total amount raised from rates (excluding general rates)			373,650	27,015	27,015	0	27,015	27,015	0	27,015	16,730
Discounts							(6,786)				(91,065)
Total Rates							2,327,887			2,326,948	2,137,491

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.

SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

22. DETERMINATION OF SURPLUS OR DEFICIT

Note	2022/23	2022/23	2021/22
	(30 June 2023 Carried Forward)	Budget (30 June 2023 Carried Forward)	(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 <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	(20,843)	(97,000)	(65,506)
Less: Movement in liabilities associated with restricted cash	6,191		
Less: Fair value adjustments to financial assets at fair value through profit or loss	0		(7,682)
Add: Loss on disposal of assets	500	0	0
Add: Depreciation	3,270,911	3,089,916	3,143,176
Non-cash movements in non-current assets and liabilities:			
Financial assets at amortised cost	0		
Pensioner deferred rates	(7,049)		
Employee benefit provisions	13,854		26,688
Non-cash amounts excluded from operating activities	3,263,564	2,992,916	3,096,676
(b) Surplus or deficit after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserve accounts	24 (1,388,689)	(958,299)	(1,296,980)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	11 78,991	91,590	110,742
- Employee benefit provisions	185,168	178,440	178,975
Total adjustments to net current assets	(1,124,530)	(688,269)	(1,007,263)
Net current assets used in the Statement of Financial Activity			
Total current assets	6,443,504	1,543,582	4,958,327
Less: Total current liabilities	(981,943)	(873,513)	(962,731)
Less: Total adjustments to net current assets	(1,124,530)	(688,269)	(1,007,263)
Surplus or deficit after imposition of general rates	4,337,027	(18,200)	2,988,333

SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

23. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual							Budget				
		Principal		Principal at 30 June 2022	Principal		Principal at 30 June 2023	Principal at 1 July 2022	Principal		Principal at 30 June 2023		
		Principal at 1 July 2021	New Loans During 2021-22		Repayments During 2021-22	New Loans During 2022-23			Repayments During 2022-23	New Loans During 2022-23		Repayments During 2022-23	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Housing Project Loan	77	0	0	0	0	0	0	0	0	0	200,000	0	200,000
Community Recreation Centre	76	989,821	0	(54,829)	934,992	0	(57,734)	877,258	937,692	0	(57,734)	879,958	
Ettamogah Pub	73	50,456	0	(19,252)	31,204	0	(20,480)	10,724	32,355	0	(20,480)	11,875	
Ettamogah Pub	74	35,183	0	(13,430)	21,753	0	(14,278)	7,475	22,512	0	(14,278)	8,234	
Total		1,075,460	0	(87,511)	987,949	0	(92,492)	895,457	992,559	200,000	(92,492)	1,100,067	
Borrowing Finance Cost Payments													
Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022					
						\$	\$	\$					
Community Recreation Centre		76	WATC	2.62%	15/04/2034	(46,865)	(45,100)	(53,294)					
Ettamogah Pub		73	WATC	3.14%	14/08/2023	(1,525)	(337)	(2,892)					
Ettamogah Pub		74	WATC	3.11%	14/08/2023	(1,053)	(233)	(1,998)					
Guarantee Fee			WATC			(6,900)	0	0					
Total						(56,343)	(45,670)	(58,184)					
Total Finance Cost Payments						(56,343)	(45,670)	(58,184)					

* WA Treasury Corporation

**SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

24. 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	178,977	6,191	0	185,168	178,442	0	0	178,442	178,442	535	0	178,977
(b) Plant Replacement	55,250	1,911	0	57,161	55,085	0	0	55,085	55,085	165	0	55,250
(c) Airfield	115,839	15,859	(20,000)	111,698	115,493	0	0	115,493	115,493	346	0	115,839
(d) Community Bus	20,451	4,007	0	24,458	20,390	0	0	20,390	20,390	61	0	20,451
(e) Asset Replacement	252,658	707	0	253,365	251,903	0	0	251,903	251,903	755	0	252,658
(f) Buildings	458,450	8,740	0	467,190	457,081	0	(400,000)	57,081	457,081	1,369	0	458,450
(g) Cunderdin Museum	17,274	17,443	0	34,717	17,267	15,000	0	32,267	2,267	15,007	0	17,274
(h) Sporting Surfaces Replacement	107,901	23,732	0	131,633	107,638	20,000	0	127,638	87,639	20,262	0	107,901
(i) Age Appropriate Accommodation	90,180	33,119	0	123,299	90,000	30,000	0	120,000	60,000	30,180	0	90,180
	1,296,980	111,709	(20,000)	1,388,689	1,293,299	65,000	(400,000)	958,299	1,228,300	68,680	0	1,296,980
	1,296,980	111,709	(20,000)	1,388,689	1,293,299	65,000	(400,000)	958,299	1,228,300	68,680	0	1,296,980

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 and long service leave requirements.
(b) Plant Replacement	To be used to fund acquisition, disposal and maintenance of plant and equipment.
(c) Airfield	To be used to fund acquisition, disposal and maintenance of property, buildings, plant and equipment associated with the Cunderdin airfield
(d) Community Bus	To be used to fund acquisition, disposal and maintenance of the community bus
(e) Asset Replacement	To provide the replacement of necessary equipment, furniture and infrastructure comprising of roads, drains, footpaths and recreation assets.
(f) Buildings	To be used to fund acquisition, disposal and maintenance of land and Buildings
(g) Cunderdin Museum	To be used to fund exhibitions and upgrades to the Cunderdin Museum.
(h) Sporting Surfaces Replacement	To be used to fund the replacement of the tennis and bowling surfaces in Cunderdin and Meckering.
(i) Age Appropriate Accommodation	To be used to fund the ongoing maintenance and upgrades of Sandalwood Village and other Aged Accommodation.

**SHIRE OF CUNDERDIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

25. 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 2022	Amounts Received	Amounts Paid	30 June 2023
	\$	\$	\$	\$
Working Trust	2,643	2,462	0	5,105
Community Centre Trust	0	22,162	(22,162)	0
Community Centre Trust Term Deposit	540,799	40,312	0	581,111
	543,442	64,936	(22,162)	586,216