



**Shire of Wyalkatchem Audit and Risk Committee (ARC)**

**Notice of Meeting and Agenda –**

**To be held on Thursday 21 December 2023,**

**commencing at 3.30pm in the Council Chambers,**

**Honour Avenue, Wyalkatchem**

Regulation 16 of the *Local Government (Audit) Regulations 1996* sets out the following functions of an audit committee –

- (a) *to guide and assist the local government in carrying out –*
  - (i) *its functions under Part 6 of the Act; and*
  - (ii) *its functions relating to other audits and other matters related to financial management;*
- (b) *to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;*
- (c) *to review a report given to it by the CEO under regulation 17(3) (the **CEO's report**) and is to –*
  - (i) *report to the council the results of that review; and*
  - (ii) *give a copy of the CEO's report to the council;*
- (d) *to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under –*
  - (i) *regulation 17(1); and*
  - (ii) *the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);*
- (e) *to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;*
- (f) *to oversee the implementation of any action that the local government –*
  - (i) *is required to take by section 7.12A(3); and*

- (ii) *has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and*
- (iii) *has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and*
- (iv) *has accepted should be taken following receipt of a report of a review conducted under the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);*
- (g) *to perform any other function conferred on the audit committee by these regulations or another written law.*

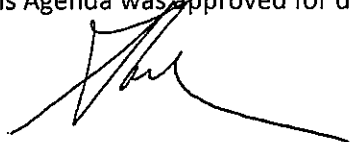
**Note**

When the Chief Executive Officer approves meeting minute for distribution they remain "Unconfirmed" until the following Audit and Risk Management Meeting where the minutes are to be confirmed subject to any amendments.

The "Confirmed" Minutes are then signed off by the Presiding Member.

**Agenda**

This Agenda was approved for distribution on 15 December 2023.



Stephen Tindale  
Acting Chief Executive Officer  
Shire of Wyalkatchem

TABLE OF CONTENTS

<b>1. DECLARATION OF OPENING.....</b>	<b>4</b>
<b>2. ELECTION OF PRESIDING MEMBER .....</b>	<b>4</b>
<b>3. ELECTION OF DEPUTY PRESIDING MEMBER .....</b>	<b>5</b>
<b>4. PUBLIC QUESTION TIME .....</b>	<b>5</b>
<b>5. ATTENDANCE /APOLOGIES/LEAVE OF ABSENCE .....</b>	<b>5</b>
<b>6. PETITIONS, DEPUTATIONS, PRESENTATIONS.....</b>	<b>5</b>
<b>7. DECLARATIONS OF INTEREST.....</b>	<b>5</b>
<b>8. CONFIRMATION AND RECEIPT OF MINUTES.....</b>	<b>5</b>
8.1.    SPECIAL AUDIT AND RISK MANAGEMENT COMMITTEE MEETING – 17 AUGUST 2023 .....	5
<b>9. MATTERS ARISING FROM THE MINUTES .....</b>	<b>5</b>
<b>10. ANNOUCEMENT BY THE PRESIDING PERSON WITHOUT DISCUSSIONS .....</b>	<b>5</b>
<b>11. MATTERS FOR WHICH THE MEETING MAY BE CLOSED.....</b>	<b>5</b>
<b>12. MATTERS REQUIRING A COMMITTEE DECISION .....</b>	<b>6</b>
12.1.    CORPORATE SERVICES REPORTS .....	6
12.1.1.    MEETING WITH THE AUDITOR AND MANAGEMENT LETTER .....	6
12.1.2.    ANNUAL REPORT AND FINANCIAL STATEMENTS.....	9
12.1.3.    ADJOURNMENT OF COMMITTEE MEETING.....	10
12.1.4.    RESUMATION OF COMMITTEE MEETING .....	10
12.1.5.    AUDIT AND RISK MANAGEMENT COMMITTEE MEETING – 21 DECEMBER 2023 .....	10
<b>13. MATTERS ARISING FROM THE MINUTES .....</b>	<b>11</b>
<b>14. CLOSURE OF THE MEETING.....</b>	<b>11</b>

**1. DECLARATION OF OPENING BY THE CHIEF EXECUTIVE OFFICER**

**2. ELECTION OF PRESIDING MEMBER**

Applicant:	Shire of Wyalkatchem
Location:	Shire of Wyalkatchem
Date:	11 December 2023
Reporting Officer:	Stephanie Elvidge, Governance Executive Officer
Disclosure of Interest:	No interest to disclose
File Number:	13.05.08
Attachment Reference:	Nil

**SUMMARY**

Under Sec. 5.12 of the *Local Government Act (1995)* the members of the committee are to elect a presiding member from amongst themselves.

**BACKGROUND**

The election of the presiding member is to be in accordance with Schedule 2.3, Division 1 as follows:

- The election is to be conducted by the CEO in accordance with the procedure prescribed.
- Nominations for the office of presiding member are to be given to the CEO in writing before the meeting or during the meeting before the close of nominations.
- Nominations close at the meeting at a time announced by the CEO, which is to be a sufficient time after the announcement by the CEO that nominations are about to close to allow for any nominations made to be dealt with.
- If a committee member is nominated by another member the CEO is not to accept the nomination unless the nominee has advised the CEO, orally or in writing, that he or she is willing to be nominated for the office.
- The committee members are to vote on the matter by secret ballot as if they were electors voting at an election.
- The votes cast under are to be counted, and the successful candidate determined, in accordance with Schedule 4.1 (which deals with determining the result of an election) as if those votes were votes cast at an election.



**3. ELECTION OF DEPUTY PRESIDING MEMBER**

Applicant:	Shire of Wyalkatchem
Location:	Shire of Wyalkatchem
Date:	11 December 2023
Reporting Officer:	Stephanie Elvidge, Governance Executive Officer
Disclosure of Interest:	No interest to disclose
File Number:	13.05.08
Attachment Reference:	Nil

**SUMMARY**

The members of a committee may also elect a deputy presiding member.

**BACKGROUND**

The election process is the same as the election process for the presiding member.

**4. PUBLIC QUESTION TIME**

**5. ATTENDANCE /APOLOGIES/LEAVE OF ABSENCE**

**6. PETITIONS, DEPUTATIONS, PRESENTATIONS**

**7. DECLARATIONS OF INTEREST**

**8. CONFIRMATION AND RECEIPT OF MINUTES**

**8.1. SPECIAL AUDIT AND RISK MANAGEMENT COMMITTEE MEETING – 17 AUGUST 2023**

Minutes of the Shire of Wyalkatchem’s Special Audit and Risk Management Committee Meeting held on Thursday 17 August 2023 ([Attachment 8.1](#))

**OFFICERS RECOMMENDATION**

*That the minutes of the Wyalkatchem Audit and Risk Management Committee Meeting held on Thursday the 17<sup>th</sup> August 2023 (Attachment 8.1) be confirmed as a true and correct record.*

**9. MATTERS ARISING FROM THE MINUTES**

**10. ANNOUCEMENT BY THE PRESIDING PERSON WITHOUT DISCUSSIONS**

**11. MATTERS FOR WHICH THE MEETING MAY BE CLOSED**

## 12. MATTERS REQUIRING A COMMITTEE DECISION

### 12.1. CORPORATE SERVICES REPORTS

#### 12.1.1. MEETING WITH THE AUDITOR AND MANAGEMENT LETTER

Applicant:	Shire of Wyalkatchem
Location:	Shire of Wyalkatchem
Date:	13 December 2023
Reporting Officer:	Claire Trenorden, Manager of Corporate Services
Disclosure of Interest:	No interests to disclose
File Number:	12.02.01
Attachment Reference:	<a href="#">Attachment 12.1.1.1. – Office of Auditor General – Management Letter</a> <a href="#">Attachment 12.1.1.2 – Audit Findings Report</a> <a href="#">Attachment 12.1.1.3 – Report on Significant Matters</a>

#### SUMMARY

Council is required to meet with the auditor annually. Council has given delegated authority to the Audit Committee to meet with the auditor to satisfy the requirement of s.7.12A (2) of the *Local Government Act 1995* (the Act).

A meeting with the office of the Auditor General was conducted via TEAMS on the 29<sup>th</sup> November 2023.

In addition, the Committee and the Council are to consider the 2022/2023 Management Letter and Audit Findings Report.

#### BACKGROUND

The required meeting with the auditor allowed the Audit Committee an opportunity to discuss any matters or concerns with the auditors and similarly for the auditor to discuss and matters or concerns with the committee.

In addition to responding to any specific questions, Mr Suraj Karki provided committee members with an overview of the audit process that was conducted and details of findings and recommendations arising from the audit conducted in 2022/2023.

#### COMMENT

The Officer of Auditor General report did not raise any significant matters in the final audit however two significant matters were raised in the interim audit.

To comply with section 7.12A (4) (b) a 'Report on Significant Matters', attachment 7.1.1.3 has been prepared which is to be presented to the Minister for Local Government within 3 months of the Auditors Report being received by the Shire.

It is recommended that the Audit and Risk Committee Audit endorse this report and recommends further endorsement to and by Council.

Once endorsed, the report will be provided to the Minister and published on the Shire's website.

## STATUTORY ENVIRONMENT

*Local Government Act 1995 section 7.12A – Duties of local government with respect to audits.*

The Shire's intended response to the requirements of section 7.12A are detailed as follows:

- a. Upon receipt of the auditor's report, the Shire must prepare a report for its Audit Committee to address the significant matters raised and outline what action the local government has taken or intends to take in respect of each of the matters raised.
- a. The Audit Committee minutes and the report to the Minister are referred to Council for proper review and endorsement of any proposed actions.
- b. Within 3 months of receipt of the auditor's report, a copy of the Council-endorsed report must be provided to the Minister.
- c. Within 14 days of providing a copy of the report to the Minister, a copy must be published on the local government's website.

In relation to a 'Report on Significant Matters' a local government is not considered compliant with its statutory obligations until all of the above actions have been completed.

## POLICY IMPLICATIONS

There are no direct policy implications in relation to this item.

## FINANCIAL IMPLICATIONS

There are no direct financial implications in relation to this item.

## COMMUNITY & STRATEGIC OBJECTIVES

This matter promotes the following Strategic Community Plan goal.

### GOAL 10

Outcome No.	Outcome
Transparent, accountable and effective governance	<ul style="list-style-type: none"><li>• Ensuring a well-informed Council makes good decisions for the community</li><li>• Ensuring sound financial management and plans for the Shire's long-term financial sustainability</li><li>• High quality corporate governance, accountability and compliance</li></ul> Maintaining Integrated Strategic and Operational plans

## VOTING REQUIREMENT

Absolute Majority

## COMMITTEE RECOMMENDATION

*That the Audit and Risk Management Committee:*

1. *Accepts the 2022/2023 Management Letter prepared by Office of Auditor General (Attachment 12.1.1.1) and accepts management comments and actions in relation to the audit outcomes (attachment 12.1.1.2.)*
2. *That, in accordance with the s7.12A (4)(b) accepts the Report on Significant Matters for the financial year 30 June 2023 (Attachment 12.1.1.3).*
3. *Advises Council that it has met with the Auditor and discharged its obligations, in accordance with Section 7.12A (2)) of the Local Government Act.*

*That the Audit and Risk Committee recommends that Council;*

- 1. Accepts the 2022/2023 Management Letter prepared by Office of Auditor General and accepts management comments and actions in relation to the audit outcomes and recommendations.*
- 2. Accepts and endorse the Report on Significant Matters for the financial year ended 30 June 2023.*
- 3. Acknowledge that the Audit and Risk Management Committee has met with the Auditors and has discharges its obligations, in accordance with Section 7.12A (2)) of the Local Government Act.*

### 12.1.2. ANNUAL REPORT AND FINANCIAL STATEMENTS

Applicant:	Shire of Wyalkatchem
Location:	Shire of Wyalkatchem
Date:	11 December 2023
Reporting Officer:	Claire Trenorden, Manager of Corporate Services
Disclosure of Interest:	No interests to disclose
File Number:	12.10.01
Attachment Reference:	<a href="#">Attachment 12.1.2. – 2022/2023 Financial Statements.</a> 22.23 Annual Report to be provided

#### SUMMARY

The Audit Committee is requested to endorse and recommend to Council to accept the 2022/2023 Annual Report and Financial Statements for the period ending 30 June 2023.

#### BACKGROUND

In accordance with Section 5.54(1) of the *Local Government Act 1995* Council is required to prepare and accept the annual report for each financial year no later than 31 December after that financial year.

#### COMMENT

The final audit of Council's finances and operations commenced 4 September 2023. The final audit report from the Office of the Auditor General was received by the Shire on Thursday 30 November 2023.

Council is required to accept the Annual Report and select a date for the Electors meeting that is no more than 56 days from the acceptance of the annual report. The Electors meeting time and date is also required to be advertised for 14 days.

It is proposed that the Electors meeting be held on the 8 February commencing at 5:30pm in Council Chambers.

Public Notice of the Annual Electors Meeting and availability of the Annual Report will be displayed on public notice boards, Wylie Weekly and advertised on Council's Website. In addition, residents can request a copy to be mailed to them or view a copy at the Shire Office.

#### STATUTORY ENVIRONMENT

*Local Government Act 1995 section 5.54(1)*

#### POLICY IMPLICATIONS

There are no direct policy implications in relation to this item.

#### FINANCIAL IMPLICATIONS

Advertising, printing and posting costs included in the 2023/2024 budget.

#### COMMUNITY & STRATEGIC OBJECTIVES

This matter promotes the following Strategic Community Plan goal.

## GOAL 10

Outcome No.	Outcome
Transparent, accountable and effective governance	<ul style="list-style-type: none"><li>• Ensuring a well-informed Council makes good decisions for the community</li><li>• Ensuring sound financial management and plans for the Shire's long-term financial sustainability</li><li>• High quality corporate governance, accountability and compliance</li></ul> Maintaining Integrated Strategic and Operational plans

### VOTING REQUIREMENT

Absolute Majority

### OFFICER'S RECOMMENDATION

*That Audit and Risk Management Committee;*

1. *Accepts the Annual Report and Financial Statements for the year ended 30 June 2023 year as provided for in attachment 12.1.2.*

*That the Audit and Risk Management Committee recommends that Council;*

1. *Accepts the Annual Report and Financial Statements for the year ended 30 June 2023 year.*
2. *Holds a General Meeting of Electors on the 8 February 2024 commencing at 5:30pm in the Shire of Wyalkatchem Council Chambers.*

### 12.1.3. ADJOURNMENT OF COMMITTEE MEETING

#### VOTING REQUIREMENT

Simple Majority

#### COMMITTEE RECOMMENDATION

*That the Audit and Risk Management Committee adjourns the meeting to enable the preparation of the Minutes for confirmation.*

### 12.1.4. RESUMATION OF COMMITTEE MEETING

#### VOTING REQUIREMENT

Simple Majority

#### COMMITTEE RECOMMENDATION

*That the Audit and Risk Management Committee resumes the meeting to enable the confirmation of the Minutes.*

### 12.1.5. AUDIT AND RISK MANAGEMENT COMMITTEE MEETING – 21 DECEMBER 2023

Minutes of the Shire of Wyalkatchem's Audit and Risk Management Committee Meeting held on Thursday 21 December 2023 (Attachment 12.1.5 to be provided)

#### OFFICERS RECOMMENDATION

*That the minutes of the Wyalkatchem Audit and Risk Committee Meeting held on Thursday the 21<sup>st</sup> December 2023 (Attachment 12.1.5 to be provided) be confirmed as a true and correct record.*

**13. MATTERS ARISING FROM THE MINUTES**

**14. CLOSURE OF THE MEETING**



**Shire of Wyalkatchem Audit and Risk Committee (ARC)**  
**Special Meeting Minutes –**  
**Thursday 17 August 2023,**  
**commencing at 3:54pm in the Council Chambers,**  
**Honour Avenue, Wyalkatchem**

*Regulation 16 of the Local Government (Audit) Regulations 1996 states that:*

*“An audit committee —*

- a)** is to provide guidance and assistance to the local government —
  - i.** as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and*
  - ii.** as to the development of a process to be used to select and appoint a person to be an auditor; and**
  
- b)** may provide guidance and assistance to the local government as to —
  - i.** matters to be audited; and*
  - ii.** the scope of audits; and*
  - iii.** its functions under Part 6 of the Act; and*
  - iv.** the carrying out of its functions relating to other audits and other matters related to financial management; and**
  
- c)** is to review a report given to it by the CEO under regulation 17(3) (the CEO’s report) and is to —
  - i.** report to the council the results of that review; and*
  - ii.** give a copy of the CEO’s report to the council.”**



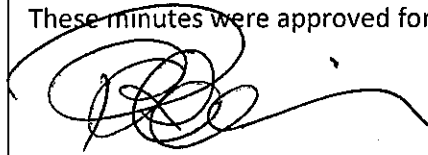
**Preface**

When the Chief Executive Officer approved these Minutes for distribution they are in essence "Unconfirmed" until the following Audit and Risk Management Meeting where the minutes will be confirmed subject to any amendments.

The "Confirmed" Minutes are then signed off by the Presiding Member

**Unconfirmed Minutes**

These minutes were approved for distribution on 18 August 2023.



Peter Klein  
**Acting Chief Executive Officer**  
**Shire of Wyalkatchem**

**Disclaimer**

*No responsibility whatsoever is implied or accepted by the Shire of Wyalkatchem for any act, omission or statement or intimation occurring during this meeting. It is strongly advised that persons do not act on what is heard at this meeting and should only rely on written confirmation of Council's decisions, which will be provided within ten days of this meeting*

TABLE OF CONTENTS

<b>1. DECLARATION OF OPENING.....</b>	<b>4</b>
<b>2. PUBLIC QUESTION TIME .....</b>	<b>4</b>
<b>3. ATTENDANCE /APOLOGIES/LEAVE OF ABSENCE .....</b>	<b>4</b>
<b>4. PETITIONS, DEPUTATIONS, PRESENTATIONS .....</b>	<b>4</b>
<b>5. DECLARATIONS OF INTEREST .....</b>	<b>4</b>
<b>6. CONFIRMATION AND RECEIPT OF MINUTES .....</b>	<b>4</b>
6.1.    AUDIT AND RISK COMMITTEE MEETING – 20 July 2023 .....	4
<b>7. MATTERS ARISING FROM THE MINUTES .....</b>	<b>5</b>
<b>8. ANNOUNCEMENT BY THE PRESIDING PERSON WITHOUT DISCUSSION.....</b>	<b>5</b>
<b>9. MATTERS FOR WHICH THE MEETING MAY BE CLOSED.....</b>	<b>5</b>
<b>10. MATTERS REQUIRING A COMMITTEE DECISION .....</b>	<b>6</b>
10.1.    CORPORATE SERVICES REPORTS .....	6
10.1.1.    DRAFT FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023 .....	6
10.2.    RISK MANAGEMENT .....	7
<b>11. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN.....</b>	<b>7</b>
<b>12. QUESTIONS BY MEMBER OF WHICH DUE NOTICE HAS BEEN GIVEN .....</b>	<b>7</b>
<b>13. URGENT BUSINESS APPROVED BY THE PRESON PRESIDING OR BY DECISION.....</b>	<b>7</b>
<b>14. MATTERS BEHIND CLOSED DOORS.....</b>	<b>7</b>
<b>15. CLOSURE OF THE MEETING.....</b>	<b>7</b>

## 1. DECLARATION OF OPENING

Cr Holdsworth, Acting Chairperson, declared the meeting open at 3:52pm

## 2. PUBLIC QUESTION TIME

Public question time opened at 3:52pm

There weren't any members of the public.

Public question time closed at 3:52pm

## 3. ATTENDANCE /APOLOGIES/LEAVE OF ABSENCE

Members:	Cr. Quentin Davies Cr. Garner	Shire President Chairperson and Deputy President, <i>arrived at 4:03pm</i>
	Cr. Mischa Stratford Cr. Christopher Loton Cr. Emma Holdsworth Cr. Stephen Gamble	Deputy Chair and Acting Chair <i>arrived at 4:03pm</i>
Staff:	Peter Klein Stephanie Elvidge	Chief Executive Officer Governance Executive Officer
Apologies:	Nil	
Visitors:	Nil	

Leave of Absence: Cr. Christy Petchell

## 4. PETITIONS, DEPUTATIONS, PRESENTATIONS

Nil

## 5. DECLARATIONS OF INTEREST

Nil

## 6. CONFIRMATION AND RECEIPT OF MINUTES

### 6.1. AUDIT AND RISK COMMITTEE MEETING – 20 July 2023

Minutes of the Shire of Wyalkatchem's Audit and Risk Committee Meeting held on the 20 July 2023 (Attachment 6.1)

#### RECOMMENDATION / COMMITTEE RESOLUTION

*(02/2022) Moved: Cr Stratford*

*Seconded: Cr Davies*

*That the minutes of the Wyalkatchem Audit and Risk Committee Meeting held on the 20 July 2023 (Attachment 6.1) be confirmed as a true and correct record.*

**CARRIED 4/0**

**7. MATTERS ARISING FROM THE MINUTES**

Nil

**8. ANNOUNCEMENT BY THE PRESIDING PERSON WITHOUT DISCUSSION**

Nil

**9. MATTERS FOR WHICH THE MEETING MAY BE CLOSED**

Nil

## 10. MATTERS REQUIRING A COMMITTEE DECISION

### 10.1. CORPORATE SERVICES REPORTS

#### 10.1.1. DRAFT FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

Applicant:	Shire of Wyalkatchem
Location:	Shire of Wyalkatchem
Date:	16 August 2023
Reporting Officer:	Claire Trenorden, Manager Corporate Services
Disclosure of Interest:	No interests to disclose
File Number:	12.10.01
Attachment Reference:	Attachment 10.1.1 – Draft Financial Report for the year ended 30 June 2023

#### SUMMARY

Council is required to note the draft Financial Report prior to the report being provided to the Auditors.

#### BACKGROUND

As per Section 5.53(1) of the *Local Government Act 1995* the Local Government is required to prepare an Annual Report for each financial year and as per section 5.53(2)(f). This is to contain the Financial Report for the financial year.

The draft Financial Report is required to be sent to the Auditors, who have been appointed by the Office of the Auditor General, at least two weeks prior to the date of the Annual Audit. The Office of the Auditor General have requested that the Audit Committee note the draft Financial Report prior to it being provided to the Auditors.

#### COMMENT

The Shire's annual audit for year ended 30 June 2023 is scheduled for the 4-5 September 2023. The Office of the Auditor General have requested that the Audit Committee note the draft Financial Report prior to it being provided to the Auditors.

It is noted that the Shire is yet to receive its infrastructure revaluations for year ended 30 June 2023, so these haven't been incorporated into the report. It is expected that the revaluation report will be received around the end of August 2023.

#### STATUTORY ENVIRONMENT

*Local Government Act 1995*, s.5.53 to 5.56; *Local Government (Financial Management) Regulations 1996*, s.36; Australian Accounting Standards.

#### POLICY IMPLICATIONS

There are no direct policy implications in relation to this item.

#### FINANCIAL IMPLICATIONS

There are no direct financial implications in relation to this item.

#### COMMUNITY & STRATEGIC OBJECTIVES

This matter promotes the following Strategic Community Plan goal.

## GOAL 10

Outcome No.	Outcome
Transparent, accountable and effective governance	<ul style="list-style-type: none"><li>• Ensuring a well-informed Council makes good decisions for the community</li><li>• Ensuring sound financial management and plans for the Shire's long-term financial sustainability</li><li>• High quality corporate governance, accountability and compliance</li></ul> Maintaining Integrated Strategic and Operational plans

## VOTING REQUIREMENT

Simple Majority

## RECOMMENDATION / COMMITTEE RESOLUTION

*(03/2022) Moved: Cr Stratford*

*Seconded: Cr Loton*

*That the Audit and Risk Management Committee:*

- 1. Notes the draft Financial Report for year ended 30 June 2023;*
- 2. Notes that the CEO will issue the report to the auditor (Macri Partners) stating:*
  - a) he is satisfied that the draft report has been through appropriate internal due diligence and*
  - b) he is satisfied the draft report has been prepared with all due care.*

**CARRIED 4/0**

## 10.2. RISK MANAGEMENT

Nil

## 11. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

## 12. QUESTIONS BY MEMBER OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil

## 13. URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY DECISION

Nil

## 14. MATTERS BEHIND CLOSED DOORS

Nil

## 15. CLOSURE OF THE MEETING

There being nothing further to discuss, the meeting closed at 4:03pm.





**SHIRE OF WYALKATCHEM**

**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2023**

**FINDINGS IDENTIFIED DURING THE INTERIM AUDIT**

INDEX OF FINDINGS	Potential impact on audit opinion	RATING			Prior year finding
		Significant	Moderate	Minor	
1. Outdated policies	No		✓		
2. Corporate Credit Card expenditure	No		✓		
3. Quotations	No		✓		
4. Asset Register for portable and attractive assets less than \$5,000	No		✓		
5. Lack of segregation of duties	No	✓			✓
6. Purchase orders dated after invoice dates	No		✓		✓
7. Employee termination payments	No		✓		✓
8. Review of Masterfile amendments	No	✓			✓
9. No reconciliations for accounts receivable, payable and investment accounts	No		✓		✓
10. Annual Financial Report	No		✓		✓

**KEY TO RATINGS**

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

- Significant** - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However, even if the issue is not likely to impact the audit report, it should be addressed promptly.
- Moderate** - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
- Minor** - Those findings that are not of primary concern but still warrant action being taken.

**SHIRE OF WYALKATCHEM**

**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2023**

**FINDINGS IDENTIFIED DURING THE INTERIM AUDIT**

**1. Outdated policies**

**Finding**

We noted that the Shire's credit card (transaction card), Information Technology and Investment Policies have not been reviewed and updated since 18 April 2019.

**Rating: Moderate**

**Implication**

Lack of up-to-date policies may cause difficulties to the management to make decisions that are in the best interest of the Shire.

**Recommendation**

The Shire should review its policies periodically and update them where necessary in order to ensure that management decisions are based on the best interests of the Shire.

**Management Comment**

*Policies will be reviewed and updated as necessary on at least an annual basis.*

**Responsible Person:** Manager Corporate Services

**Completion Date:** August 2023



**SHIRE OF WYALKATCHEM**

**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2023**

**FINDINGS IDENTIFIED DURING THE INTERIM AUDIT**

**2. Corporate Credit Card expenditure**

**Finding**

We noted that CEO's credit card expenditure has not been independently reviewed and approved.

**Rating: Moderate**

**Implication**

Without an independent review of the credit card statements and related credit card transactions, there is an increased risk of monetary loss to the Shire when inappropriate or fraudulent use of credit cards are not detected and addressed early.

**Recommendation**

The CEO's credit card statements and related credit card transactions should independently be reviewed and approved by Shire's President or any other council member in his/her absence. The Shire's Credit Card Policy should be updated to incorporate this requirement.

**Management Comment**

*The CEO's credit card expenditure will be reviewed and signed off monthly by the Shire President or another council member in his/her absence.*

**Responsible Person:** Manager Corporate Services

**Completion Date:** July 2023

**SHIRE OF WYALKATCHEM**

**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2023**

**FINDINGS IDENTIFIED DURING THE INTERIM AUDIT**

**3. Quotations**

**Finding**

During the year, the Shire has awarded a contract to a private company for \$149,585 (excluding GST) for drainage work. However, there was no evidence that the Shire had obtained 3 written quotations and evaluated them as required by the Shire's Purchasing Policy prior to entering into a contract with the company.

**Rating: Moderate**

**Implication**

Non-compliance with the Purchasing Policy increase the risk for the Shire not achieving value for money.

**Recommendation**

Management should ensure that it complies with the requirements of its purchasing policy before procuring goods/services.

**Management Comment**

*All staff must comply with the purchasing policy and obtain the relevant number of quotations prior to entering into a contract and work commencing.*

**Responsible Person:** All staff

**Completion Date:** Ongoing

**SHIRE OF WYALKATCHEM**

**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2023**

**FINDINGS IDENTIFIED DURING THE INTERIM AUDIT**

**4. Assets Register for portable and attractive assets less than \$5,000**

**Finding**

The Shire was unable to provide evidence of a Register for portable and attractive assets costing less than \$5,000. Such assets mainly include computer and office equipment.

The *Regulation 17 (B) (b)* of the *Local Government (Financial Management) Regulations 1996* requires local government entities to maintain an Asset Register to record such assets.

**Rating: Moderate**

**Implication**

Lack of an Assets Register may cause difficulties to the management to have adequate control over portable and attractive assets. Also, such practice is non-compliant with *Regulation 17(B) (b)* of the *Local Government (Financial Management) Regulations 1996*. Also

**Recommendation**

Management should create and maintain an Assets Register in respect of portable and attractive assets of less than \$5,000 as required by the Regulation.

**Management Comment**

*A full audit will be undertaken of portable and attractive assets valued at under \$5,000 at all locations and a register will be created. This will be maintained ongoing and will be audited as required.*

**Responsible Person:** Manager Corporate Services/Manager Works

**Completion Date:** December 2023

**SHIRE OF WYALKATCHEM**

**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2023**

**FINDINGS IDENTIFIED DURING THE INTERIM AUDIT**

**5. Lack of segregation of duties**

**Finding**

We noted 3 (2022: 3) out of 25 purchase transactions, where the same staff issued and approved the purchase orders and authorised related supplier invoices. In addition, there was no evidence on the invoices indicating who received the good/services.

This finding was initially raised in financial year 2020-21. Management is still in the process of resolving this issue.

**Rating: Significant  
Implication**

Lack of segregation of duties increases the risk of unauthorised purchases occurring without detection, resulting in financial loss to the Shire.

**Recommendation**

Management should review these 3 transactions and other similar transactions to ensure their validity. Also management should implement appropriate segregation of duties, particularly between authorisation of purchase order and approving relevant supplier invoices.

**Management Comment**

*Transactions were reviewed and confirmed to be valid. Appropriate segregation of duties has been implemented to ensure the same officer can not order, receive and authorise for payment any one purchase.*

**Responsible Person:** Manager Corporate Services

**Completion Date:** Ongoing

**SHIRE OF WYALKATCHEM**

**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2023**

**FINDINGS IDENTIFIED DURING THE INTERIM AUDIT**

**6. Purchase orders dated after invoice dates**

**Finding**

During our sample testing of payments made throughout the year, we identified 4 instances (2022: 6 instances), out of our samples of 25, where the authorised purchase orders were dated after the dates of the corresponding supplier invoices.

This finding was initially raised in financial year 2020-21. Management is still in the process of resolving this issue.

**Rating: Moderate**

**Implication**

There is no evidence that the ordering of goods was approved prior to ordering.

**Recommendation**

Purchase orders should be approved for all applicable items prior to ordering.

**Management Comment**

*The Shire will reiterate to staff adherence to minimise the matter of purchase orders being raised after the invoice date.*

**Responsible Person:** Chief Executive Officer

**Completion Date:** July 2023

**SHIRE OF WYALKATCHEM**  
**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2023**  
**FINDINGS IDENTIFIED DURING THE INTERIM AUDIT**

**7. Employee termination payments**

**Finding**

We noted that termination calculation payments are not reviewed by an officer independent of the preparer.

This finding was initially raised in financial year 2020-21. Management is still in the process of resolving this issue.

**Rating: Moderate**

**Implication**

Termination payouts can be high value, and if calculations are not reviewed, incorrect payouts could pass undetected.

**Recommendation**

We recommend the calculations for all termination payments are independently reviewed and evidence of this review is retained.

**Management Comment**

*All termination payouts are being completed by the Manager Corporate Services and will be reviewed by the Chief Executive Officer prior to payment being made.*

**Responsible Person:** Manager Corporate Services

**Completion Date:** Complete

**SHIRE OF WYALKATCHEM**

**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2023**

**FINDINGS IDENTIFIED DURING THE INTERIM AUDIT**

**8. Review of Masterfile amendments**

**Finding Status in 2023**

We noted that there was no evidence retained to demonstrate supplier and payroll Masterfiles being reviewed. We however acknowledge that our testing to validate supplier's information in the system did not identify any discrepancies.

This finding was initially raised in financial year 2021-22. Management is still in the process of resolving this issue.

**Rating: Significant**

**Implication**

There is an increased risk that unauthorised changes may be made resulting in errors or funds being inappropriately transferred.

**Recommendation**

Changes to supplier Masterfile should be independently reviewed.

**Management Comment**

*All Masterfile amendments have been reviewed by the Manager Corporate Services but the evidence of this has not been captured. In future each audit trail report (which are run at the time of every payment being made) will be signed by the Manager Corporate Services to evidence the review.*

**Responsible Person:** Manager Corporate Services

**Completion Date:** Complete

**SHIRE OF WYALKATCHEM**

**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2023**

**FINDINGS IDENTIFIED DURING THE INTERIM AUDIT**

**9. No reconciliations for accounts receivable and payable accounts**

**Finding**

We noted that that monthly reconciliations for accounts receivable and payable had not been prepared from August to December 2022.

This finding was initially raised in financial year 2021-22. Management is still in the process of resolving this issue.

**Rating: Moderate**

**Implication**

Reconciliations are a key control for ensuring financial data is completely and accurately reflected in the general ledger from which financial statements are derived. Lack of key accounts' reconciliation increases the risk of errors, omissions or fraud remaining undetected. In turn, this could lead to misstatements in financial reporting.

**Recommendation**

The accounts receivable, payable balances and investment balances should be reconciled in a timely manner and be independently reviewed.

**Management Comment**

*These have been completed from January 2023 onwards and will continue to be completed in future. A checklist for end of month processes will be introduced to ensure that all relevant reconciliations have been completed prior to the Monthly Financial Report being completed.*

**Responsible Person:** Manager Corporate Services

**Completion Date:** July 2023



**SHIRE OF WYALKATCHEM**

**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2023**

**FINDINGS IDENTIFIED DURING THE INTERIM AUDIT**

**10. Submission of the Annual Financial Report**

**Finding**

We noted that the Shire had not submitted a copy of the Annual Financial Report to the Department of Local Government, Sport and Cultural Industries within 30 days of the receipt of the Auditor's Report on the Financial Report as required by Regulation 51 (2) of the Local Government (Financial Management) Regulations 1966.

This finding was initially raised in financial year 2021-22. Management is still in the process of resolving this issue.

**Rating: Moderate**

**Implication**

Non-compliance with Regulation 51(2) of the Local Government (Financial Management) Regulations 1966.

**Recommendation**

Management should submit a copy of the Annual Financial Report for the year ended 30 June 2022 at the earliest and should adhere to the timeline specified by the Regulation with regard to submitting the Annual Financial Report to the Department in future.

**Management Comment**

*In future the Annual Financial Report will be submitted to the Department of Local Government, Sport and Cultural Industries within 30 days of receipt of the Auditor's report as required.*

**Responsible Person:** Manager Corporate Services

**Completion Date:** Ongoing





## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2023 Shire of Wyalkatchem

To the Council of the Shire of Wyalkatchem

#### Opinion

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

- the Statement of Financial Position as at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Statement of Financial Activity for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2023 and its financial position at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

#### Basis for opinion

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

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

#### Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2023, but not the financial report and my auditor's report.

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

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

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

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

The Chief Executive Officer (CEO) of the Shire is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

This auditor's report relates to the financial report of the Shire of Wyalkatchem for the year ended 30 June 2023 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.

Patrick Arulsingham  
Senior Director Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
30 November 2023





Report on Significant Matters  
for the financial year ended  
30 June 2023

Report per Section 7.12A(4)(a) of the Local Government Act 1995

The Audit of the Shire of Wyalkatchem for the Financial Year ending 30 June 2023 resulted in the findings of 2 significant matters outstanding from the prior year's audit.

**Outstanding from previous year Finding 1 Lack of segregation of duties**

Status in 2023

We noted 3 out of 25 purchase transactions, where the same staff issued and approved the purchase orders and authorized related supplier invoices. In addition, there was no evidence on the invoices indicating who received the goods/services,

Status in 2022

We noted 3 out of 30 purchase transactions, where the same staff issued and approved the purchase orders and authorised related supplier invoices.

Finding in 2021

We noted 18 out of 38 purchase transactions, where the same staff issued and approved the purchase orders and authorised related supplier invoices. In addition, there were no evidence on the invoices indicating who received the goods/services.

Lack of segregation of duties increases the risk of unauthorised purchases occurring without detection, resulting in financial loss to the Shire.

Management should review these 3 transactions and other similar transactions to ensure their validity. Also, management should implement appropriate segregation of duties, particularly between authorisation of purchase order and approving relevant supplier invoices.

**Management Comment**

Transactions were reviewed and confirmed to be valid. Appropriate segregation has been implemented to ensure the same officer can not order, receive and authorise for payment any one purchase.

**Responsible Persons:** Manager Corporate Services/CEO/Works Manager

**Completion Date:** In progress

**Finding 2 Changes to supplier Master Files**

Status in 2023

We noted that there was no evidence retained to demonstrate supplier and payroll

Masterfiles being reviewed. We however acknowledge that our testing to validate supplier's information in the system did not identify any discrepancies.

#### Status in 2022

From December 2021, there is no evidence retained to demonstrate whether changes to payroll and supplier details, including bank account details, are being authorised by an officer other than the person making the amendment.

We however acknowledge that our testing to validate suppliers' information in the system did not identify any discrepancies.

There is an increased risk that unauthorised changes may be made resulting in errors or funds being inappropriately transferred and recommend that changes to the supplier master file should be independently reviewed.

#### **Management Comment**

All Supplier and Employee Masterfile amendments have been reviewed by the Manager Corporate Services but the evidence of this has not been captured. In future each audit trail report (which are run at the time of every payment being made) will be signed by the Manager Corporate Services to evidence the review.

**Responsible Persons:** Manager Corporate Services

**Completion Date:** July 2023 - Completed





**SHIRE OF WYALKATCHEM**  
**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	38

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

*In 2024 Wyalkatchem will be sustainable with growth in population, supporting businesses, services and infrastructure: residents will be healthy, safe and caring, surrounded by welcoming public places and a valued natural and built environment.*

Principal place of business:  
27 Flint Street  
Wyalkatchem WA 6485



**SHIRE OF WYALKATCHEM  
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 Wyalkatchem 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

30<sup>th</sup> day of NOVEMBER, 2023



Chief Executive Officer

Peter Klein

Name of Chief Executive Officer





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

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
<b>Revenue</b>				
Rates	2(a),23	1,409,058	1,403,239	1,348,125
Grants, subsidies and contributions	2(a)	2,954,981	701,555	2,550,270
Fees and charges	2(a)	270,788	225,234	245,975
Interest revenue	2(a)	161,732	14,450	13,823
Other revenue	2(a)	77	1,550	4,075
		<b>4,796,636</b>	<b>2,346,028</b>	<b>4,162,268</b>
<b>Expenses</b>				
Employee costs	2(b)	(1,419,223)	(1,588,104)	(1,279,564)
Materials and contracts		(1,394,934)	(1,180,264)	(1,471,651)
Utility charges		(175,131)	(182,962)	(172,262)
Depreciation	9(a)	(1,350,202)	(1,480,574)	(1,474,840)
Finance costs	2(b)	(4,341)	(10,894)	(9,153)
Insurance		(155,323)	(170,786)	(153,432)
Other expenditure	2(b)	(50,103)	(51,047)	(42,309)
		<b>(4,549,257)</b>	<b>(4,664,631)</b>	<b>(4,603,211)</b>
		<b>247,379</b>	<b>(2,318,603)</b>	<b>(440,943)</b>
Capital grants, subsidies and contributions	2(a)	1,253,719	1,964,480	1,156,156
Profit on asset disposals		0	136,670	49,505
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	2,764	0	2,998
		<b>1,256,483</b>	<b>2,101,150</b>	<b>1,208,659</b>
<b>Net result for the period</b>		<b>1,503,862</b>	<b>(217,453)</b>	<b>767,716</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	15	4,308,287	0	0
<b>Total other comprehensive income for the period</b>		<b>4,308,287</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>5,812,149</b>	<b>(217,453)</b>	<b>767,716</b>

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



**SHIRE OF WYALKATCHEM  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2023**

	NOTE	2023 \$	2022 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	2,581,554	2,704,077
Trade and other receivables	5	339,845	316,549
Other financial assets	4(a)	3,230,306	2,958,155
Inventories	6	5,168	1,375
<b>TOTAL CURRENT ASSETS</b>		<b>6,156,873</b>	<b>5,980,156</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	29,739	24,632
Other financial assets	4(b)	61,117	58,353
Property, plant and equipment	7	13,446,168	13,628,012
Infrastructure	8	56,079,907	51,067,594
Right-of-use assets	10(a)	0	1,701
<b>TOTAL NON-CURRENT ASSETS</b>		<b>69,616,931</b>	<b>64,780,292</b>
<b>TOTAL ASSETS</b>		<b>75,773,804</b>	<b>70,760,448</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	419,875	1,081,911
Other liabilities	12	236,238	358,178
Lease liabilities	10(b)	0	1,723
Borrowings	13	53,126	50,192
Employee related provisions	14	88,414	64,992
<b>TOTAL CURRENT LIABILITIES</b>		<b>797,653</b>	<b>1,556,996</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13	0	53,126
Employee related provisions	14	40,032	26,356
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>40,032</b>	<b>79,482</b>
<b>TOTAL LIABILITIES</b>		<b>837,685</b>	<b>1,636,478</b>
<b>NET ASSETS</b>		<b>74,936,119</b>	<b>69,123,970</b>
<b>EQUITY</b>			
Retained surplus		26,351,143	25,119,432
Reserve accounts	26	3,230,306	2,958,155
Revaluation surplus	15	45,354,670	41,046,383
<b>TOTAL EQUITY</b>		<b>74,936,119</b>	<b>69,123,970</b>

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



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

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2021</b>		<b>24,751,838</b>	<b>2,558,033</b>	<b>41,046,383</b>	<b>68,356,254</b>
Comprehensive income for the period					
Net result for the period		767,716	0	0	767,716
Total comprehensive income for the period		767,716	0	0	767,716
Transfers from reserve accounts	26	273,800	(273,800)	0	0
Transfers to reserve accounts	26	(673,922)	673,922	0	0
<b>Balance as at 30 June 2022</b>		<b>25,119,432</b>	<b>2,958,155</b>	<b>41,046,383</b>	<b>69,123,970</b>
Comprehensive income for the period					
Net result for the period		1,503,862	0	0	1,503,862
Other comprehensive income for the period	15	0	0	4,308,287	4,308,287
Total comprehensive income for the period		1,503,862	0	4,308,287	5,812,149
Transfers from reserve accounts	26	22,500	(22,500)	0	0
Transfers to reserve accounts	26	(294,651)	294,651	0	0
<b>Balance as at 30 June 2023</b>		<b>26,351,143</b>	<b>3,230,306</b>	<b>45,354,670</b>	<b>74,936,119</b>

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





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

NOTE	2023 Actual \$	2022 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Receipts</b>		
Rates	1,400,394	1,344,386
Grants, subsidies and contributions	2,874,148	2,383,441
Fees and charges	270,788	277,125
Interest revenue	139,642	13,823
Goods and services tax received	66,182	115,776
Other revenue	77	5,253
	4,751,231	4,139,804
<b>Payments</b>		
Employee costs	(1,114,916)	(1,046,691)
Materials and contracts	(2,093,643)	(674,650)
Utility charges	(175,131)	(172,262)
Finance costs	(5,252)	(8,056)
Insurance paid	(155,323)	(153,432)
Goods and services tax paid	(216,416)	(426,889)
Other expenditure	(50,103)	(21,538)
	(3,810,784)	(2,503,518)
<b>Net cash provided by (used in) operating activities</b>	940,447	1,636,286
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for financial assets at amortised cost	0	(2,958,155)
Payments for purchase of property, plant & equipment	7(a) (345,289)	(542,750)
Payments for construction of infrastructure	8(a) (1,525,394)	(1,608,220)
Capital grants, subsidies and contributions	1,131,779	1,316,761
Proceeds for financial assets at amortised cost	(272,151)	0
Proceeds from sale of property, plant & equipment	0	139,546
<b>Net cash provided by (used in) investing activities</b>	(1,011,055)	(3,652,818)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	25(a) (50,192)	(47,440)
Payments for principal portion of lease liabilities	25(b) (1,723)	(3,412)
<b>Net cash provided by (used in) financing activities</b>	(51,915)	(50,852)
<b>Net increase (decrease) in cash held</b>	(122,523)	(2,067,384)
Cash at beginning of year	2,704,077	4,771,461
<b>Cash and cash equivalents at the end of the year</b>	2,581,554	2,704,077

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



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

NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$	
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities</b>				
General rates net of Ex-gratia Rates	23	1,398,670	1,394,462	1,339,701
Ex-gratia Rates	23	10,388	8,777	8,424
Grants, subsidies and contributions		2,954,981	701,555	2,550,270
Fees and charges		270,788	225,234	245,975
Interest revenue		161,732	14,450	13,823
Other revenue		77	1,550	4,075
Profit on asset disposals		0	136,670	49,505
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	2,764	0	2,998
		<b>4,799,400</b>	<b>2,482,698</b>	<b>4,214,771</b>
<b>Expenditure from operating activities</b>				
Employee costs		(1,419,223)	(1,588,104)	(1,279,564)
Materials and contracts		(1,394,934)	(1,180,264)	(1,471,651)
Utility charges		(175,131)	(182,962)	(172,262)
Depreciation		(1,350,202)	(1,480,574)	(1,474,840)
Finance costs		(4,341)	(10,894)	(9,153)
Insurance		(155,323)	(170,786)	(153,432)
Other expenditure		(50,103)	(51,047)	(42,309)
		<b>(4,549,257)</b>	<b>(4,664,631)</b>	<b>(4,603,211)</b>
Non-cash amounts excluded from operating activities	24(a)	1,356,007	1,343,904	1,402,493
<b>Amount attributable to operating activities</b>		<b>1,606,150</b>	<b>(838,029)</b>	<b>1,014,053</b>
<b>INVESTING ACTIVITIES</b>				
<b>Inflows from investing activities</b>				
Capital grants, subsidies and contributions		1,253,719	1,964,480	1,156,156
Proceeds from disposal of assets		0	176,500	139,546
		<b>1,253,719</b>	<b>2,140,980</b>	<b>1,295,702</b>
<b>Outflows from investing activities</b>				
Purchase of property, plant and equipment	7(a)	(345,289)	(925,355)	(542,750)
Purchase and construction of infrastructure	8(a)	(1,525,394)	(2,116,174)	(1,608,220)
		<b>(1,870,683)</b>	<b>(3,041,529)</b>	<b>(2,150,970)</b>
<b>Amount attributable to investing activities</b>		<b>(616,964)</b>	<b>(900,549)</b>	<b>(855,268)</b>
<b>FINANCING ACTIVITIES</b>				
<b>Inflows from financing activities</b>				
Proceeds from borrowings	25(a)	0	310,000	0
Transfers from reserve accounts	26	22,500	195,000	273,800
		<b>22,500</b>	<b>505,000</b>	<b>273,800</b>
<b>Outflows from financing activities</b>				
Repayment of borrowings	25(a)	(50,192)	(78,737)	(47,440)
Payments for principal portion of lease liabilities	25(b)	(1,723)	(1,722)	(3,412)
Transfers to reserve accounts	26	(294,651)	(206,000)	(673,922)
		<b>(346,566)</b>	<b>(286,459)</b>	<b>(724,774)</b>
<b>Amount attributable to financing activities</b>		<b>(324,066)</b>	<b>218,541</b>	<b>(450,974)</b>
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>				
<b>Surplus or deficit at the start of the financial year</b>		<b>1,516,920</b>	<b>1,520,037</b>	<b>1,809,109</b>
Amount attributable to operating activities		1,606,150	(838,029)	1,014,053
Amount attributable to investing activities		(616,964)	(900,549)	(855,268)
Amount attributable to financing activities		(324,066)	218,541	(450,974)
<b>Surplus or deficit after imposition of general rates</b>	24(b)	<b>2,182,040</b>	<b>0</b>	<b>1,516,920</b>

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



**SHIRE OF WYALKATCHEM  
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	Inventories	14
Note 7	Property, Plant and Equipment	15
Note 8	Infrastructure	17
Note 9	Fixed Assets	19
Note 10	Leases	21
Note 11	Trade and Other Payables	22
Note 12	Other Liabilities	23
Note 13	Borrowings	24
Note 14	Employee Related Provisions	25
Note 15	Revaluation Surplus	26
Note 16	Restrictions Over Financial Assets	27
Note 17	Undrawn Borrowing Facilities and Credit Standby Arrangements	27
Note 18	Contingent Liabilities	28
Note 19	Capital Commitments	28
Note 20	Related Party Transactions	29
Note 21	Events Occurring After the End of the Reporting Period	31
Note 22	Other Significant Accounting Policies	32
<b>Information required by legislation</b>		
Note 23	Rating Information	33
Note 24	Determination of Surplus or Deficit	34
Note 25	Borrowing and Lease Liabilities	35
Note 26	Reserve accounts	37





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

**1. BASIS OF PREPARATION**

The financial report of the Shire of Wyalkatchem 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.

**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 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.

**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 WYALKATCHEM  
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	1,409,058	0	1,409,058
Grants, subsidies and contributions	2,938,260	0	0	16,721	2,954,981
Fees and charges	270,788	0	0	0	270,788
Interest revenue	0	0	0	161,732	161,732
Other revenue	77	0	0	0	77
Capital grants, subsidies and contributions	0	1,253,719	0	0	1,253,719
<b>Total</b>	<b>3,209,125</b>	<b>1,253,719</b>	<b>1,409,058</b>	<b>178,453</b>	<b>6,050,355</b>

**For the year ended 30 June 2022**

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,348,125	0	1,348,125
Grants, subsidies and contributions	2,550,270	0	0	0	2,550,270
Fees and charges	245,975	0	0	0	245,975
Interest revenue	0	0	0	13,823	13,823
Other revenue	4,075	0	0	0	4,075
Capital grants, subsidies and contributions	0	1,156,156	0	0	1,156,156
<b>Total</b>	<b>2,800,320</b>	<b>1,156,156</b>	<b>1,348,125</b>	<b>13,823</b>	<b>5,318,424</b>



**SHIRE OF WYALKATCHEM  
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 \$
<b>Interest revenue</b>			
Interest on reserve account funds		116,740	4,671
Trade and other receivables overdue interest		44,992	8,578
Other interest revenue		0	574
		161,732	13,823
The 2023 original budget estimate in relation to: Trade and other receivables overdue interest was \$8,250.			
<b>Fees and charges relating to rates receivable</b>			
Charges on instalment plan		900	950
The 2023 original budget estimate in relation to: Charges on instalment plan was \$950.			
<b>(b) Expenses</b>			
<b>Auditors remuneration</b>			
- Audit of the Annual Financial Report		30,400	27,100
- Other services – grant acquittals		2,000	2,300
		32,400	29,400
<b>Employee Costs</b>			
Employee benefit costs		1,258,787	1,169,656
Other employee costs		160,436	109,908
		1,419,223	1,279,564
<b>Finance costs</b>			
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss		4,341	9,153
Sundry expenses		50,103	42,309

**SHIRE OF WYALKATCHEM  
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	2,581,554	2,704,077
<b>Total cash and cash equivalents</b>	<b>2,581,554</b>	<b>2,704,077</b>
Held as		
- Unrestricted cash and cash equivalents	2,345,316	2,704,077
- Restricted cash and cash equivalents	236,238	0
	<b>2,581,554</b>	<b>2,704,077</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

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

**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**

**(a) Current assets**

	2023 \$	2022 \$
Financial assets at amortised cost	3,230,306	2,958,155
	3,230,306	2,958,155
<b>Other financial assets at amortised cost</b>		
Term deposits	3,230,306	2,958,155
	3,230,306	2,958,155
Held as		
- Restricted other financial assets at amortised cost	3,230,306	2,958,155
	3,230,306	2,958,155

**(b) Non-current assets**

Financial assets at fair value through profit or loss	61,117	58,353
	61,117	58,353
<b>Financial assets at fair value through profit or loss</b>		
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

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 25(a) as self supporting loans. 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 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.

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

**5. TRADE AND OTHER RECEIVABLES**

Note	2023	2022
	\$	\$
<b>Current</b>		
Rates and statutory receivables	64,205	71,017
Trade receivables	229,123	148,290
Other receivables	47,700	0
GST receivable	13,395	125,927
Allowance for credit losses of other receivables	(36,668)	(28,685)
Accrued income	22,090	0
	339,845	316,549
<b>Non-current</b>		
Rates and statutory receivables	29,739	24,632

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

**6. INVENTORIES**

Note	2023	2022
<b>Current</b>	<b>\$</b>	<b>\$</b>
Fuel and materials	5,168	1,375
The following movements in inventories occurred during the year:		
<b>Balance at beginning of year</b>	<b>1,375</b>	<b>7,874</b>
Movement during the year	<u>3,793</u>	<u>(6,499)</u>
<b>Balance at end of year</b>	<b>5,168</b>	<b>1,375</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

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

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

**Land held for resale**

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

**Land held for resale (Continued)**

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

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

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

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

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 - non-specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$		\$	\$	\$
<b>Balance at 1 July 2021</b>	300,000	12,410,008	12,710,008	75	1,041,398	13,751,481
Additions	187,085	160,859	347,944	19,094	175,712	542,750
Disposals	0	0	0	0	(90,041)	(90,041)
Depreciation	0	(337,094)	(337,094)	(75)	(239,009)	(576,178)
<b>Balance at 30 June 2022</b>	<u>487,085</u>	<u>12,233,773</u>	<u>12,720,858</u>	<u>19,094</u>	<u>888,060</u>	<u>13,628,012</u>
<b>Comprises:</b>						
Gross balance amount at 30 June 2022	487,085	12,570,867	13,057,952	58,667	2,010,041	15,126,660
Accumulated depreciation at 30 June 2022	0	(337,094)	(337,094)	(39,573)	(1,121,981)	(1,498,648)
<b>Balance at 30 June 2022</b>	<u>487,085</u>	<u>12,233,773</u>	<u>12,720,858</u>	<u>19,094</u>	<u>888,060</u>	<u>13,628,012</u>
Additions	6,709	184,650	191,359	0	153,930	345,289
Depreciation	0	(340,312)	(340,312)	(3,819)	(183,002)	(527,133)
<b>Balance at 30 June 2023</b>	<u>493,794</u>	<u>12,078,111</u>	<u>12,571,905</u>	<u>15,275</u>	<u>858,988</u>	<u>13,446,168</u>
<b>Comprises:</b>						
Gross balance amount at 30 June 2023	493,794	12,755,517	13,249,311	58,667	2,163,970	15,471,948
Accumulated depreciation at 30 June 2023	0	(677,406)	(677,406)	(43,392)	(1,304,982)	(2,025,780)
<b>Balance at 30 June 2023</b>	<u>493,794</u>	<u>12,078,111</u>	<u>12,571,905</u>	<u>15,275</u>	<u>858,988</u>	<u>13,446,168</u>

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

**7. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
<b>Land and buildings</b>					
Land	2	Market approach using recent or estimated observable market data for similar properties	Independent Valuation	June 2021	Price per hectare/market borrowing rate
Buildings - non-specialised	2 & 3	Cost approach using current replacement cost (Net Revaluation method)	Independent Valuation	June 2021	Improvements to buildings using construction costs (Level 2) and current condition, residual values and remaining useful life assessments (Level 3) 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.

<b>(ii) Cost</b>					
<b>Furniture and equipment</b>	N/A	Cost	Not Applicable		N/A
<b>Plant and equipment</b>	N/A	Cost	Not Applicable		N/A

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

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 - drainage	Infrastructure - footpaths	Infrastructure - parks and ovals	Infrastructure - other	Infrastructure - airport	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	44,374,511	2,234,620	358,856	273,817	1,455,868	1,656,989	50,354,661
Additions	787,686	493,985			312,809	13,740	1,608,220
Depreciation	(525,028)	(47,368)	(16,312)	(48,414)	(146,611)	(111,554)	(895,287)
<b>Balance at 30 June 2022</b>	44,637,169	2,681,237	342,544	225,403	1,622,066	1,559,175	51,067,594
<b>Comprises:</b>							
Gross balance at 30 June 2022	46,642,175	2,870,709	407,791	418,300	2,217,656	2,004,502	54,561,133
Accumulated depreciation at 30 June 2022	(2,005,006)	(189,472)	(65,247)	(192,897)	(595,590)	(445,327)	(3,493,539)
<b>Balance at 30 June 2022</b>	44,637,169	2,681,237	342,544	225,403	1,622,066	1,559,175	51,067,594
Additions	1,213,414	56,550	0	211,886	43,544	0	1,525,394
Revaluation increments / (decrements) transferred to revaluation surplus	(914,470)	3,906,161	110,273	842,898	367,137	(3,712)	4,308,287
Depreciation	(540,782)	(57,414)	(16,312)	(48,414)	(46,617)	(111,829)	(821,368)
<b>Balance at 30 June 2023</b>	44,395,331	6,586,534	436,505	1,231,773	1,986,130	1,443,634	56,079,907
<b>Comprises:</b>							
Gross balance at 30 June 2023	69,104,051	12,161,198	813,066	2,009,091	5,155,988	2,193,877	91,437,271
Accumulated depreciation at 30 June 2023	(24,708,720)	(5,574,664)	(376,561)	(777,318)	(3,169,858)	(750,243)	(35,357,364)
<b>Balance at 30 June 2023</b>	44,395,331	6,586,534	436,505	1,231,773	1,986,130	1,443,634	56,079,907

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

8. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>(i) Fair Value</b>					
Infrastructure - roads	3	Cost approach using current replacement cost	Independent Valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - drainage	3	Cost approach using current replacement cost	Independent Valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - footpaths	3	Cost approach using current replacement cost	Independent Valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - parks and ovals	3	Cost approach using current replacement cost	Independent Valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - other	3	Cost approach using current replacement cost	Independent Valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - airport	3	Cost approach using current replacement cost	Independent Valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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



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

**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:

<b>Asset Class</b>	<b>Useful life</b>
Buildings - non-specialised	12 to 50 years
Furniture and equipment	2 to 5 years
Plant and equipment	3 to 16 years
Infrastructure - roads	15 to 50 years
Infrastructure - drainage	50 years
Infrastructure - footpaths	25 years
Infrastructure - parks and ovals	6 to 12 years
Infrastructure - other	15 to 50 years
Infrastructure - kerbing	30 years

	<b>Note</b>	<b>2023 Actual</b>	<b>2022 Actual</b>
Buildings - non specialised	7(a)	340,312	337,094
Furniture and equipment	7(a)	3,819	75
Plant and equipment	7(a)	183,002	239,009
Infrastructure - roads	8(a)	540,782	525,028
Infrastructure - drainage	8(a)	57,414	47,368
Infrastructure - foopaths	8(a)	16,312	16,312
Infrastructure - parks and ovals	8(a)	48,414	48,414
Infrastructure - other	8(a)	46,617	146,611
Infrastructure - airport	8(a)	111,829	111,554
Right of use assets - furniture & equipment	10(a)	1,701	3,375
		<u>1,350,202</u>	<u>1,474,840</u>

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

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, infrastructure and investment properties 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 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, investment properties and vested improvements to be shown at fair value.

**Revaluation (continued)**

For property, plant and equipment and infrastructure, increases in the carrying amount arising on revaluation of 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 and in Note 9(a).

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

10. LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Note	Right-of-use assets - furniture and equipment \$	Right-of-use assets Total \$
Balance at 1 July 2021		5,076	5,076
Depreciation		(3,375)	(3,375)
<b>Balance at 30 June 2022</b>		<b>1,701</b>	<b>1,701</b>
Gross balance amount at 30 June 2022		11,826	11,826
Accumulated depreciation at 30 June 2022		(10,125)	(10,125)
<b>Balance at 30 June 2022</b>		<b>1,701</b>	<b>1,701</b>
Depreciation		(1,701)	(1,701)
<b>Balance at 30 June 2023</b>		<b>0</b>	<b>0</b>
Gross balance amount at 30 June 2023		11,826	11,826
Accumulated depreciation at 30 June 2023		(11,826)	(11,826)

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

		2023 Actual \$	2022 Actual \$
Depreciation on right-of-use assets		(1,701)	(3,375)
Finance charge on lease liabilities	25(b)	(7)	(47)
<b>Total amount recognised in the statement of comprehensive income</b>		<b>(1,708)</b>	<b>(3,422)</b>
Total cash outflow from leases		(1,730)	(3,459)

(b) Lease Liabilities

Current	25(b)	0	1,723
---------	-------	---	-------

**Secured liabilities and assets pledged as security**

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Leases**

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 25(b).

**Right-of-use assets - measurement**

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

Refer to Note 9 under revaluation for details on the significant accounting policies applying to vested improvements.

**Right-of-use assets - depreciation**

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

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

**11. TRADE AND OTHER PAYABLES**

**Current**

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

	2023	2022
	\$	\$
	336,888	985,085
	14,671	33,023
	36,508	22,863
	21,940	31,142
	8,909	7,928
	959	1,870
	419,875	1,081,911

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

**Prepaid rates**

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

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

**12. OTHER LIABILITIES**

**Current**

Capital grant/contributions liabilities

**Reconciliation of changes in capital grant/contribution liabilities**

Opening balance

Additions

Revenue from capital grant/contributions held as a liability at the start of the period

**Expected satisfaction of capital grant/contribution liabilities**

Less than 1 year

	2023	2022
	\$	\$
Capital grant/contributions liabilities	236,238	358,178
Opening balance	358,178	218,089
Additions	59,573	358,178
Revenue from capital grant/contributions held as a liability at the start of the period	(181,513)	(218,089)
	236,238	358,178
Less than 1 year	236,238	358,178

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.



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

**13. BORROWINGS**

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Bank loans		53,126	0	53,126	50,192	53,126	103,318
<b>Total secured borrowings</b>	25(a)	53,126	0	53,126	50,192	53,126	103,318

**Secured liabilities and assets pledged as security**

Bank loans are secured by a floating charge over the assets of the Shire of Wyalkatchem.

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing costs**

The Shire has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

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

**Risk**

Details of individual borrowings required by regulations are provided at Note 25(a).

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

**14. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

**Current provisions**

**Employee benefit provisions**

Annual leave

Long service leave

**Total current employee related provisions**

**Non-current provisions**

**Employee benefit provisions**

Long service leave

**Total non-current employee related provisions**

**Total employee related provisions**

	<b>2023</b>	<b>2022</b>
	\$	\$
	88,414	48,976
	0	16,016
	<b>88,414</b>	<b>64,992</b>
	40,032	26,356
	<b>40,032</b>	<b>26,356</b>
	<b>128,446</b>	<b>91,348</b>

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

**15. REVALUATION SURPLUS**

	<b>2023 Opening Balance</b>	<b>Total Movement on Revaluation</b>	<b>2023 Closing Balance</b>	<b>2022 Opening Balance</b>	<b>2022 Closing Balance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Buildings - non-specialised	7,592,300	0	7,592,300	7,592,300	7,592,300
Furniture and equipment	1,825	0	1,825	1,825	1,825
Plant and equipment	77,020	0	77,020	77,020	77,020
Infrastructure - roads	29,108,543	(914,470)	28,194,073	29,108,543	29,108,543
Infrastructure - drainage	2,272,115	3,906,161	6,178,276	2,272,115	2,272,115
Infrastructure - footpaths	233,186	110,273	343,459	233,186	233,186
Infrastructure - parks and ovals	344,502	866,737	1,211,239	344,502	344,502
Infrastructure - other	1,416,892	339,586	1,756,478	1,416,892	1,416,892
	<b>41,046,383</b>	<b>4,308,287</b>	<b>45,354,670</b>	<b>41,046,383</b>	<b>41,046,383</b>



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

**16. 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	236,238	3,316,333
- Financial assets at amortised cost	4	3,230,306	
		3,466,544	3,316,333
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	26	3,230,306	2,958,155
Capital grant liabilities	12	236,238	358,178
<b>Total restricted financial assets</b>		3,466,544	3,316,333
<b>17. UNDRAWN BORROWING FACILITIES AND CREDIT STANDBY ARRANGEMENTS</b>			
Bank overdraft limit		250,000	250,000
Credit card limit		13,000	13,000
Credit card balance at balance date		(10,589)	(2,688)
<b>Total amount of credit unused</b>		252,411	260,312
<b>Loan facilities</b>			
Loan facilities - current		53,126	50,192
Loan facilities - non-current		0	53,126
<b>Total facilities in use at balance date</b>		53,126	103,318
<b>Unused loan facilities at balance date</b>		0	0

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

**18. CONTINGENT LIABILITIES**

The Shire operates a single landfill in Cemetery Road, Wyalkatchem, which receives all of the kerbside and general waste generated by the community. This site was registered with the Department of Environment Protection, Water and Rivers Commission on 10 June 2003. The closest property to the landfill is 2.5km away.

The landfill site covers a total area of 35ha and the current use space is about 8,000m<sup>2</sup> with approximately 50,000m<sup>2</sup> available for future expansion.

At the current rate of waste disposal the site has a remaining life of 25 years.

The Shire is currently drafting its landfill closure plan which, once complete, will inform the scale of the Council's rehabilitation liability and annual allocation to its Waste Management Reserve.

The Shire is currently unaware of the extent of contamination, if any, at the site.

The Waste Management Reserve (Note 26) currently has a balance of \$111,395 with a further \$207 budgeted to be transferred into this reserve in financial year 2024.

**19. CAPITAL COMMITMENTS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Contracted for:		
- capital expenditure projects	345,054	397,981
- plant & equipment purchases	193,463	18,709
	<b>538,517</b>	<b>416,690</b>
Payable:		
- not later than one year	538,517	416,690

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

**20. 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	6,303	6,303	6,090
President's meeting attendance fees	4,961	4,961	4,793
President's other expenses	1,291	1,429	0
President's annual allowance for ICT expenses	563	563	544
President's travel and accommodation expenses	776	286	
	<u>13,894</u>	<u>13,542</u>	<u>11,427</u>
Deputy President's annual allowance	1,576	1,576	1,523
Deputy President's meeting attendance fees	4,961	4,961	4,793
Deputy President's other expenses	1,491	1,429	0
Deputy President's annual allowance for ICT expenses	563	563	544
Deputy President's travel and accommodation expenses	399	286	
	<u>8,990</u>	<u>8,815</u>	<u>6,860</u>
All other council member's meeting attendance fees	24,805	24,805	19,172
All other council member's expenses	4,218	7,142	0
All other council member's annual allowance for ICT expenses	2,815	2,815	2,176
All other council member's travel and accommodation expenses	1,982	1,428	0
	<u>33,820</u>	<u>36,190</u>	<u>21,348</u>
20(b)	<u>56,704</u>	<u>58,547</u>	<u>39,635</u>

**(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	366,517	386,468
Post-employment benefits	42,081	42,716
Employee - other long-term benefits	5,975	3,648
Employee - termination benefits	0	8,574
Council member costs	56,704	39,635
20(a)	<u>471,277</u>	<u>481,041</u>

*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.

*Termination benefits*

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

*Council member costs*

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

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

**20. 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:

	<b>2023 Actual</b>	<b>2022 Actual</b>
	<b>\$</b>	<b>\$</b>
Purchase of goods and services	53,355	25,483

**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 20(a) and 20(b)

*ii. Other Related Parties*

During the previous year, a company controlled by a related party of a council member, was awarded a contract under the selective tender process on terms and conditions equivalent for those that prevail in arm's length transactions under the Shire's procurement process.

The contract involved roadworks in the Shire, and amounted to \$265,941 in the current year (\$369,871 in the prior year).

Short-term employee benefits related to an associate person of the CEO who was employed by the Shire under normal employment terms and conditions.

Outside of normal citizen type transactions with the Shire, there were no other related party transactions involving key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

*iii. Entities subject to significant influence by the Shire*

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

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

**21. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

There have been no material events after the reporting period which would affect the financial report of the Shire for the year ended 30th June 2023 or which would require a separate disclosure.

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

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

23. RATING INFORMATION

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
Wyalkatchem - Town	Gross rental valuation	0.11334	194	1,340,466	151,932	109	152,041	151,932	0	151,932	147,284
Rural	Unimproved valuation	0.01295	208	96,119,500	1,244,267	(647)	1,243,620	1,244,267	0	1,244,267	1,194,662
Mining	Unimproved valuation	0.01295	0	0	0	0	0	0	0	0	0
<b>Total general rates</b>			402	97,459,966	1,396,199	(538)	1,395,661	1,396,199	0	1,396,199	1,341,946
<b>Minimum Payment</b>											
<b>Minimum payment</b>											
Wyalkatchem - Town	Gross rental valuation	515	53	68,337	27,295	0	27,295	27,295	0	27,295	26,235
Rural	Unimproved valuation	573	18	419,000	10,314	0	10,314	10,314	0	10,314	9,900
Mining	Unimproved valuation	573	13	46,823	7,449	2,225	9,674	7,449	0	7,449	6,530
<b>Total minimum payments</b>			84	534,160	45,058	2,225	47,283	45,058	0	45,058	42,665
<b>Total general rates and minimum payments</b>			486	97,994,126	1,441,257	1,687	1,442,944	1,441,257	0	1,441,257	1,384,611
<b>Ex-gratia Rates</b>											
CBH					10,388	0	10,388	8,777	0	8,777	8,424
<b>Total amount raised from rates (excluding general rates)</b>			0	0	10,388	0	10,388	8,777	0	8,777	8,424
<b>Discounts</b>											
<b>Total Rates</b>							(44,274)			(46,795)	(44,910)
							1,409,058			1,403,239	1,348,125
Rate instalment interest							3,322			3,000	3,019
Rate overdue interest							3,779			5,000	5,773

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

**24. 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)
	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	0	(136,670)	(49,505)
Less: Fair value adjustments to financial assets at fair value through profit or loss	(2,764)		(2,998)
Add: Depreciation	9(a) 1,350,202	1,480,574	1,474,840
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	(5,107)	0	(5,910)
Employee benefit provisions	13,676	0	(13,934)
<b>Non-cash amounts excluded from operating activities</b>	<b>1,356,007</b>	<b>1,343,904</b>	<b>1,402,493</b>
<b>(b) Surplus or deficit after imposition of general rates</b>			
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.			
<b>Adjustments to net current assets</b>			
Less: Reserve accounts	26 (3,230,306)	(2,969,155)	(2,958,155)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	13 53,126	(1,287)	50,192
- Current portion of lease liabilities	10(b) 0	0	1,723
<b>Total adjustments to net current assets</b>	<b>(3,177,180)</b>	<b>(2,970,442)</b>	<b>(2,906,240)</b>
<b>Net current assets used in the Statement of Financial Activity</b>			
Total current assets	6,156,873	4,301,072	5,980,156
Less: Total current liabilities	(797,653)	(1,330,630)	(1,556,996)
Less: Total adjustments to net current assets	(3,177,180)	(2,970,442)	(2,906,240)
<b>Surplus or deficit after imposition of general rates</b>	<b>2,182,040</b>	<b>0</b>	<b>1,516,920</b>



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

25. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual						Budget				
		Principal at	New Loans	Principal	Principal at 30	New Loans	Principal	Principal at 1	New Loans	Principal	Principal at	
		1 July 2021	During 2021-22	Repayments	June 2022	During 2022-23	Repayments	30 June 2023	July 2022	During 2022-23	Repayments	30 June 2023
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
43 & 45 Wilson Street		81,319	0	(25,300)	56,019	0	(27,061)	28,958	56,631	0	(27,061)	29,570
CRC Building		69,439	0	(22,140)	47,299	0	(23,131)	24,168	46,005	0	(23,131)	22,874
8 wheel prime mover		0	0	0	0	0	0	0	0	310,000	(28,545)	281,455
<b>Total</b>		<b>150,758</b>	<b>0</b>	<b>(47,440)</b>	<b>103,318</b>	<b>0</b>	<b>(50,192)</b>	<b>53,126</b>	<b>102,636</b>	<b>310,000</b>	<b>(78,737)</b>	<b>333,899</b>
<b>Borrowing Finance Cost Payments</b>												
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				
43 & 45 Wilson Street		68	NAB	6.89%	23/02/2024	(2,750)	(3,403)	(6,528)				
CRC Building		73	WATC*	4.43%	02/04/2024	(1,584)	(1,842)	(2,578)				
8 wheel prime mover			WATC*	1.91%	N/A	0	(5,642)	0				
<b>Total Finance Cost Payments</b>						<b>(4,334)</b>	<b>(10,887)</b>	<b>(9,106)</b>				

\* WA Treasury Corporation

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

25. BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease Liabilities

Purpose	Note	Actual						Budget				
		Principal at 1 July 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	New Leases During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2022	New Leases During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023
Fuji Photocopier		5,135	0	(3,412)	1,723	0	(1,723)	0	1,722	0	(1,722)	0
<b>Total Lease Liabilities</b>	10(b)	5,135	0	(3,412)	1,723	0	(1,723)	0	1,722	0	(1,722)	0

Lease Finance Cost Payments

Purpose	Note	Lease 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	Lease Term
Fuji Photocopier		C5077C3721	Fuji Xerox	3.00%	Dec-22	\$ (7)	\$ (6)	\$ (47)	60 months
<b>Total Finance Cost Payments</b>						(7)	(6)	(47)	

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

26. RESERVE ACCOUNTS	2023	2023	2023	2023	2023	2023	2023	2023	2022	2022	2022	2022
	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance	Budget Opening Balance	Budget Transfer to	Budget Transfer (from)	Budget Closing Balance	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by council</b>												
(a) Leave reserve	20,000	640	0	20,640	20,000	41	0	20,041	0	20,000	0	20,000
(b) Building Reserve	321,275	10,280	0	331,555	321,275	651	0	321,926	300,659	20,616	0	321,275
(c) Waste Management Reserve	107,941	3,454	0	111,395	107,941	219	0	108,160	57,555	50,386	0	107,941
(d) Plant & Equipment Reserve	455,568	214,576	(22,500)	647,644	455,568	200,924	(195,000)	461,492	225,425	230,143	0	455,568
(e) Community Bus Reserve	83,165	2,661	0	85,826	83,165	169	0	83,334	82,611	554	0	83,165
(f) Government Joint Venture Housing Reserve	11	0	0	11	0	0	0	0	18,508	33	(18,530)	11
(g) Sport & Recreation Facilities Reserve	327,872	10,491	0	338,363	327,883	665	0	328,548	176,686	151,186	0	327,872
(h) Community Development Reserve	513,283	16,423	0	529,706	513,440	1,041	0	514,481	320,272	193,011	0	513,283
(i) Community Health Reserve	1,085,443	34,731	0	1,120,174	1,085,443	2,202	0	1,087,645	1,078,205	7,238	0	1,085,443
(j) Airport Development Reserve	43,440	1,390	0	44,830	43,440	88	0	43,528	43,150	290	0	43,440
(k) Depot Reserve	157	5	0	162	0	0	0	0	254,962	465	(255,270)	157
	2,958,155	294,651	(22,500)	3,230,306	2,958,155	206,000	(195,000)	2,969,155	2,558,033	673,922	(273,800)	2,958,155

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	Anticipated date of use	Purpose of the reserve account
<b>Restricted by council</b>		
(a) Leave reserve	Ongoing	To be used to fund annual and long service leave requirements
(b) Building Reserve	Ongoing	To be used for the continual upgrade and maintenance of council's buildings within the Shire of Wyalkatchem
(c) Waste Management Reserve	Ongoing	To be used for the continual upgrade and expansion of the Wyalkatchem Waste Disposal Site
(d) Plant & Equipment Reserve	Ongoing	To be used for the continual purchase of Major Plant items
(e) Community Bus Reserve	Ongoing	To be used to fund the continual purchase of a community bus
(f) Government Joint Venture Housing Reserve	Ongoing	To be used for the long term maintenance and upgrades of the joint venture housing
(g) Sport & Recreation Facilities Reserve	Ongoing	To be used for the continual upgrade and/or maintenance of various Sport & Recreation facilities in Wyalkatchem
(h) Community Development Reserve	Ongoing	To be used for the continual upgrade and/or development of various community facilities in Wyalkatchem
(i) Community Health Reserve	Ongoing	To be used for the continual upgrade of medical facilities and funding of health services within the Shire of Wyalkatchem
(j) Airport Development Reserve	Ongoing	To be used for the long term maintenance, upgrades, development and/or expansion of the Wyalkatchem Airport
(k) Depot Reserve	Ongoing	To be used for the continual upgrade and expansion of the Wyalkatchem Depot

