



# Attachments

**Special Meeting**

**March 2023**



Shire of

**Yilgarn**

Visit the *Southern Cross Skies*

# Annual Report


2021 - 2022





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# *Shire of Yilgarn Profile*



The Shire of Yilgarn situated along the Great Eastern Highway 380km east of Perth is 30,720 square km's with a population of approximately 1200. The Yilgarn is known by many as the gateway to the Wheatbelt and the Goldfields. The name "Yilgarn" is Aboriginal for "white stone or quarts".

The two major industries in the area are mining and agriculture. Gold, gypsum, salt, iron ore and lithium are mined, while grain, wool, sheep, cattle and pigs are the focus of the rural industry. The co-existence of mining and agriculture has balanced the Yilgarn economy, with the two (economies) supplementing and complimenting each other through their respective boom and bust cycles.

Gold was first discovered at Eenuin and Golden Valley in late 1887. In early 1888 Tom Riesley and Mick Toomey discovered gold in the locality they named "Southern Cross" after the stars which had been their guide. All the streets, parks and the salt lake, within and around the town, are named after stars and constellations.

**Southern Cross** is the major town centre of the Shire, other townsites include Bodallin, Bullfinch, Ghooli, Marvel Loch, Koolyanobbing, Moorine Rock and Yellowdine.

Tourism is a growing industry in the Yilgarn with there being many wonderful attractions including Frog Rock, Karalee Dam, Hunts Soak and the Yilgarn History Museum.



# *OUR VISION*



*The Shire of Yilgarn is a strong farming and mining community. We are a progressive Shire where people of all ages love to call home. Tourism is a key industry and local businesses thrive.*

# Councillors

## President

Cr Wayne  
Della Bosca

Term  
2021-2025



## Deputy President

Cr Bryan Close

Term  
2021-2025



Cr Gary Guerini

Term  
2021-2025

Cr Jodie Cobden

Term  
2019-2023



Cr Phil Nolan

Term  
2019-2023

Cr Linda Rose

Term  
2019-2023

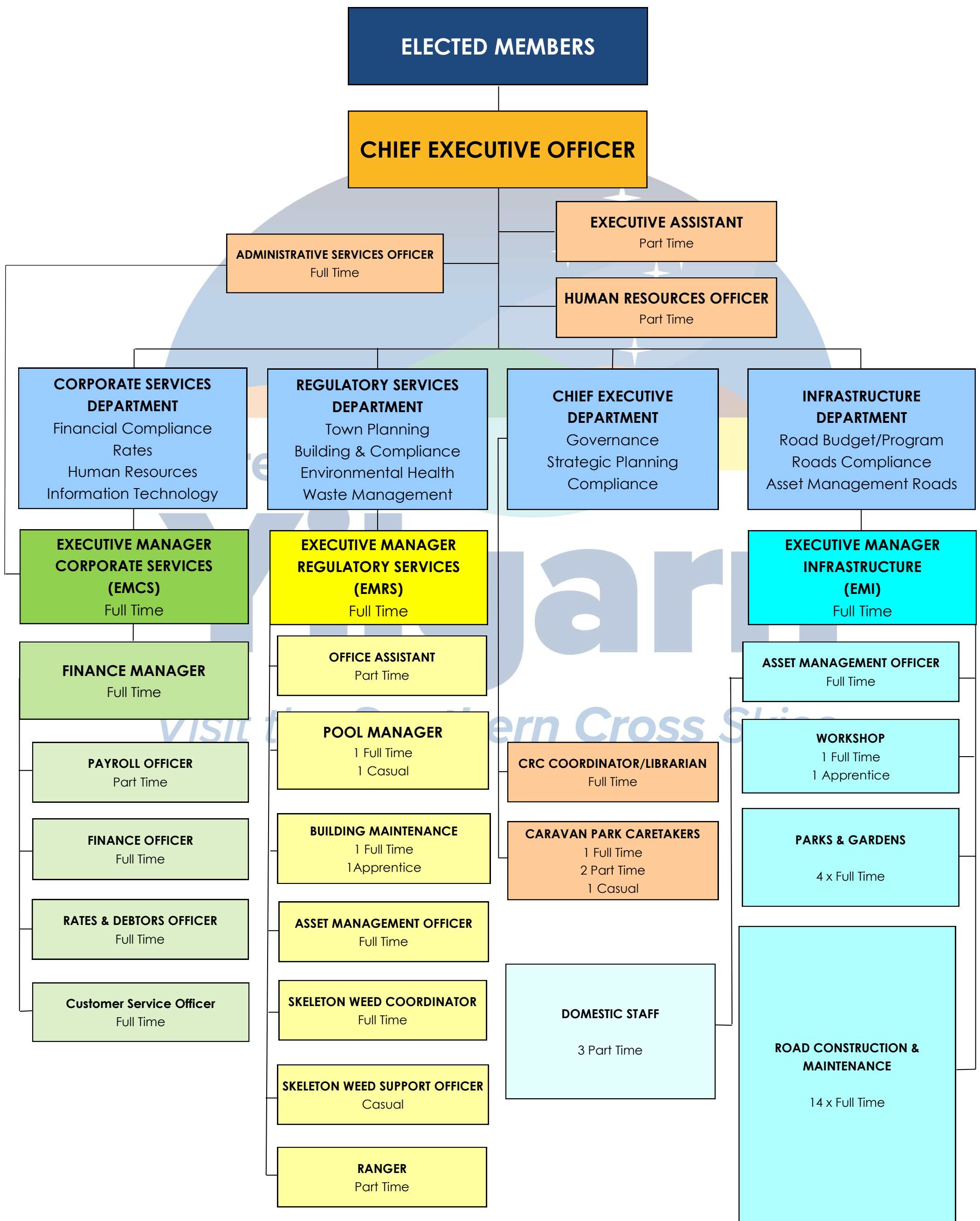


Cr Suzy Shaw

Term  
Retired  
October 2021

Cr Lisa Granich

Term  
March 2022-  
2025



**ORGANISATION STRUCTURE**  
**June 2022**



## ***SHIRE PRESIDENT'S REPORT 2020/2021 FINANCIAL YEAR***

I am pleased to present the Annual Report to the ratepayers and residents of the district on the activities of the Shire of Yilgarn for the 2021/2022 financial year in my capacity as Shire President.

Whilst the restrictions around COVID-19 slowly declined across the reporting period, meaning operations could return to some level of normality, the effects still had a significant impact. Supply issues, increasing costs and personnel availability made for a challenging year for staff. Whilst Australia has now returned to some level of normality, living with COVID-19 in the community is the new normal. The learnings from managing COVID-19 have prepared Council and staff to proactively support and protect the community, should an event of this nature occur in the future.

Despite the impacts of COVID-19, I am pleased to report that the Shire of Yilgarn achieved all of its goals and objectives in the 2021/2022 financial year. This was made possible by the great relationship between Council, the Executive Team and all employees associated with the organisation. It is certainly a team effort and I would like to pay special thanks to my fellow Councillors, who work cohesively with the CEO and his staff to be able to provide a high level of assets and services to the Yilgarn district.

2021/2022 was a year of significant change within the Executive team, whereby the Shire said goodbye to our CEO (Peter Clarke) and long serving Executive Manager Infrastructure (Robert Bosenberg) who both transitioned into retirement. Both provided many years of valuable service to the Shire of Yilgarn, though I would like to specifically acknowledge Robert's service to the Shire of Yilgarn over 47 years, originally starting in the Depot crew before eventually working his way up to Executive Manager Infrastructure.

However, through change comes opportunity, with the Shire's Executive Manager Regulatory Services (Nic Warren), being the successful candidate for the CEO role. The Shire then saw the arrival of a new Executive Manager Regulatory Services (Shane Chambers) and Executive Manager Infrastructure (Glen Brigg).

Despite the significant changes, the new look Executive team, including the incumbent Executive Manager Corporate Services (Cameron Watson) have continued to run the Shire operations and activities with minimal disruptions, which is a credit to them.

I wish to make mention of the Australia Day Awards for 2022, where Ms Alyson Granville was awarded the Premier's Citizenship Award, and Mr Nathan Park, awarded the Premier's Citizenship Award for a person under 25. On behalf of Council and the community I would like to congratulate Alyson and Nathan for their involvement in many community and sporting committees. They were both very worthy recipients.

I would like to sincerely thank my fellow Councillors for their support in the year under review, particularly Cr Bryan Close as Deputy Shire President for his loyal support. I would like to congratulate Councillors Close and Guerini who were elected, alongside myself, in October 2021, and welcome Councillor Lisa Granich who was endorsed by Council after the extraordinary election.

Last, but not least, could I extend my appreciation to all of our very important volunteers in the district who make up the fabric of our community. Whether you are a Volunteer Fire Fighter, Ambulance Officer or Office Bearer of a local community or sporting group, your work is truly valued. Your involvement in these important groups is what makes our community tick and without your input, our district would not have the heart that it does.

*Cr Wayne Della Bosca*  
**SHIRE PRESIDENT**



## ***CHIEF EXECUTIVE OFFICER'S REPORT 2021/2022 FINANCIAL YEAR***

It is with pleasure that I present this Report to the residents of the district outlining the activities of the Shire of Yilgarn throughout the course of the 2021/2022 financial year.

The community and Shire continued to be affected by the COVID-19 pandemic. To assist local ratepayers through these uncertain times, the 2021/2022 budget saw a minimal rate increase of 0.5%, which is in keeping with Council's previous commitments to ratepayers to keep rate increases as low as possible without affecting the ongoing services provided by the Shire of Yilgarn to the whole community.

Whilst Australia was slowly transitioning out of the pandemic restrictions by the end of the financial year, the impact was continuing to be felt by the local businesses. Many are still managing the challenges of staff availability, supply delays and increasing operating costs. Council are aware that these issues will continue for some time and as such, will continue to support local businesses and ratepayers where possible.

Despite the ongoing challenges of the pandemic, the Shire managed to undertake a number of projects, in addition to the ongoing road and building maintenance and upgrade program. Projects included:

- Completion of the Constellation shade and landscaping works;
- Replaced the Southern Cross lawn bowls surface;
- Installed a backup generator at the Caravan Park;
- Lighting Tower at the Recreation Ground;
- Replaced flooring at town hall;

Council were also awarded a significant amount of funding through Phase 3 of the Australian Government's Local Roads and Community Infrastructure (LRCI) funding. Council endorsed the following projects under this phase of funding:

- Sports Complex upgrade;
- Satellite townsite playground and open space upgrades.

Both projects are progressing through the planning and design phases, and it is hoped these developments will provide high quality facilities for residents throughout the district.

The Shire has also been made aware further phases of the LRCI funding, which again offers a significant amount of funding for community based road or infrastructure projects. The Shire is awaiting the criteria to be released, however already has some ideas in place from community consultation undertaken during Phase 3.



It is difficult to detail all that happens throughout the year within these annual reports, however Council's Executive team are more than happy to expand further on any matters that residents may wish to discuss on current or future projects that Council is considering.

This is my first Annual Report as CEO, after taking over the CEO role in September 2022. I would firstly like to thank the previous CEO, Mr Peter Clarke, and Executive Manager Infrastructure, Robert Bosenberg, whom both provided many valuable years of service to the Shire, and also provided me with a lot of support during our time working together.

I would like to thanks the Executive Manager Regulatory Services Mr Shane Chambers, and Executive Manager Infrastructure, Glen Brigg, who joined us throughout the year, for their contributions to the Shire operations.

I would specifically like to thank the Executive Manager Corporate Services Cameron Watson and Finance Manager Ben Forbes for their support throughout the year along with all staff members and volunteers of the Shire, their hard work and dedication is very much appreciated, and is reflected in the Shire's ability to provide quality assets and services to the community.

Looking to the future, the Shire staff are undertaking a full asset review, whereby every Shire asset is recorded, condition assessed and provided with a ten-year maintenance and upgrade plan. This will provide Council with an estimate of the Shire's financial liabilities. Current productivity levels are also being reviewed, with the ultimate vision being to provide Council with a complete asset management plan, such that they can make an informed decision on levels of services and asset maintenance, including a building strategy. There may be some difficult financial decisions to be made in the future, but Council must consider the ongoing financial liabilities of the Shire, and make decisions that ensure future ratepayers are not overly burdened. These documents will be tabled with Council once complete, so keep an eye on the Council agendas.

I would lastly like to thank the Shire of Yilgarn Councillors, who provided me with the opportunity to lead the Shire, of which I am very grateful. Council have been very supportive during my time in the role thus far, which is appreciated. I would specifically like to thank the Shire President, Cr Wayne Della Bosca, who has been an ongoing support for me whilst adjusting to the new role.

I look forward to another prosperous year working with the Council, Executive, staff and community.

*Nic Warren*

**CHIEF EXECUTIVE OFFICER**

## CORPORATE SERVICES REPORT

### 2021/2022 FINANCIAL YEAR

#### FINANCIAL SUMMARY

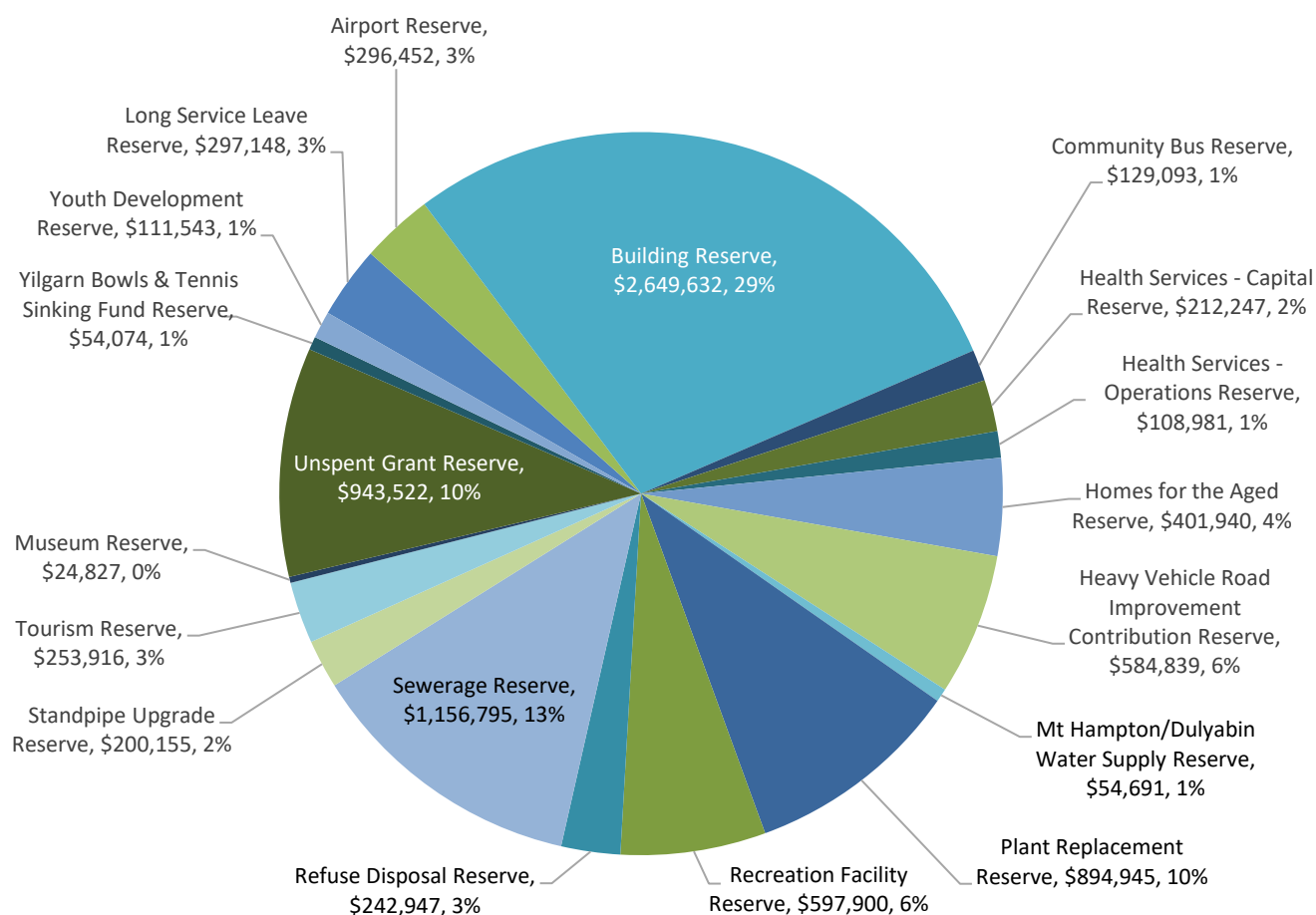
Council concluded the financial year with an unadjusted nett current asset position of \$15.477m, which is an increase of \$3.749m on the 2021 reported figure of \$11.728m. This increase is primarily due to the prepayment of approximately 75% of Councils 2022/23 Federal Assistance Grants allocation (\$3.065m) and the prepayment of 50% of Councils Local Road and Community Infrastructure Round 3 Grant (\$0.943m).

Reserve funds increased by \$3.538m to \$9.216m. This was made possible by transfers to reserve totaling \$3.556m and interest earnings of \$23k.

The States Office of the Auditor General has completed an Audit of the Shire of Yilgarn's Financial Statements for the period 1<sup>st</sup> July 2021 to 30<sup>th</sup> June 2022 and has submitted an Independent Auditor Report to that effect. A copy of the Report can be found in the final pages of the Annual Financial Statements.

#### Reserve Funds

As at 30th June 2022, Council held \$9,215,647 within several different special purpose Reserve accounts, as per the following chart



## Fair Value of Assets

With the gazettal of the *Local Government (Financial Management) Amendment Regulations 2020* on the 6<sup>th</sup> November 2020, the resulting effect of this Amendment Regulation was that Council is to:

1. recognize its Plant and Equipment asset class including Right of Use assets, not at Fair Value but instead recognize this asset class at cost; and
2. recognize Crown Land vested with Council as a Right of Use asset but at nil cost.

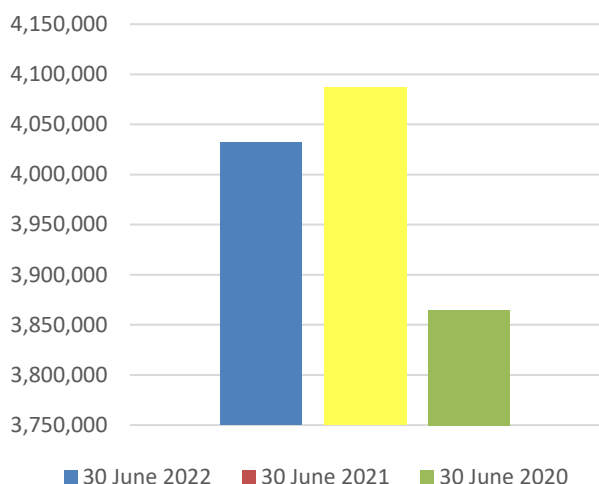
The Shire's Infrastructure asset class underwent a Fair Value assessment valuation in the 2021/2022 financial year.

The Shire of Yilgarn's non-Infrastructure asset depreciated valuations by class are as follows:

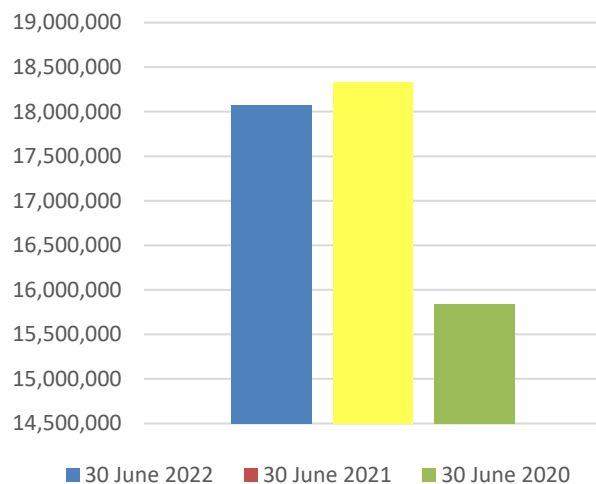




### BUILDINGS - NON-SPECIALISED



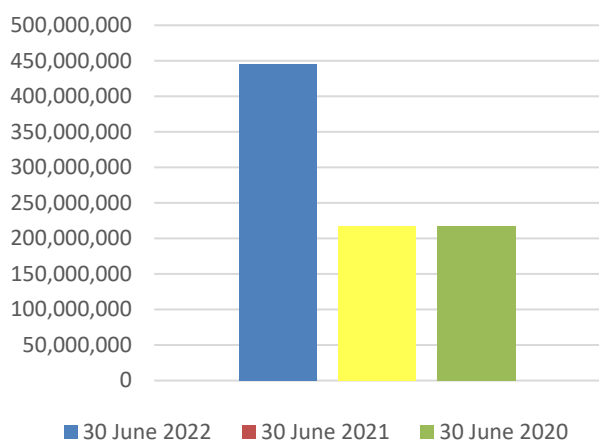
### BUILDINGS - SPECIALISED



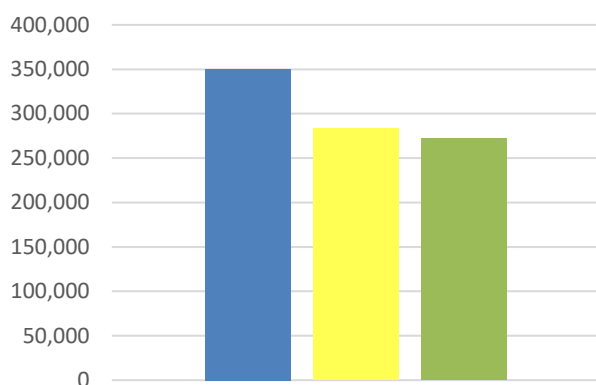
Council also maintains a Register of Small, Portable and Attractive assets which is a list of assets that fall below the statutory minimum asset acquisition value of \$5,000 but still require recording. This register was also reviewed and updated during the reporting year.

The Shire of Yilgarn's Infrastructure asset depreciated valuations by class are as follows

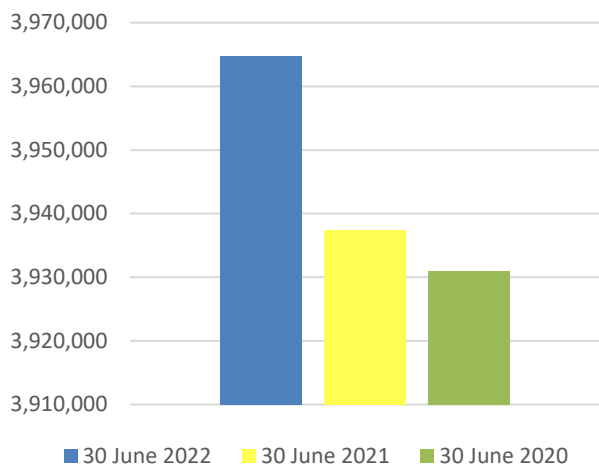
### ROADS, LANEWAYS, FOOTPATHS & URBAN DRAINAGE



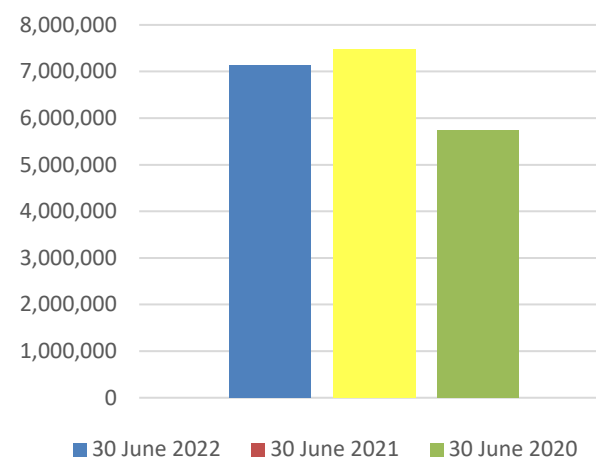
### REFUSE SITES



### SEWERAGE



### OTHER INFRASTRUCTURE

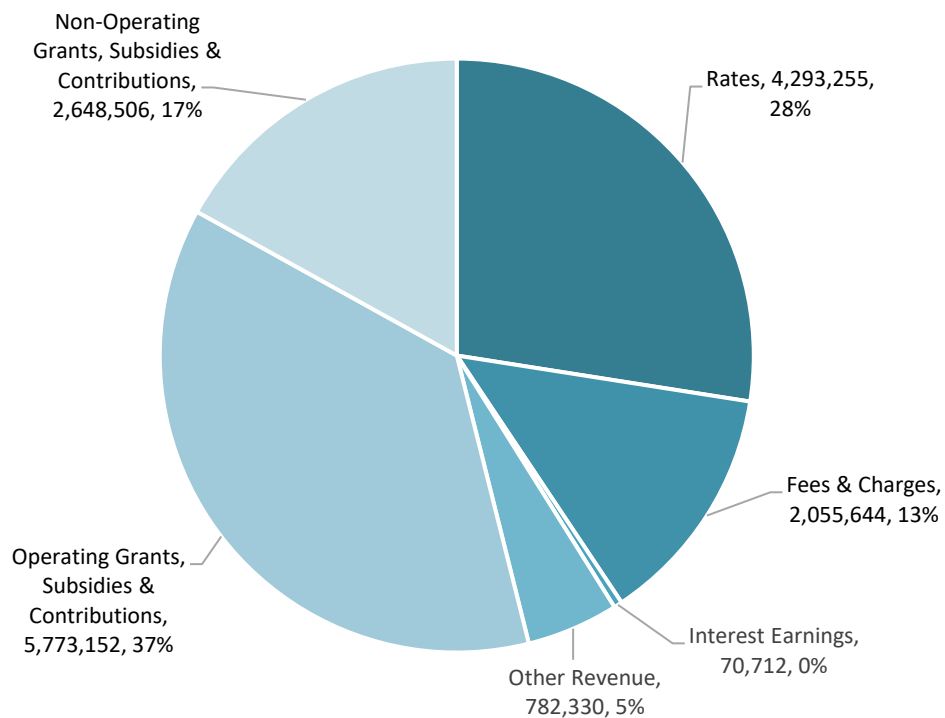


## Revenue

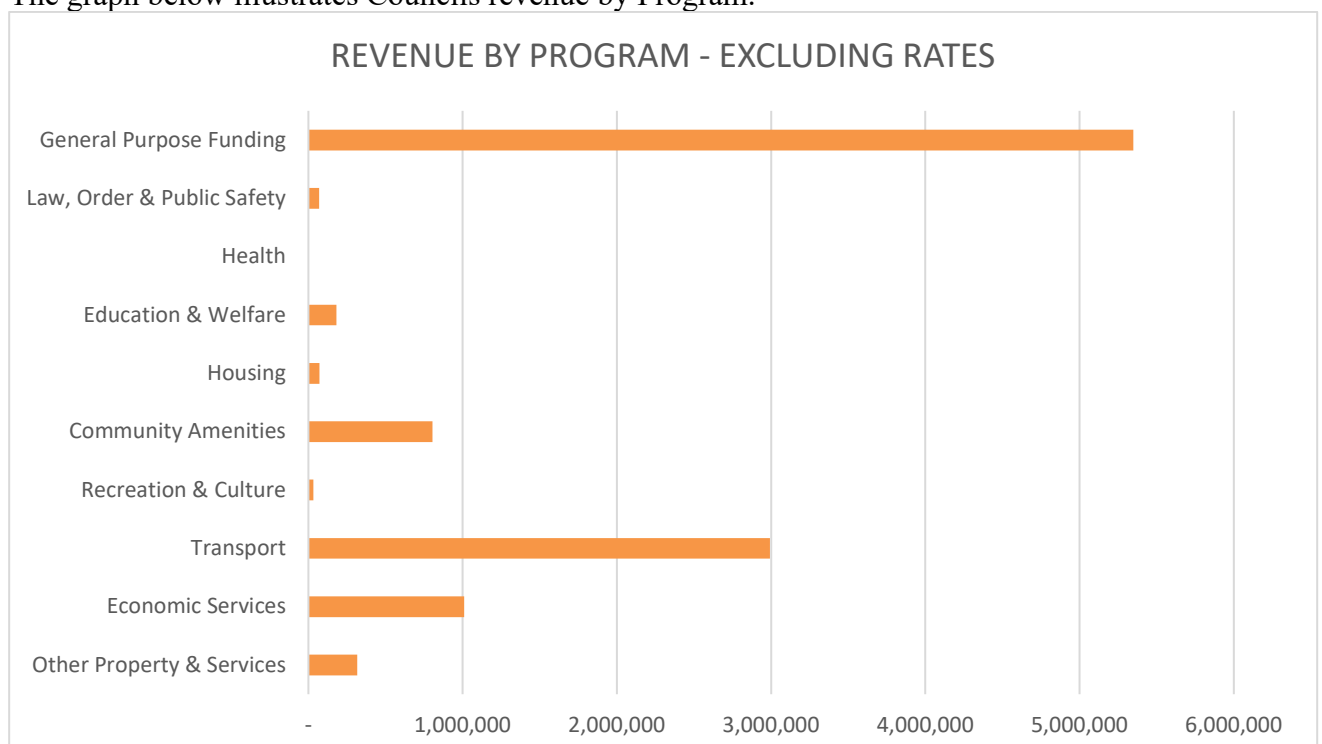
Council receives its revenue from several diverse sources, primarily through Rates & Service Charges, User Fees & charges, Interest earnings and Operating & Non-Operating Grants.

Rates & Service charges and user fees & charges are the only income streams that Council has any influence over that can affect the desired outcome.

The following chart is an indication of the source and amount of the available income streams, both operating and non-operating, in the 2021/2022 financial year:



The graph below illustrates Councils revenue by Program.



## Rating

The amount of revenue raised from rates depends upon three factors:

- The type of rate – Gross Rental Value (GRV) or Unimproved Value (UV)
- The valuation of the property; and
- The rate in the dollar set for each Rate Type.

Gross Rental Values are generally applied to properties within town sites as well as mining infrastructure and single persons quarters. Unimproved Values relate more to rural farmland and mining tenements.

GRV (Town) are revalued every 5 years with 2018 being the last revaluation year. UV (Farming / Mining) are revalued every year. Property valuations are set by the Valuer General and are outside Council's control. Variations in valuation can be quite widespread throughout the Shire and can create inconsistencies in the rates applied to individual properties, which in turn can create confusion and uncertainty.

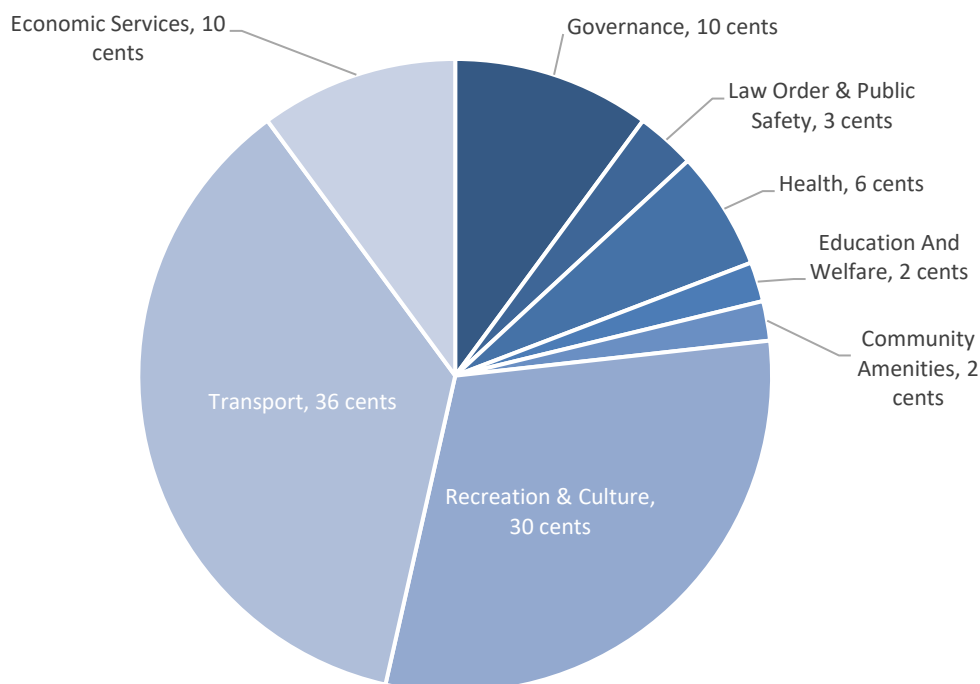
Council sets its rate budget to generate overall revenue for each type of rating and is sympathetic to those ratepayers where increases are higher than average due to increased valuations. Unfortunately, there is little that Councils can do, except encourage those ratepayers unhappy with their valuation, to appeal to the Valuer General. Councils staff are more than happy to provide advice regarding this process.

Council has elected to use a Differential Rating Model based on the individual lands zoning.

RATE TYPE	Rate in \$ / Min	No Properties	Rate Revenue	Average Valuation	Average Rate Revenue
<b>Differential General Rate</b>					
GRV - Residential / Industrial	11.2894	389	\$386,450	8,738	993
GRV - Commercial	7.9469	34	\$77,976	28,859	2,293
GRV - Minesites	15.8938	4	\$84,168	132,391	21,042
GRV - Single Persons Quarters	15.8938	10	\$129,728	81,622	12,973
UV - Rural	1.7663	353	\$1,880,752	294,434	5,328
UV - Mining	17.4793	340	\$1,535,514	25,437	4,516
		<b>1,130</b>	<b>\$4,094,588</b>		
<b>Minimum Payment</b>					
GRV - Residential / Industrial	\$500	116	\$58,000		
GRV - Commercial	\$400	7	\$2,800		
GRV - Minesites	\$400	3	\$1,200		
GRV - Single Persons Quarters	\$400	2	\$800		
UV - Rural	\$400	40	\$16,000		
UV - Mining	\$400	233	\$90,000		
		<b>401</b>	<b>\$168,800</b>		

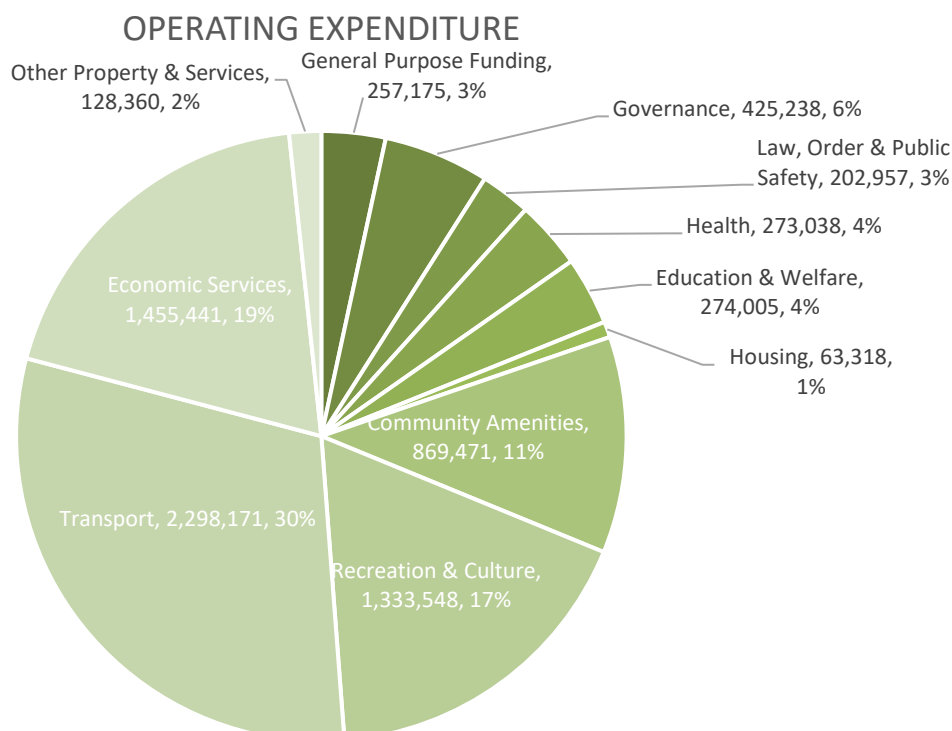


## Where Your Rate Dollar Goes



## Expenditure

Council's operating expenditure was mainly in the areas of transport, recreation & culture, community amenities and economic services as can be seen from the following graph (**figures adjusted for Depreciation**).

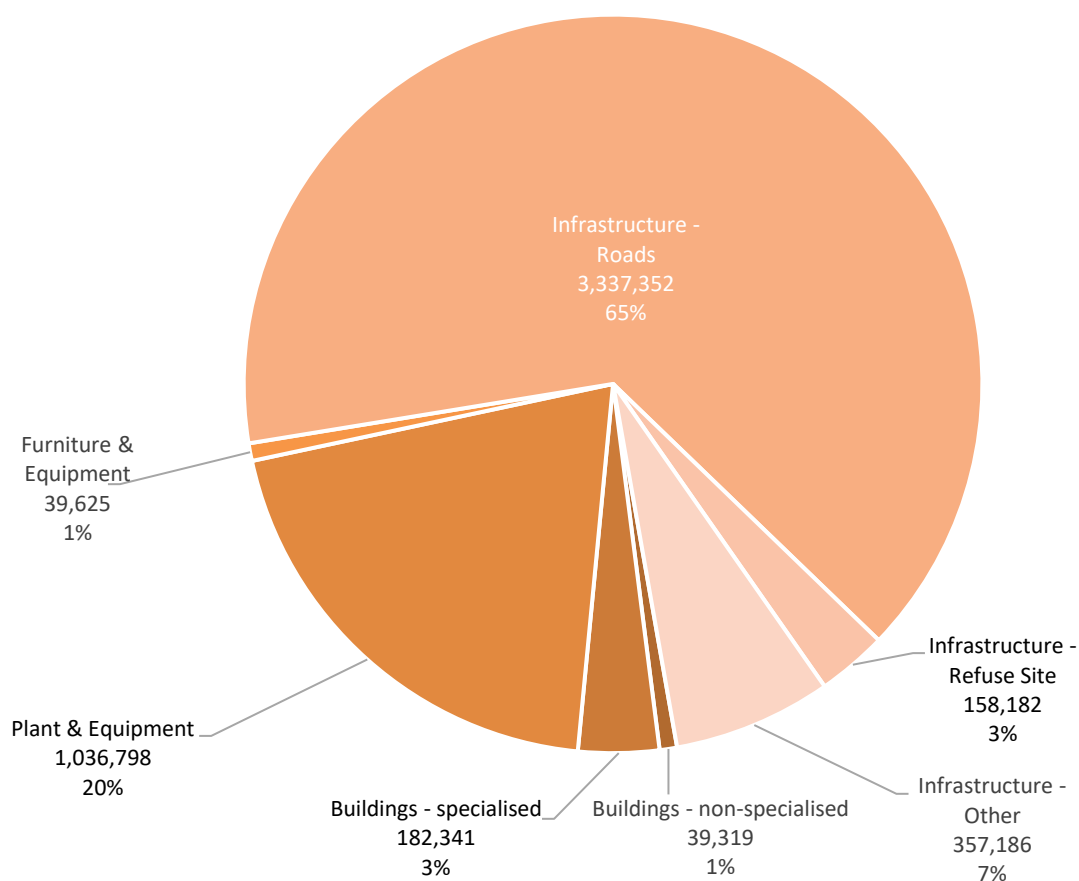


A brief description of the service-oriented activities/programs graphed above are:

<i>GOVERNANCE</i>	To provide a decision-making process for the efficient allocation of scarce resources.
<i>GENERAL PURPOSE FUNDING</i>	To collect revenue to allow for the provision of services.
<i>LAW, ORDER &amp; PUBLIC SAFETY</i>	To provide services to help ensure a safer and environmentally conscious community.
<i>HEALTH</i>	To provide an operational framework for environmental and community health.
<i>EDUCATION AND WELFARE</i>	To provide services to disadvantaged persons, the elderly, children and youth.
<i>HOUSING</i>	To provide and maintain staff, professional and elderly / disabled residents housing.
<i>COMMUNITY AMENITIES</i>	To provide services required by the community such as waste disposal, sewerage, cemetery and Town Planning.
<i>RECREATION AND CULTURE</i>	To establish and effectively manage infrastructure and resource which will help the social well-being of the community.
<i>TRANSPORT</i>	To provide safe, effective and efficient transport services and infrastructure to the community.
<i>ECONOMIC SERVICES</i>	To help promote the shire and its economic wellbeing.
<i>OTHER PROPERTY AND SERVICES</i>	To monitor and control council's overheads operating accounts including plant operations, private works and engineering office expenses.

Council's capital expenditure was mainly in the areas of roads and replacement of Plant & Equipment.

Capital expenditure in 2021/2022 was broken down as follows.



## **COMMUNITY SERVICES REPORT**

### **2021/2022 FINACIAL YEAR**

#### **Community Contributions**

The Shire of Yilgarn supports local clubs and groups by allowing them to use facilities free of charge. Council also supports the community by providing facilities to important service providers such as chiropractors, physiotherapists, podiatrists and veterinarians. This support is made up of either cash or in-kind contributions, donations or waivers of fees and charges.

#### **Support to Community Groups - Cash or In-Kind**

Moorine Rock Primary School	90.91
St Joseph's Primary School	75.00
Interschool Sports Carnival	809.80
Yilgarn Motoring Enthusiasts	3,935.31
Yilgarn Agricultural Society	12,130.13
Yilgarn Netball Association	115.00
Southern Cross Hospital Auxiliary	109.09
Southern Cross Mens Shed	6,863.37
Bullfinch Progress Association	4,636.36
Southern Cross Speedway Club	345.45

#### **Community Events**

Comedy Gold Event	3,763.64
Skate Park Opening Event	1,331.02
Australia Day	3,260.49
ANZAC Day	207.73
Motocross Enduro Event	3,000.00
Seniors Christmas Vouchers	7,450.96

#### **Donations**

Lions Special Big Day Out 2020	272.73
"Pipeline Challenge" Charity Mountain Bike Ride - Use of Rec Centre	163.64

#### **Support to Service Providers**

Podiatrist	1,695.43
Veterinary Services	572.74
Wheatbelt AgCare	550.00

### Community Funding Program

Yilgarn Motoring Enthusiasts	6 x Gazebos & 16 x Side Panels	2,000.00
Yilgarn Men's Shed	Various Tools	2,000.00
Southern Cross Motorcycle Club	2 x Laptops	2,000.00
Moorine Rock Tennis Club	Ipad & Laptop	1,870.00
Yilgarn Netball Association	Laptop & New Away Uniforms	2,000.00
Yilgarn Agricultural Society	Square Register System	714.00
Southern Cross Speedway Club	Laptop & Printer	1,944.00
Mt Hampton Progress Association	Kitchenware, Vacuum & Shelving	1,376.49

## **OTHER DOCUMENTS**

Members of the public are encouraged to read Council's other publications which are available from the Shire Library / Community Resource Centre or Councils website, [www.yilgarn.wa.gov.au](http://www.yilgarn.wa.gov.au)

These include:

- ***Community Strategic Plan 2020-2030***  
The four-yearly review (Regulation 19C (4)) of Councils Strategic Community Plan was adopted in mid-2020. The plan was again reviewed by Council in mid-2022 with the involvement of the district's electors and ratepayers. This community involvement process was carried out through online surveys. No material amendments were made at this interim review.
- ***Corporate Business Plan 2021/22 to 2025/2026***  
This plan was reviewed in 2021/22. It details the services, operations and projects a local government will deliver within a defined period. It also includes the processes for delivery and associated costs.
- ***Long Term Financial Plan 2022/2023 to 2031/2032***  
The Shire of Yilgarn's Long Term Financial Plan 2022/23 to 2031/32 which included the Forward Capital Works Plan was reviewed in 2021/22 and its content assisted with the formulation of the 2022/23 Budget.
- ***Adopted 2022/2023 Budget***  
Council's Budget is a working document used by Council's staff on a daily basis, detailing Council income and expenditure for the twelve months to 30 June 2023. Naturally, copies of the 2022/2023 adopted budget, which reflected income and expenditure associated with this Annual Report are also available.



## Statutory Compliance

### Remuneration

Regulation 19B (a) and (e) of the Local Government (Administration) Regulations states

(2) for the purposes of Section 5.53 (2) (g) and (i), the annual report for a financial year beginning on or after 1 July 2020 must contain the following

- (a) the number of employees of the local government entitled to an annual salary of \$130,000 or more;
- (b) the number of employees of the local government entitled to an annual salary that falls within each band of \$10,000 over \$130,000

Salary Range	Number of Employees
\$130,000 to \$140,000	0
\$140,001 to \$150,000	0
\$150,001 to \$160,000	1
\$160,001 to \$170,000	0
\$170,001 to \$180,000	0
Remuneration	Employee
\$220,319	Chief Executive Officer

- (e) the remuneration paid or provided to the CEO in the financial year;
- (f) the number of Council and committee meetings attended by each council member during the financial year

	Ordinary Meetings of Council	Special Meetings of Council	Audit Committee Meetings	Annual Electors Meeting
<b>Cr W Della Bosca</b>	10 of 11	3 of 3	1 of 1	1 of 1
<b>Cr B Close</b>	10 of 11	3 of 3	0 of 1	1 of 1
<b>Cr J Cobden</b>	10 of 11	2 of 3	1 of 1	1 of 1
<b>Cr L Granich</b>	4 of 4	n/a	n/a	1 of 1
<b>Cr G Guerini</b>	11 of 11	3 of 3	n/a	1 of 1
<b>Cr P Nolan</b>	11 of 11	3 of 3	1 of 1	1 of 1
<b>Cr L Rose</b>	10 of 11	3 of 3	n/a	1 of 1
<b>Cr S Shaw</b>	3 of 3	1 of 1	n/a	n/a

Ordinary Meetings of Council are held on the third Thursday of each month with the exception of January. Council meetings are held in Council Chambers located in the Shire of Yilgarn administration building, 23 Antares Street, Southern Cross with the exception of the October meeting (September meeting during election years) which is held at the Mt Hampton Hall located on the corner of Moorine South Rd and Dulyalbin Road, Mount Hampton.

The Council and Committee meetings are open to the public with public question time at the beginning of both Council and Committee meetings, at which time, the general public may ask questions on any Local Government matter. Meeting dates and times are subject to change, if this does occur, notice of such change is advertised as per the requirements of the Local Government Act 1995.

### ***Register of Complaints and Minor Breach***

In accordance with section 5.53(2) and 5.121 of the Local Government Act 1995, the Annual Report is required to disclose the number of Complaints of Minor Breach received each year.

**For the year 2021-2022 the Shire of Yilgarn received no Complaints of Minor Breach**

### ***Disability Access and Inclusion Plan***

The Shire of Yilgarn is committed to ensuring that the community is accessible and inclusive for people with disabilities, their families, and carers. The Shires Disability Access and Inclusion Plan addressed our commitments and can be found on the Shires website. Whilst no capital upgrades were undertaken, the Shire staff continued to ensure all residents and visitors to the Shire had access to facilities and events.

### ***National Competition Policy***

In accordance with statutory requirements set down in the National Competition Policy legislation, outlined below is a compliance report for the Shire of Yilgarn.

### ***Competitive Neutrality***

It is the Shire of Yilgarn responsibility to determine whether it is engaged in “significant business activities” within the context of its operations and therefore whether it is required to apply the competitive neutrality principles. Local government is only required to implement the above principles to the extent that the benefits to be realised from implementation outweigh the costs in respect of individual business activities exceeding an annual income of \$500,000. Within these criteria, the Shire has not identified any business activities for the 2021/22 financial year.

### ***State Records Act 2000 - Record Keeping Plan***

In compliance with the State Records Act 2000, as required by Standard 2, Principle 6, Council maintains a Record Keeping Plan, the Shire of Yilgarn Record Keeping Plan was evaluated and updated during the 2022 year. Both Councillors and staff are informed and educated with training ongoing in record management compliance. An onboarding training schedule is in the process of being developed.

### ***Public Interest Disclosures***

In compliance with the Public Interest Disclosure Act 2003, as required by Section 23, part 1, Council has appointed a PID Officer in the agency, being the Chief Executive Officer, and Council has published internal procedures relating to the agency's obligations.

**For the 2021-2022 the Shire of Yilgarn received no Public Interest Disclosures**

### ***Freedom of Information Act 1992 -Information Statement***

In compliance with the Freedom of Information Act 1992 Council has an Information Statement that can be obtained from the Shire's Administration Office or Shire of Yilgarn Website Councils Freedom of Information Statement was reviewed during 2022.

### ***Financial Management Review***

As per the Local Government (Financial Management) Regulations 1996, the Chief Executive Officer is to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.

The next review will be undertaken in 2022-2023.

### ***Audit Regulation 17 Review***

Guidelines released from the Department of Local Government, Sport and Cultural Industries has revised the timeframes surrounding this audit. An amendment to Regulation 17(2) of the Local Government (Audit) Regulations 1996 requires the CEO to undertake a review of audit systems and procedures no less than once in every 3 financial years. This change will introduce consistency in CEO responsibilities to review financial management and audit systems and procedures in a timely manner.

The next review will be undertaken in 2022-2023.

### ***Plan for the Future***

The current Shire of Yilgarn Strategic Community Plan was adopted in June 2020 and reviewed in September 2022 with no modifications made. The plan is the Shire's key Strategic Planning document.

Council's other planning documents, including the Corporate Business Plan, Forward Capital Works Plan, Workforce Plan and Long Term Financial Plan collectively form the Shire's plan for the future.

The Local Government Act, 1995 requires that Council provide an overview of the Plan for the Future, detailing activities that are prepared to commence or continue in the next financial year be included in the Shire's Annual Report.

### Road Construction and Maintenance

PROJECT			BUDGET	FUNDING SOURCE
Road/Street	Proposed Works	Section (SLK)		
Koolyanobbing Rd	Construct to 8m Seal	0.0 to 2.1	\$ 624,822	Main Roads WA / Shire
Koolyanobbing Rd	10mm Bitumen Reseal	14.0 to 17.0	\$ 100,559	Main Roads WA / Shire
Moorine South Rd	10mm Bitumen Reseal	41.4 to 52.5	\$ 434,500	Main Roads WA / Shire
Koorda-Bullfinch Rd	10mm Bitumen Reseal	1.5 to 2.5	\$ 48,754	Main Roads WA / Shire
Bodallin South Rd	Construct to 8m Seal	9.4 to 10.6	\$ 167,622	Federal Roads to Recoveries
Bodallin South Rd	10mm Bitumen Reseal	7.8 to 9.4	\$ 61,296	Federal Roads to Recoveries
Cramphorne Rd	Formation & Gravel Overlay	10.2 to 15.0	\$ 286,666	Federal Roads to Recoveries
Cramphorne Rd	10mm Bitumen Reseal	8.2 to 9.9	\$ 82,698	Federal Roads to Recoveries
Emu Fence Road	Formation & Gravel Overlay	89.4 to 95.0	\$ 310,401	Federal Roads to Recoveries
Southern Cross South Rd	Formation & Gravel Overlay	25.6 to 30.6	\$ 286,284	Shire
Koorda-Bullfinch Rd	Gravel Shoulders	13. to 24.3	\$ 449,941	Shire
Marvel Loch-Forrestania Rd	10mm Bitumen Reseal	0.0 to 1.0	\$ 56,312	Shire
Caputo Rd	Formation & Gravel Overlay	0.0 to 5.0	\$ 270,397	Shire
Emu Park	Hardstand-EV Charging Station		\$ 69,266	Shire
Three Boys Road	Construct to 8m Seal	2.2 to 3.5	\$ 337,895	Shire

### Building Maintenance and Renewals

PROJECT		Budget	Funding Source
Facility	Proposed Works		
Homes for the Aged	Carport Upgrade and Replace Front Fences	\$ 116,023	Shire
Staff & General Housing	Flooring, Fencing & General Improvements	\$ 70,868	Shire
Southern Cross Community Centre	Replace Hardwood Flooring	\$ 75,000	Shire
Sporting Facilities	CCTV, Resurfacing Playing Surfaces & Toilet Upgrades	\$ 185,821	LRCI & Shire



**2021-2022**

**Annual Financial  
Report  
&  
Independent  
Auditors Report**

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

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

*A strong, vibrant and progressice Shire that retains strength in its communities by way of continual promotion of agriculture and mining as the Shire's major industries, with an added focus on tourism, to ensure a robust economic and socila base is retained for all residents*

Principal place of business:  
23 Antares Street  
Southern Cross  
WA 6426

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

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

Signed on the 28<sup>th</sup> day of February 2023



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Chief Executive Officer

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Nicholas Jad Warren



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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>Revenue</b>				
Rates	26(a),2(a)	4,165,046	4,070,680	4,036,629
Operating grants, subsidies and contributions	2(a)	5,281,044	1,994,276	3,994,706
Fees and charges	25(c),2(a)	2,065,341	1,696,992	1,554,132
Interest earnings	2(a)	70,712	74,875	78,282
Reimbursements	2(a)	87,612	62,568	192,317
Other revenue	2(a)	694,718	614,758	236,051
		12,364,473	8,514,149	10,092,117
<b>Expenses</b>				
Employee costs		(2,913,724)	(3,381,903)	(2,823,423)
Materials and contracts		(2,255,037)	(2,534,448)	(1,764,747)
Utility charges		(1,017,137)	(864,715)	(837,360)
Depreciation	10(a)	(4,003,798)	(3,851,940)	(3,881,329)
Interest expense	2(b)	(11,694)	(10,589)	(6,067)
Insurance		(316,549)	(317,697)	(323,057)
Other expenditure	2(b)	(760,520)	(816,803)	(221,700)
		(11,278,459)	(11,778,095)	(9,857,684)
		1,086,014	(3,263,946)	234,433
Capital grants, subsidies and contributions	2(a)	2,602,788	3,599,775	3,373,084
Profit on asset disposals	10(b)	16,976	11,987	0
Loss on asset disposals	10(b)	(44,581)	(174,167)	(69,485)
Fair value adjustments to financial assets at fair value through profit or loss		3,997	0	2,586
		2,579,180	3,437,595	3,306,185
<b>Net result for the period</b>	25(b)	<b>3,665,194</b>	<b>173,649</b>	<b>3,540,618</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	17	227,486,726	0	0
<b>Total other comprehensive income for the period</b>	17	<b>227,396,201</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>231,151,920</b>	<b>173,649</b>	<b>3,540,618</b>

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





**SHIRE OF YILGARN**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022**

	NOTE	2022 \$	2021 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	14,355,911	10,904,147
Trade and other receivables	5	887,316	823,612
Inventories	6	47,225	21,516
Other assets	7	186,237	47,035
<b>TOTAL CURRENT ASSETS</b>		<b>15,476,689</b>	<b>11,796,310</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	54,233	87,011
Other financial assets	4	77,805	73,807
Property, plant and equipment	8	30,098,149	30,087,340
Infrastructure	9	457,429,308	229,303,503
Right-of-use assets	11(a)	16,903	24,609
<b>TOTAL NON-CURRENT ASSETS</b>		<b>487,676,398</b>	<b>259,576,270</b>
<b>TOTAL ASSETS</b>		<b>503,153,087</b>	<b>271,372,580</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	1,098,192	1,088,260
Other liabilities	13	1,004,129	321,233
Lease liabilities	11(b)	9,260	14,210
Borrowings	14	96,588	95,494
Employee related provisions	15	471,302	495,945
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,679,471</b>	<b>2,015,142</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	11(b)	7,054	9,567
Borrowings	14	760,578	857,166
Employee related provisions	15	76,369	147,326
Other provisions	16	134,316	0
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>978,317</b>	<b>1,014,059</b>
<b>TOTAL LIABILITIES</b>		<b>3,657,788</b>	<b>3,029,201</b>
<b>NET ASSETS</b>		<b>499,495,299</b>	<b>268,343,379</b>
<b>EQUITY</b>			
Retained surplus		62,425,961	62,297,890
Reserve accounts	29	9,215,647	5,678,524
Revaluation surplus	17	427,853,691	200,366,965
<b>TOTAL EQUITY</b>		<b>499,495,299</b>	<b>268,343,379</b>

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



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

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2020</b>		<b>59,898,952</b>	<b>4,536,844</b>	<b>200,366,965</b>	<b>264,802,761</b>
Change in accounting policy		0	0	0	0
Correction of error		0	0	0	0
<b>Restated balance at the beginning of the financial year</b>		<b>59,898,952</b>	<b>4,536,844</b>	<b>200,366,965</b>	<b>264,802,761</b>
Comprehensive income for the period					
Net result for the period		3,540,618	0	0	3,540,618
Other comprehensive income for the period	17	0	0	0	0
Total comprehensive income for the period		3,540,618	0	0	3,540,618
Transfers from reserves	29	0	0	0	0
Transfers to reserves	29	(1,141,680)	1,141,680	0	0
<b>Balance as at 30 June 2021</b>		<b>62,297,890</b>	<b>5,678,524</b>	<b>200,366,965</b>	<b>268,343,379</b>
Change in accounting policies		0	0	0	0
Correction of error		0	0	0	0
<b>Restated balance at 1 July 2021</b>		<b>62,297,890</b>	<b>5,678,524</b>	<b>200,366,965</b>	<b>268,343,379</b>
Comprehensive income for the period					
Net result for the period		3,665,194	0	0	3,665,194
Other comprehensive income for the period	17	0	0	227,486,726	227,486,726
Total comprehensive income for the period		3,665,194	0	227,486,726	231,151,920
Transfers from reserves	29	42,700	(42,700)	0	0
Transfers to reserves	29	(3,579,823)	3,579,823	0	0
<b>Balance as at 30 June 2022</b>		<b>62,425,961</b>	<b>9,215,647</b>	<b>427,853,691</b>	<b>499,495,299</b>

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





	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		4,293,254	4,170,680	3,982,034
Operating grants, subsidies and contributions		5,763,455	1,994,276	4,223,707
Fees and charges		2,101,362	1,696,992	1,564,605
Interest received		70,712	74,875	78,282
Goods and services tax received		11,372	0	117,749
Reimbursements		87,612	0	0
Other revenue		694,718	677,326	408,966
		13,022,485	8,614,149	10,375,343
<b>Payments</b>				
Employee costs		(3,015,486)	(3,381,903)	(2,785,622)
Materials and contracts		(2,240,346)	(2,524,448)	(2,406,079)
Utility charges		(1,017,137)	(864,715)	(862,973)
Finance costs		(11,694)	(10,589)	(6,067)
Insurance paid		(316,549)	(317,697)	(323,057)
Goods and services tax paid		0	0	(27,286)
Other expenditure		(750,823)	(816,803)	(218,695)
		(7,352,035)	(7,916,155)	(6,629,779)
<b>Net cash provided by (used in) operating activities</b>	18(b)	5,670,450	697,994	3,745,564
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	8(a)	(1,278,083)	(1,909,027)	(2,125,675)
Payments for construction of infrastructure	9(a)	(3,694,538)	(3,829,402)	(5,010,102)
Non-operating grants, subsidies and contributions		2,602,788	3,249,475	3,373,084
Proceeds from financial assets at fair values through profit and loss		0	0	(2,586)
Proceeds from sale of property, plant & equipment	10(b)	439,932	351,818	202,955
Movement in trust funds		(179,247)	0	(117,631)
<b>Net cash provided by (used in) investing activities</b>		(2,109,147)	(2,137,136)	(3,679,955)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	28(a)	(95,494)	(95,504)	(47,340)
Payments for principal portion of lease liabilities	28(b)	(14,047)	0	(15,149)
Proceeds from new borrowings	28(a)	0	0	1,000,000
<b>Net cash provided by (used in) financing activities</b>		(109,540)	(95,504)	937,511
<b>Net increase (decrease) in cash held</b>		3,451,763	(1,534,646)	1,003,120
Cash at beginning of year		10,904,147	10,633,094	9,901,027
<b>Cash and cash equivalents at the end of the year</b>	18(a)	14,355,911	9,098,448	10,904,147

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

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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>NET CURRENT ASSETS - At start of financial year - surplus/(deficit)</b>	27(c)	4,212,347	4,139,858	7,408,240
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities (excluding general rate)</b>				
Operating grants, subsidies and contributions		5,281,044	1,994,276	3,994,706
Fees and charges		2,065,341	1,696,992	1,554,132
Reimbursements		87,612	62,568	192,317
Interest earnings		70,712	74,875	78,281
Other revenue		694,718	614,758	236,053
Profit on asset disposals	10(b)	16,976	11,987	0
Fair value adjustments to financial assets at fair value through profit or loss		3,997	0	2,586
		8,220,400	4,455,456	6,058,074
<b>Expenditure from operating activities</b>				
Employee costs		(2,913,724)	(3,381,903)	(2,823,422)
Materials and contracts		(2,255,037)	(2,534,448)	(1,764,749)
Utility charges		(1,017,137)	(864,715)	(837,360)
Depreciation		(4,003,798)	(3,851,940)	(3,881,329)
Interest expense		(11,694)	(10,589)	(6,067)
Insurance		(316,549)	(317,697)	(323,057)
Other expenditure		(760,520)	(816,803)	(221,700)
Loss on asset disposals	10(b)	(44,581)	(174,167)	(69,485)
		(11,323,040)	(11,952,262)	(9,927,169)
Non-cash amounts excluded from operating activities	27(a)	3,989,232	4,014,120	4,135,374
<b>Amount attributable to operating activities</b>		886,592	(3,482,686)	266,280
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		2,602,788	3,599,775	3,373,084
Proceeds from disposal of assets	10(b)	439,932	351,818	202,955
Purchase of property, plant and equipment	8(a)	(1,278,083)	(1,909,027)	(2,125,675)
Purchase and construction of infrastructure	9(a)	(3,852,732)	(3,829,402)	(5,176,502)
Capital work in progress finalised		0	0	(3,568,496)
		(2,088,095)	(1,786,836)	(7,294,634)
Non-cash amounts excluded from investing activities	27(b)	134,316	0	0
<b>Amount attributable to investing activities</b>		(1,929,901)	(1,786,836)	(7,294,634)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	28(a)	(95,494)	(95,504)	(47,340)
Proceeds from borrowings	28(a)	0	0	1,000,000
Payments for principal portion of lease liabilities	28(b)	(14,047)	0	(15,149)
Transfers to reserves (restricted assets)	29	(3,579,823)	(2,884,563)	(1,141,680)
Transfers from reserves (restricted assets)	29	42,700	15,000	0
<b>Amount attributable to financing activities</b>		(3,646,664)	(2,965,067)	(204,169)
<b>Surplus/(deficit) before imposition of general rates</b>		(477,626)	(4,094,731)	175,718
<b>Total amount raised from general rates</b>	26(a)	4,165,046	4,070,680	4,036,629
<b>Surplus/(deficit) after imposition of general rates</b>	27(c)	<b>3,687,419</b>	<b>(24,051)</b>	<b>4,212,347</b>

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





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

**1. BASIS OF PREPARATION**

The financial report 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) Regulation 1996 prescribe that the financial report be prepared in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

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

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

**The local government reporting entity**

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 30 of the financial report.

**Judgements and estimates**

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

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

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

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.
- estimation uncertainties made in relation to lease accounting

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

**2. REVENUE AND EXPENSES**

**(a) Revenue**

**Contracts with customers**

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates	General	N/A	35 days	N/A	At time of notice
Operating grants	General	N/A	N/A	N/A	Earlier of receipt or confirmation of entitlement
Non-operating grants	Capital works or community services	Upon completion of deliverables	Variable	N/A	Upon completion of deliverables under contract
Fees and charges	General	Upon delivery of service	Immediate or 30 days	At CEO or Council discretion	Immediate or at time of invoicing
Interest	N/A	N/A	N/A	N/A	Upon receipt
Other income	General	N/A	N/A	N/A	Upon receipt
Reimbursements	General	N/A	N/A	N/A	Upon receipt
Profit on disposal of assets	General	N/A	N/A	N/A	At time of invoice

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

**Revenue Recognition**

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

**For the year ended 30 June 2022**

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	4,165,046	0	4,165,046
Operating grants, subsidies and contributions	0	0	0	5,281,044	5,281,044
Fees and charges	2,065,341	0	0	0	2,065,341
Interest earnings	0	0	0	70,712	70,712
Reimbursements	87,612	0	0	0	87,612
Other revenue	694,718	0	0	0	694,718
Non-operating grants, subsidies and contributions	0	2,602,788	0	0	2,602,788
<b>Total</b>	<b>2,847,671</b>	<b>2,602,788</b>	<b>4,165,046</b>	<b>5,351,756</b>	<b>14,967,261</b>

**For the year ended 30 June 2021**

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	4,036,629	0	4,036,629
Operating grants, subsidies and contributions	0	0	0	3,994,706	3,994,706
Fees and charges	1,554,132	0	0	0	1,554,132
Interest earnings	0	0	0	78,282	78,282
Reimbursements	192,317	0	0	0	192,317
Other revenue	236,051	0	0	0	236,051
Non-operating grants, subsidies and contributions	0	3,373,084	0	0	3,373,084
<b>Total</b>	<b>1,982,500</b>	<b>3,373,084</b>	<b>4,036,629</b>	<b>4,072,988</b>	<b>13,465,201</b>

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

**2. REVENUE AND EXPENSES (Continued)**

	Note	2022 Actual	2022 Budget	2021 Actual
<b>Interest earnings</b>				
Interest on reserve funds		23,336	19,875	27,303
Rates instalment and penalty interest (refer Note 26(c))		35,120	40,000	38,150
Other interest earnings		12,256	15,000	12,829
		70,712	74,875	78,282
<b>(b) Expenses</b>				
<b>Auditors remuneration</b>				
- Audit of the Annual Financial Report		28,000	28,000	28,598
- Other services		2,127	7,500	0
		30,127	35,500	28,598
<b>Finance costs</b>				
Interest on borrowings	28(a)	10,613	10,589	5,713
Interest on lease liabilities	28(b)	1,081	0	354
		11,694	10,589	6,067
<b>Other expenditure</b>				
Impairment losses on receivables from other contracts		9,697	0	2,124
Sundry expenses		750,823	816,803	219,576
		760,520	816,803	221,700

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

**3. CASH AND CASH EQUIVALENTS**

Cash at bank and on hand  
 Term deposits  
**Total cash and cash equivalents**

Held as  
 - Unrestricted cash and cash equivalents  
 - Restricted cash and cash equivalents

Note	2022	2021
	\$	\$
	2,231,495	10,209,032
	12,124,416	695,115
18(a)	14,355,911	10,904,147
	5,140,264	4,632,751
18(a)	9,215,647	6,271,396
	14,355,911	10,904,147

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

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

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

**Restricted financial assets**

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

Details of restrictions on financial assets can be found at Note 18.



**SHIRE OF YILGARN**  
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**4. OTHER FINANCIAL ASSETS**

**Non-current assets**

Financial assets at fair value through profit and loss

	77,805	73,807
	77,805	73,807

**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 24 (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 and loss**

The Shire classifies the following financial assets at fair value through profit and loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has not elected to recognise fair value gains and losses through other comprehensive income.

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 22.

**SHIRE OF YILGARN**  
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**5. TRADE AND OTHER RECEIVABLES**

**Current**

	Note	2022 \$	2021 \$
Rates receivable		517,329	597,019
ESL payable		14,757	10,548
Trade and other receivables		273,328	134,206
GST receivable		84,616	95,988
Allowance for credit losses of trade and other receivables	22(b)	(4,452)	(14,149)
Rate refund suspense	22(b)	1,738	0
		<b>887,316</b>	<b>823,612</b>

**Non-current**

Pensioner's rates and ESL deferred		54,233	87,011
		<b>54,233</b>	<b>87,011</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other receivables**

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

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

**Impairment and risk exposure**

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 22.

**Classification and subsequent measurement**

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

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

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

**SHIRE OF YILGARN**  
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**6. INVENTORIES**

	Note	2022	2021
		\$	\$
<b>Current</b>			
Fuel and materials		47,225	21,516
		<u>47,225</u>	<u>21,516</u>

The following movements in inventories occurred during the year:

<b>Balance at beginning of year</b>	21,516	27,554
Inventories expensed during the year	0	(6,038)
Additions to inventory	25,709	0
<b>Balance at end of year</b>	<u>47,225</u>	<u>21,516</u>

**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.

**SHIRE OF YILGARN**  
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**7. OTHER ASSETS**

**Other assets - current**

Accrued income

Contract assets

	2022	2021
	\$	\$
Accrued income	7,506	5,765
Contract assets	178,731	41,270
	186,237	47,035

**SIGNIFICANT ACCOUNTING POLICIES**

**Other current assets**

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

**Contract assets**

Contract assets primarily relate to the Shire's right to . consideration for work completed but not billed at the end of the period.

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

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**8. PROPERTY, PLANT AND EQUIPMENT**

**(a) Movements in Balances**

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

	Note	Land \$	Buildings - non- specialised \$	Buildings - specialised \$	Work in progress	Total land and buildings \$	Furniture and equipment \$	Plant and equipment \$	Total property, plant and equipment \$
<b>Balance at 1 July 2020</b>		1,264,000	3,864,684	15,837,700	1,703,864	22,670,248	97,148	6,271,144	29,038,540
Additions		0	310,881	1,190,068	0	1,500,949	28,207	596,519	2,125,675
Disposals		(2,000)	0	0	0	(2,000)	0	(270,440)	(272,440)
Depreciation	10(a)	0	(88,298)	(393,446)	0	(481,744)	(11,336)	(311,355)	(804,435)
Transfers		0	0	1,703,864	(1,703,864)	0	0	0	0
<b>Balance at 30 June 2021</b>		1,262,000	4,087,267	18,338,186	0	23,687,453	114,019	6,285,868	30,087,340
<b>Comprises:</b>									
Gross balance amount at 30 June 2021		1,262,000	4,549,267	20,489,144	0	26,300,411	138,347	7,238,193	33,676,951
Accumulated depreciation at 30 June 2021		0	(462,000)	(2,150,958)	0	(2,612,958)	(24,328)	(952,325)	(3,589,611)
<b>Balance at 30 June 2021</b>		1,262,000	4,087,267	18,338,186	0	23,687,453	114,019	6,285,868	30,087,340
Additions		0	39,319	162,341	0	201,660	39,625	1,036,798	1,278,083
Disposals		0	0	0	0	0	0	(467,537)	(467,537)
Depreciation	10(a)	0	(94,405)	(420,479)	0	(514,884)	(20,018)	(319,156)	(854,058)
Transfers		0	0	0	0	0	54,322	0	54,322
<b>Balance at 30 June 2022</b>		1,262,000	4,032,181	18,080,047	0	23,374,229	187,949	6,535,972	30,098,149
<b>Comprises:</b>									
Gross balance amount at 30 June 2022		1,262,000	4,588,586	20,651,484	0	26,502,070	243,160	7,705,914	34,451,144
Accumulated depreciation at 30 June 2022		0	(556,405)	(2,571,437)	0	(3,127,842)	(55,211)	(1,169,942)	(4,352,995)
<b>Balance at 30 June 2022</b>		1,262,000	4,032,181	18,080,047	0	23,374,228	187,949	6,535,972	30,098,149



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

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	Level 2	Market Approach using recent observable market data or similar properties	Independent registered Valuers	June 2018	Price per hectare
Buildings - non-specialised	Level 2	Market Approach using observable market data or similar properties	Independent registered Valuers	June 2018	Price per square metre
Buildings - specialised	Level 2	Market Approach using observable market data or similar properties	Independent registered Valuers	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
(ii) Cost					
Furniture and equipment		Cost	Cost		Asset purchase cost
Plant and equipment		Cost	Cost		Asset purchase cost

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9. INFRASTRUCTURE

(a) Movements in Balances

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

Note	Infrastructure - roads	Other infrastructure - footpaths	Other infrastructure - drainage	Other infrastructure - refuse site	Other infrastructure - sewerage	Other infrastructure - townscape	Other infrastructure - parks and ovals	Other infrastructure - aerodromes	Other infrastructure - other (inc. digital infrastructure)	Work in progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	214,479,302	1,291,928	1,619,229	272,250	3,930,972	32,519	264,080	901,047	2,688,751	1,864,632	227,344,710
Additions	2,682,087	188,918	12,086	12,167	18,233	0	0	0	2,096,611	0	5,010,102
Depreciation	10(a) (2,754,376)	(34,710)	(39,631)	(671)	(11,793)	(874)	(14,435)	(25,348)	(169,470)	0	(3,051,308)
Transfers	0	0	0	0	0	0	0	0	1,864,632	(1,864,632)	0
Balance at 30 June 2021	214,407,013	1,446,136	1,591,684	283,746	3,937,412	31,645	249,645	875,699	6,480,524	0	229,303,503
Comprises:											
Gross balance at 30 June 2021	371,489,336	2,965,717	3,094,001	304,928	4,070,320	34,979	269,658	952,150	6,854,638	0	390,035,727
Accumulated depreciation at 30 June 2021	(157,082,323)	(1,519,581)	(1,502,317)	(21,182)	(132,908)	(3,334)	(20,015)	(76,451)	(374,114)	0	(160,732,225)
Balance at 30 June 2021	214,407,013	1,446,136	1,591,684	283,746	3,937,412	31,645	249,643	875,699	6,480,524	0	229,303,501
Additions	3,273,891	63,461	0	134,316	0	0	0	0	357,186	0	3,828,854
Revaluation increments / (decrements) transferred to revaluation surplus	196,470,488	(504,657)	32,112,928	(90,830)	39,331	90,229	150,892	34,950	(816,606)	0	227,486,725
Depreciation	10(a) (2,783,374)	(37,340)	(39,820)	(1,013)	(12,043)	(874)	(14,435)	(25,349)	(221,202)	0	(3,135,450)
Transfers	0	0	0	0	0	0	0	0	(54,322)	0	(54,322)
Balance at 30 June 2022	411,368,018	967,600	33,664,792	326,218	3,964,700	121,000	386,100	885,300	5,745,580	0	457,429,308
Comprises:											
Gross balance at 30 June 2022	571,233,717	2,524,521	35,206,929	348,415	4,109,651	125,208	420,550	987,100	6,340,896	0	621,296,987
Accumulated depreciation at 30 June 2022	(159,865,699)	(1,556,921)	(1,542,137)	(22,197)	(144,951)	(4,208)	(34,450)	(101,800)	(595,316)	0	(163,867,679)
Balance at 30 June 2022	411,368,018	967,600	33,664,792	326,218	3,964,700	121,000	386,100	885,300	5,745,580	0	457,429,308

SHIRE OF YILGARN  
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9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2022	Construction costs and current condition (Level 2), residual and remaining useful life assessments (Level 3 inputs)
Other infrastructure - footpaths	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2022	Construction costs and current condition (Level 2), residual and remaining useful life assessments (Level 3 inputs)
Other infrastructure - drainage	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2022	Construction costs and current condition (Level 2), residual and remaining useful life assessments (Level 3 inputs)
Other infrastructure - refuse site	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2022	Construction costs and current condition (Level 2), residual and remaining useful life assessments (Level 3 inputs)
Other infrastructure - sewerage	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2022	Construction costs and current condition (Level 2), residual and remaining useful life assessments (Level 3 inputs)
Other infrastructure - townscape	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2022	Construction costs and current condition (Level 2), residual and remaining useful life assessments (Level 3 inputs)
Other infrastructure - parks and ovals	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2022	Construction costs and current condition (Level 2), residual and remaining useful life assessments (Level 3 inputs)
Other infrastructure - aerodromes	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2022	Construction costs and current condition (Level 2), residual and remaining useful life assessments (Level 3 inputs)
Other infrastructure - other (inc. digital)	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2022	Construction costs and current condition (Level 2), residual and remaining useful life assessments (Level 3 inputs)
Work in progress	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2022	Construction costs and current condition (Level 2), residual and remaining useful life assessments (Level 3 inputs)

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

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**10. FIXED ASSETS**

**(a) Depreciation**

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - non-specialised	8(a)	94,405	88,086	88,298
Buildings - specialised	8(a)	420,479	392,501	393,446
Furniture and equipment	8(a)	20,018	9,830	11,336
Plant and equipment	8(a)	319,156	309,516	311,355
Infrastructure - roads	9(a)	2,783,374	2,747,197	2,754,377
Infrastructure - footpaths	9(a)	37,340	34,627	34,710
Infrastructure - drainage	9(a)	39,820	39,536	39,631
Infrastructure - refuse sites	9(a)	1,013	566	671
Infrastructure - sewerage	9(a)	12,043	11,765	11,793
Infrastructure - townscape	9(a)	874	872	874
Infrastructure - parks and ovals	9(a)	14,435	14,298	14,435
Infrastructure - aerodromes	9(a)	25,349	25,287	25,348
Infrastructure - other	9(a)	221,202	169,166	169,470
Right-of-use assets - plant and equipment	11(a)	14,290	8,693	25,585
		4,003,798	3,851,940	3,881,329

**Revision of useful lives of plant and equipment**

Council has elected to materially alter the estimated useful lives of property, plant, equipment and infrastructure assets following an independent valuation, as previous estimates materially understated the useful life of major asset and misrepresented Council's ability to maintain its assets

**SIGNIFICANT ACCOUNTING POLICIES**

**Depreciation**

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

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

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

**Depreciation on revaluation**

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

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

**Amortisation**

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life. The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

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

**Depreciation rates**

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

Asset Class	Useful life	Depreciation %
Land	Not depreciated	-
Infrastructure - roads	15 to 150 years	0.83% - 6.66%
Infrastructure - footpath	10 to 80 years	1.25% - 10.00%
Infrastructure - laneways	20 to 80 years	1.25% - 5.00%
Infrastructure - aerodrome	10 to 30 years	3.33% - 10.00%
Infrastructure - urban stormwater drainage	5 to 80 years	1.25% - 20.00%
Infrastructure - parks and ovals	10 to 40 years	2.50% - 10.00%
Infrastructure - refuse sites	Not depreciated	-
Infrastructure - sewerage	60 to 100 years	1.00% - 1.66%
Infrastructure - townscape	20 to 35 years	2.857% - 5.00%
Infrastructure - digital equipment	3 to 8 years	12.5% - 33.33%
Infrastructure - other	10 to 80 years	1.25% - 10.00%
Buildings - specialised	30 to 75 years	1.33% - 3.33%
Buildings - non-specialised	30 to 75 years	1.33% - 3.33%
Furniture and equipment	4 to 20 years	5.00% - 25.00%
Plant and equipment (major plant)	15 to 30 years	3.33% - 6.66%
Plant and equipment (minor plant)	5 to 20 years	5.00% - 20.00%

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10. FIXED ASSETS (Continued)

(b) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	0	0	0	0	0	0	0	0	2,000	0	0	(2,000)
Plant and equipment	467,537	439,932	16,976	(44,581)	513,998	351,818	11,987	(174,167)	270,440	202,955	0	(67,485)
	467,537	439,932	16,976	(44,581)	513,998	351,818	11,987	(174,167)	272,440	202,955	0	(69,485)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
<b>Plant and Equipment</b>				
<b>Transport</b>				
Side tipper trailer	47,617	50,000	2,383	0
Side tipper trailer	46,698	50,000	3,302	0
Caterpillar 950H loader	146,184	136,364	0	(9,820)
John Deere 670G Grader	133,398	101,750	0	(31,648)
<b>Other property and services</b>				
2019 Toyota Prado	50,527	61,818	11,291	0
2019 Toyota Kluger	43,113	40,000	0	(3,113)
	467,537	439,932	16,976	(44,581)



## 10. FIXED ASSETS (Continued)

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

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

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

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

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

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

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

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

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

#### Revaluation

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

At the end of each period the carrying amount for each asset class is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires land, buildings, infrastructure, 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 assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

#### Depreciation

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

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

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

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

#### Depreciation on revaluation

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

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

#### Amortisation

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

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

Amortisation is included within depreciation in the Statement of Comprehensive Income and in Note 10(a).

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**11. LEASES**

**(a) Right-of-Use Assets**

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.

	Note	Right-of-use assets - plant and equipment \$	Right-of-use assets Total \$
Balance at 1 July 2020		38,499	38,499
Depreciation		(13,890)	(13,890)
Balance at 30 June 2021		24,609	24,609
Additions		6,584	6,584
Depreciation	10(a)	(14,290)	(14,290)
Balance at 30 June 2022		16,903	16,903

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

		2022 Actual \$	2021 Actual \$
Depreciation on right-of-use assets	10(a)	(14,290)	(13,890)
Interest expense on lease liabilities	28(b)	(1,081)	(355)
<b>Total amount recognised in the statement of comprehensive income</b>		<b>(15,371)</b>	<b>(14,245)</b>
Total cash outflow from leases		(15,128)	(14,794)
<b>(b) Lease Liabilities</b>			
Current		9,260	14,210
Non-current		7,054	9,567
	28(b)	<b>16,314</b>	<b>23,777</b>

**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 28(b).

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

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

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

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

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

**SHIRE OF YILGARN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**11. LEASES (Continued)**

**(c) Lessor - Property, Plant and Equipment Subject to Lease**

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

	<b>2022 Actual \$</b>
Less than 1 year	99,564
1 to 2 years	14,509
2 to 3 years	14,509
3 to 4 years	14,509
4 to 5 years	12,107
> 5 years	53,288
	<b>208,486</b>

The Shire leases houses to staff and aged persons with rent payable weekly or fortnightly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The staff houses are not considered investment property as they are leased for use in the supply of services to the community

The aged persons housing are not considered investment property as the primary purpose is provision of community housing.

**SIGNIFICANT ACCOUNTING POLICIES**

**The Shire as Lessor**

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

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

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

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

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

**12. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors  
 Prepaid rates  
 Accrued payroll liabilities  
 ATO liabilities  
 Trust funds

2022	2021
\$	\$
773,395	593,793
88,896	73,157
113,217	81,072
30,292	68,599
92,392	271,639
1,098,192	1,088,260

**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 the fair value of the 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 revenue for the prepaid rates that have not been refunded.

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

**13. OTHER LIABILITIES**

**Current**

Contract liabilities  
 Unearned revenue

**Reconciliation of changes in contract liabilities**

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

2022	2021
\$	\$
958,411	321,233
45,718	0
1,004,129	321,233
321,233	32,820
958,411	288,413
(321,233)	0
958,411	321,233

**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 the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as revenue when the obligations in the contract are satisfied.

Non-current capital grant/contribution liabilities fair values 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 24(i)) due to the unobservable inputs, including own credit risk.



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

**14. BORROWINGS**

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Debentures		96,588	760,578	857,166	95,494	857,166	952,660
<b>Total secured borrowings</b>	28(a)	96,588	760,578	857,166	95,494	857,166	952,660

**Secured liabilities and assets pledged as security**

Debentures are secured by a charge over the assets of the Shire of Yilgarn.

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing costs**

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

**Risk**

Information regarding exposure to risk can be found at Note 22.

Details of individual borrowings required by regulations are provided at Note 28(a).

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

**15. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

**Current provisions**

**Employee benefit provisions**

Annual Leave

Long Service Leave

**Non-current provisions**

Long Service Leave

	2022	2021
	\$	\$
Annual Leave	287,735	327,849
Long Service Leave	183,567	168,096
	471,302	495,945
Long Service Leave	76,369	147,326
	547,671	643,271

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

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

**Amounts are expected to be settled on the following basis:**

Less than 12 months after the reporting date

More than 12 months from reporting date

Note	2022	2021
	\$	\$
Less than 12 months after the reporting date	471,302	495,945
More than 12 months from reporting date	76,369	147,326
	547,671	643,271

**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 YILGARN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**16. OTHER PROVISIONS**

Note	Provision for rehabilitation	Total
	\$	\$
<b>Opening balance at 1 July 2021</b>		
Current provisions	0	0
Non-current provisions	0	0
	<u>0</u>	<u>0</u>
Additional provision	134,316	134,316
<b>Balance at 30 June 2022</b>	<u>134,316</u>	<u>134,316</u>
<b>Comprises</b>		
Non-current	134,316	134,316
	<u>134,316</u>	<u>134,316</u>

**Other provisions**

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

**Provision for rehabilitation**

Under the licence for the operation of the Shire of Yilgarn's waste landfill site, the Shire has a legal obligation to restore the site.

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

The provision for future remediation costs is the best estimate of the present value of the expenditure required to settle the remediation obligation at the reporting date. Future remediation costs are reviewed annually and any changes in the estimated principle amount are reflected in the present value of the remediation provision at each reporting date. Movements owing to the unwinding of discounts are expensed as borrowing expenses.

**Provisions**

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

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

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

**17. REVALUATION SURPLUS**

	2022 Opening Balance	2022 Revaluation Increment	2022 Revaluation (Decrement)	Total Movement on Revaluation	2022 Closing Balance	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	2021 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Buildings - non-specialised	12,466,588	0	0	0	12,466,588	12,466,588	0	0	12,466,588
Revaluation surplus - Plant and equipment	2,322,192	0	0	0	2,322,192	2,322,192	0	0	2,322,192
Revaluation surplus - Infrastructure	185,578,185	227,486,725	0	227,486,725	413,064,911	185,578,185	0	0	185,578,185
	200,366,965	227,486,725	0	227,486,725	427,853,691	200,366,965	0	0	200,366,965

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

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

**18. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

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

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	14,355,911	9,098,448	10,904,147
<b>Restrictions</b>				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents	3	9,215,647	8,548,085	6,271,396
		9,215,647	8,548,085	6,271,396
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Restricted reserve accounts	29	9,215,647	8,548,085	6,271,396
<b>Total restricted financial assets</b>		9,215,647	8,548,085	6,271,396

**(b) Reconciliation of Net Result to Net Cash Provided  
By Operating Activities**

Net result		3,665,194	173,649	3,540,618
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(3,997)	0	0
Depreciation/amortisation		4,003,798	3,851,940	3,881,329
(Profit)/loss on sale of asset		27,605	162,180	69,485
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		(30,926)	100,000	(21,316)
(Increase)/decrease in other assets		(139,202)	0	(21,989)
(Increase)/decrease in inventories		(25,709)	10,000	6,038
Increase/(decrease) in trade and other payables		9,932	0	(626,049)
Increase/(decrease) in employee related provisions		(95,600)	0	13,814
Increase/(decrease) in other provisions		0	0	276,718
Increase/(decrease) in other liabilities		862,143	(350,300)	0
Non-operating grants, subsidies and contributions		(2,602,788)	(3,249,475)	(3,373,084)
Net cash provided by/(used in) operating activities		5,670,450	697,994	3,745,564

**(c) Undrawn Borrowing Facilities**

**Loan facilities**

Loan facilities - current	96,588	95,494
Loan facilities - non-current	760,578	857,166
<b>Total facilities in use at balance date</b>	<b>857,166</b>	<b>952,660</b>

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

**19. CONTINGENT LIABILITIES**

The Shire of Yilgarn currently operates the Southern Cross airport, located at Lot 88 on plan 161201, Southern Cross, 6426. The site has a known contamination issue due to a pesticide leak from 2012, which the Shire has an obligation to remediate in the future.

These future remediation costs form contingent liabilities to the Shire of Yilgarn, as until the Shire conducts an investigation to determine the scope and risk of the contamination, the timing and costs cannot be reliably measured.

Further, there are four other contaminated sites within the district that are owned by the Shire of Yilgarn. These sites do not form a contingent liability to the Shire; management does not consider the Shire to be liable for the remediation costs, as all sites are contaminated by pumping stations and associated infrastructure operated by Water Corporation.

The other contaminated sites are:

- Lot 1588 on plan 127359, Carrabin, 6423
- Lot 350 on plan 55290, Ghooli, 6426
- Parcel 70083, Ghooli, 6426
- Parcel 74577, Ghooli, 6426



**SHIRE OF YILGARN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**20. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

**Cr Wayne Della Bosca**

President's annual allowance  
Meeting attendance fees  
ICT expenses

**Cr Bryan Close**

Deputy President's annual allowance  
Meeting attendance fees  
ICT expenses

**Cr Linda Rose**

Meeting attendance fees  
ICT expenses  
Travel and accommodation expenses

**Cr Jodie Cobden**

Meeting attendance fees  
ICT expenses

**Cr Gary Guerini**

Meeting attendance fees  
ICT expenses  
Travel and accommodation expenses

**Cr Susan Shaw**

Meeting attendance fees  
ICT expenses  
Travel and accommodation expenses

**Cr Lisa Granich**

Meeting attendance fees  
ICT expenses  
Travel and accommodation expenses

**Cr Phil Nolan**

Meeting attendance fees  
ICT expenses  
Travel and accommodation expenses

Fees, expenses and allowances to be paid or  
reimbursed to elected council members.

President's annual allowance  
Deputy President's annual allowance  
Meeting attendance fees  
ICT expenses  
Travel and accommodation expenses

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
	12,000	12,000	12,000
	10,200	9,000	10,200
	1,180	1,180	1,180
	23,380	22,180	23,380
	3,000	3,000	3,000
	5,600	6,200	8,000
	1,180	1,180	1,180
	9,780	10,380	12,180
	5,400	6,200	5,000
	1,180	1,180	1,180
	2,554	2,500	2,376
	9,134	9,880	8,556
	5,000	6,200	5,600
	1,180	1,180	1,180
	6,180	7,380	6,780
	6,000	6,200	5,600
	1,180	1,180	1,180
	1,012	1,100	1,058
	8,192	8,480	7,838
	1,600	6,200	4,800
	1,180	1,180	1,180
	0	0	158
	2,780	7,380	6,138
	2,000	0	0
	2,040	0	0
	40	0	0
	4,080	0	0
	5,600	6,200	4,400
	1,180	1,180	1,180
	1,188	1,900	1,783
	7,968	9,280	7,363
	71,494	74,960	72,235
	12,000	12,000	12,000
	3,000	3,000	3,000
	41,400	46,200	43,600
	10,300	8,260	8,260
	4,794	5,500	5,375
20(b)	71,494	74,960	72,235

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

**(b) Key Management Personnel (KMP) Compensation**

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

	2022 Actual	2021 Actual
	\$	\$
Short-term employee benefits	750,387	535,003
Post-employment benefits	88,582	74,202
Employee - other long-term benefits	67,254	57,858
Council member costs	71,494	72,235
20(a)	977,717	739,298

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

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

*Council member costs*

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

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

**20. RELATED PARTY TRANSACTIONS**

**(c) Transactions with related parties**

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

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

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

	2022 Actual	2021 Actual
	\$	\$
Sale of goods and services	8,825	7,790
Purchase of goods and services	366,770	358,445
Short term employee benefits - other related parties	55,600	48,301
<b>Amounts outstanding from related parties:</b>		
Trade and other receivables	0	45
<b>Amounts payable to related parties:</b>		
Trade and other payables	24,177	12,128

**(d) Related Parties**

**The Shire's main related parties are as follows:**

*i. Key management personnel*

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

*ii. Other Related Parties*

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

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

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

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence.

Significant influence may be gained by share ownership, statute or agreement.

**SHIRE OF YILGARN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**21. CAPITAL COMMITMENTS**

**(a) Capital Expenditure Commitments**

Contracted for:

- capital expenditure projects
- plant & equipment purchases

**Capital expenditure projects**

Southern Cross skate park

**Plant and equipment purchases**

Toyota Kluger (EMCS vehicle)  
 Bullmaster Side Tipping Trailers (x2)  
 Toyota Hilux - YL13 (works vehicle)  
 Toyota Hilux - YL150 (EMI vehicle)  
 Toyota Hilux - YL252 (EHO vehicle)  
 Toyota Hilux - YL333 (works vehicle)  
 Toyota Hilux - YL38 (works vehicle)  
 Toyota Hilux - YL50 (works vehicle)

	2022	2021
	\$	\$
	0	183,040
	410,348	247,551
	410,348	430,591
	0	183,040
	0	183,040
	0	49,153
	0	198,398
	54,260	0
	58,174	0
	76,234	0
	74,722	0
	73,479	0
	73,479	0
	410,348	247,551

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

**22. FINANCIAL RISK MANAGEMENT**

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

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
<b>Market risk - interest rates</b>	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
<b>Credit risk</b>	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
<b>Liquidity risk</b>	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Shire does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

**(a) Interest rate risk**

**Cash and cash equivalents**

The Shire's main interest rate risk arises from cash deposits with variable interest rates, which exposes the Shire to cash flow Shire interest rate risk.

Excess cash is invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash required for working capital is held in accessible variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash at the 30 June and the weighted average interest rates for each account are reflected in the table below.

	<b>Weighted Average Interest Rate</b>	<b>Carrying Amounts</b>	<b>Fixed Interest Rate</b>	<b>Variable Interest Rate</b>	<b>Non Interest Bearing</b>
	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2022</b>					
Cash and cash equivalents	0.898%	14,355,911	12,124,416	2,230,145	1,350
<b>2021</b>					
Cash and cash equivalents	0.030%	10,904,147	695,115	10,207,682	1,350

**Sensitivity**

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

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% movement in interest rates on profit and loss and equity*	22,301	102,077

\* Holding all other variables constant

**Borrowings**

Borrowings are inherently subject to interest rate risk; movements in relevant interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long-term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 28(a).

**SHIRE OF YILGARN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**22. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

**Trade and Other Receivables**

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

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

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

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

The expected loss rates are based on historical relationships with each creditor, and management's assessment of how likely it is that an account will be recovered or not at the reporting date.

Given the above, it is management's assessment that there is no credit risk associated with unpaid rates for the year ended 30 June 2022.

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
<b>30 June 2022</b>						
Rates receivable	24,314	218,691	121,842	221,472	586,319	5
Loss allowance	0	0	0	0	0	
Net carrying amount	24,314	218,691	121,842	221,472	586,319	
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0.00%	
<b>30 June 2021</b>						
Rates receivable	342,193	141,964	83,384	127,039	694,580	5
Loss allowance	0	0	0	0	0	
Gross carrying amount	342,193	141,964	83,384	127,039	694,580	
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0.00%	

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

	Less than 30 days past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
<b>30 June 2022</b>						
Trade and other receivables	248,773	888	2,121	21,546	273,328	5
Loss allowance	0	0	(616)	(3,836)	(4,452)	
Gross carrying amount	248,773	888	1,505	17,710	268,876	
Expected credit loss	0.00%	0.00%	29.04%	17.80%	1.63%	
<b>30 June 2021</b>						
Trade and other receivables	85,003	32,435	230	16,538	134,206	5
Loss allowance	0	(1,288)	0	(12,861)	(14,149)	
Gross carrying amount	85,003	31,147	230	3,677	120,057	
Expected credit loss	0.00%	3.97%	0.00%	77.77%	10.54%	



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**22. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

The loss allowances for trade receivables and contract assets as at 30 June reconcile to the opening loss allowances as follows:

	Rates receivable		Trade and other receivables		Contract Assets	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual
	\$	\$	\$	\$	\$	\$
Opening loss allowance as at 1 July	0	0	14,149	12,025	0	0
Increase in loss allowance recognised in profit or loss during the year	0	0	0	2,124	0	0
Unused amount reversed	0	0	(9,697)	0	0	0
Closing loss allowance at 30 June	0	0	4,452	14,149	0	0

Trade receivables are written off where there is no reasonable expectation of recovery, based on management's assessment. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Shire, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

**Contract Assets**

The Shire's contract assets represent work completed, which have not been invoiced at year end. This may be due to the Shire not having met all the performance obligations in the contract which give an unconditional right to receive consideration, or because the necessary return had not been lodged as at the reporting date. The Shire applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets generally arise as a result of guarantees from either the State or Federal Government under grant funding agreements, and as such are generally considered to be unimpaired by management, pending any evidence to the contrary.

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**22. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Liquidity risk**

**Payables and borrowings**

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 18(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2022</b>					
Trade and other payables	1,067,900	0	0	1,067,900	1,067,900
Borrowings	96,587	386,348	374,231	857,166	857,166
Lease liabilities	13,186	3,128	0	16,314	16,314
	1,177,673	389,476	374,231	1,941,380	1,941,380

**2021**

Trade and other payables	1,019,661	0	0	1,019,661	1,019,661
Borrowings	95,494	393,043	464,123	952,660	952,660
Lease liabilities	14,210	9,567	0	23,777	23,777
	1,129,365	402,610	464,123	1,996,098	1,996,098

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

The Shire had no reportable events occurring after the end of the reporting period.

## **24. OTHER SIGNIFICANT ACCOUNTING POLICIES**

### **a) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

### **b) Current and non-current classification**

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Shire's intentions to release for sale.

### **c) Rounding off figures**

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

### **d) Comparative figures**

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

### **e) Budget comparative figures**

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

### **f) Superannuation**

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

### **g) Fair value of assets and liabilities**

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

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

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

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

### **h) Interest earnings**

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

### **i) Fair value hierarchy**

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to 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 cash generating non-specialised assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

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

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

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

### **k) Initial application of accounting standards**

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

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

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

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

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

**SHIRE OF YILGARN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**25. FUNCTION AND ACTIVITY**

**(a) Service objectives and descriptions**

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

Objective	Description
<b>GOVERNANCE</b> To provide a decision making process for the efficient allocation of limited resources.	Governance includes the activities of members of Council, and the administration support provided to assist members of Council and the ratepayers.
<b>GENERAL PURPOSE FUNDING</b> To collect revenue for the provision of services	Collection of revenue.
<b>LAW, ORDER, PUBLIC SAFETY</b> To provide services to help ensure a safe and environmentally conscious community.	Supervision and enforcement of local laws relating to fire prevention and animal control
<b>HEALTH</b> To provide an operational framework for environmental and community health	Inspection of food outlets and their health safety controls, provision of meat inspection services, noise control and waste disposal compliance.
<b>EDUCATION AND WELFARE</b> To provide services and support to the elderly, youth, children and disadvantaged persons.	Maintenance and support of child care centre, community playgrounds, senior citizen centre, community aged care services and youth engagement services.
<b>HOUSING</b> To provide and maintain housing for elderly residents.	Construction, provision and maintenance of housing for elderly residents.
<b>COMMUNITY AMENITIES</b> To provide services to the community	Rubbish collection, operation of rubbish disposal sites and litter control. Construction and maintenance of urban storm water drains. Protection of the local environment, administration of town planning scheme and provision of cemetery and other public conveniences.
<b>RECREATION AND CULTURE</b> To establish and effectively manage infrastructure and resources to the benefit and social well-being of the community.	Provision and maintenance of public halls, civic centres, the Southern Cross aquatic centre, various sporting facilities and public parks, gardens and playgrounds. Operation of public library, museum and other cultural facilities.
<b>TRANSPORT</b> To provide safe effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking areas and traffic coordination, cleaning of streets, upkeep of street vegetation, street lighting etc.,
<b>ECONOMIC SERVICES</b> To help promote the Shire and the economic wellbeing of the community.	Tourism and area promotion, including the maintenance and operation of the caravan park. Provision of rural services, including skeleton weed control, vermin control, standpipes and building control.
<b>OTHER PROPERTY AND SERVICES</b> To monitor and control the Shire's overhead expenditure.	Maintain records and control over public works operation, plant repair, administration costs and engineering costs.

**SHIRE OF YILGARN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**25. FUNCTION AND ACTIVITY (Continued)**

**(b) Income and expenses**

	<b>2022 Actual</b>	<b>2022 Budget</b>	<b>2021 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Income excluding grants, subsidies and contributions</b>			
General purpose funding	4,262,965	4,167,055	4,155,822
Law, order, public safety	8,154	18,600	17,096
Health	650	1,500	1,854
Education and welfare	74,160	63,480	52,123
Housing	71,114	75,920	67,698
Community amenities	805,385	648,459	709,414
Recreation and culture	32,555	24,816	21,074
Transport	228,222,867	539,000	150,473
Economic services	839,530	824,770	670,383
Other property and services	273,748	168,260	254,060
	<b>234,591,128</b>	<b>6,531,860</b>	<b>6,099,997</b>
<b>Grants, subsidies and contributions</b>			
General purpose funding	5,288,144	2,994,688	4,608,176
Law, order, public safety	60,894	64,176	109,995
Education and welfare	108,311	113,009	115,700
Community amenities	0	1,000	1,996
Recreation and culture	0	0	270,489
Transport	2,255,483	2,251,178	1,945,434
Economic services	171,000	170,000	316,000
	<b>7,883,832</b>	<b>5,594,051</b>	<b>7,367,790</b>
<b>Total Income</b>	<b>242,474,960</b>	<b>12,125,911</b>	<b>13,467,787</b>
<b>Expenses</b>			
Governance	(425,238)	(470,913)	(371,315)
General purpose funding	(255,065)	(325,351)	(255,232)
Law, order, public safety	(318,471)	(358,153)	(294,394)
Health	(285,278)	(313,734)	(251,174)
Education and welfare	(371,723)	(395,524)	(346,237)
Housing	(114,925)	(140,601)	(186,998)
Community amenities	(915,726)	(1,196,649)	(813,146)
Recreation and culture	(1,752,001)	(1,709,582)	(1,539,072)
Transport	(5,153,358)	(5,403,750)	(4,363,144)
Economic services	(1,522,736)	(1,563,635)	(1,352,063)
Other property and services	(208,516)	(74,370)	(154,394)
<b>Total expenses</b>	<b>(11,323,040)</b>	<b>(11,952,262)</b>	<b>(9,927,169)</b>
<b>Net result for the period</b>	<b>231,151,920</b>	<b>173,649</b>	<b>3,540,618</b>



**SHIRE OF YILGARN**  
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**25. FUNCTION AND ACTIVITY (Continued)**

	<b>2022 Actual</b>	<b>2022 Budget</b>	<b>2021 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>(c) Fees and Charges</b>			
General purpose funding	8,044	5,000	2,982
Law, order, public safety	4,153	4,600	3,625
Health	650	1,500	1,854
Education and welfare	69,751	62,480	45,908
Housing	71,114	75,920	67,198
Community amenities	804,469	637,959	709,367
Recreation and culture	14,977	15,150	17,840
Transport	173,745	16,000	12,503
Economic services	839,440	824,770	669,383
Other property and services	78,998	53,613	23,472
	<b>2,065,341</b>	<b>1,696,992</b>	<b>1,554,132</b>
	<b>2022</b>	<b>2021</b>	
	<b>\$</b>	<b>\$</b>	
<b>(d) Total Assets</b>			
Governance	9,293,452	5,678,524	
General purpose funding	7,036,611	6,183,281	
Law, order, public safety	2,562,247	2,473,133	
Health	482,792	523,997	
Education and welfare	4,202,892	3,087,383	
Housing	2,300,957	4,132,973	
Community amenities	38,830,186	6,640,366	
Recreation and culture	17,530,523	17,887,391	
Transport	413,713,082	221,263,837	
Economic services	1,393,163	1,893,931	
Other property and services	5,620,182	1,441,362	
Unallocated	187,000	166,401	
	<b>503,153,087</b>	<b>271,372,580</b>	

## 26. RATING INFORMATION

### (a) General Rates

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

SHIRE OF YILGARN  
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26. RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee Discount Granted	Type	Discount	2022 Actual	2022 Budget	2021 Actual	Circumstances in which Discount is Granted
		%	\$	\$	\$	
All GRV & UV Rate Types		5.00%	167,360	160,000	163,580	
			167,360	160,000	163,580	
Total discounts/concessions (Note 26)			167,360	160,000	163,580	

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26. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option One</b>				
Single full payment	17/09/2021	10.0	0.00%	7.00%
<b>Option Two</b>				
First instalment	17/09/2021	10.0	0.00%	7.00%
Second instalment	26/01/2022	10.0	0.00%	7.00%
<b>Option Three</b>				
First instalment	17/09/2021	10.0	0.00%	7.00%
Second instalment	22/11/2021	10.0	0.00%	7.00%
Third instalment	26/01/2022	10.0	0.00%	7.00%
Fourth instalment	1/4/222	10.0	0.00%	7.00%
		<b>2022 Actual</b>	<b>2022 Budget</b>	<b>2021 Actual</b>
		\$	\$	\$
Interest on unpaid rates		35,120	40,000	38,150
Charges on instalment plan		-	11,500	-
		35,120	51,500	38,150

**SHIRE OF YILGARN**  
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**27. RATE SETTING STATEMENT INFORMATION**

		2021/22 2021/22 Budget (30 June 2022 Carried Forward)	2021/22 (1 July 2021 Brought Forward)	2020/21 (30 June 2021 Carried Forward)
Note		\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	10(b)	(16,976)	(11,987)	0
Less: Movement in liabilities associated with restricted cash		0		126,634
Less: Fair value adjustments to financial assets at fair value through profit and loss		(3,997)	-	(2,586)
Add: Loss on disposal of assets	10(b)	44,581	174,167	69,485
Add: Depreciation	10(a)	4,003,798	3,851,940	3,881,329
Non-cash movements in non-current assets and liabilities:				
Pensioner deferred rates		32,772	0	(7,808)
Employee benefit provisions		(70,957)	0	68,320
<b>Non-cash amounts excluded from operating activities</b>		<b>3,989,232</b>	<b>4,014,120</b>	<b>4,135,374</b>
<b>(b) Non-cash amounts excluded from investing activities</b>				
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments to investing activities</b>				
Movement in non-current capital expenditure provisions		134,316	-	-
<b>Non-cash amounts excluded from investing activities</b>		<b>134,316</b>	<b>-</b>	<b>-</b>
<b>(c) Surplus/(deficit) after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
Less: Reserve accounts	29	(9,215,647)	(8,548,085)	(5,678,524)
Add: movement in non-current liabilities				
- borrowings	14	96,588	(45,996)	95,494
- lease liabilities	11(b)	9,260	0	14,210
<b>Total adjustments to net current assets</b>		<b>(9,109,799)</b>	<b>(8,594,081)</b>	<b>(5,568,820)</b>
<b>Net current assets used in the Rate Setting Statement</b>				
Total current assets		15,476,689	9,790,661	11,796,310
Less: Total current liabilities		(2,679,471)	(1,220,631)	(2,015,142)
Less: Total adjustments to net current assets		(9,109,799)	(8,594,081)	(5,568,820)
<b>Net current assets used in the Rate Setting Statement</b>		<b>3,687,419</b>	<b>(24,051)</b>	<b>4,212,347</b>

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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28. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Actual				Budget			
	Principal at 1 July 2020	New Loans During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021
	\$	\$	\$	\$	\$	\$	\$	\$
WA Treasury, Southern Cross swimming pool	0	1,000,000	(47,340)	952,660	0	(95,494)	857,166	952,660
<b>Total</b>	0	1,000,000	(47,340)	952,660	0	(95,494)	857,166	952,660
								0
								(95,504)
								857,156

Borrowing Interest Repayments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021
						\$	\$	\$
WA Treasury, Southern Cross swimming pool		Community amenities	0001	WA Treasury Corporation	1.1426%	10,613	10,613	5,713
<b>Total</b>						10,613	10,613	5,713
<b>Total Interest Repayments</b>	2(b)					10,613	10,613	5,713

(b) Lease Liabilities

Purpose	Note	Actual				Budget			
		Principal at 1 July 2020	New Leases During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021
		\$	\$	\$	\$	\$	\$	\$	\$
Right of Use assets		38,925	0	(15,149)	23,776	6,584	(14,047)	16,314	0
<b>Total Lease Liabilities</b>	11(b)	38,925	0	(15,149)	23,776	6,584	(14,047)	16,314	0

Lease Interest Repayments

Purpose	Note	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021	Lease Term
				\$	\$	\$	
Right of Use assets		Various	2.30%	(1,081)	-	354	0-4 years
<b>Total Interest Repayments</b>	2(b)			(1,081)	-	354	

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

**29. RESERVE ACCOUNTS**

	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by legislation/agreement</b>												
(a) Leave reserve	295,937	1,211	0	297,148	295,955	1,036	0	296,991	294,167	1,770	0	295,937
(b) Plant reserve	891,301	3,644	0	894,945	891,352	3,120	0	894,472	885,969	5,332	0	891,301
(c) Building reserve	1,144,951	1,504,681	0	2,649,632	1,144,991	1,504,007	0	2,648,998	690,794	454,157	0	1,144,951
(d) Aerodrome reserve	295,244	1,208	0	296,452	295,258	1,033	0	296,291	243,777	51,467	0	295,244
(e) Sewerage upgrade reserve	654,121	502,674	0	1,156,795	654,153	2,290	0	656,443	550,806	103,315	0	654,121
(f) Mt Hampton/Dulyalbin water supply reserve	48,843	5,848	0	54,691	48,845	7,671	0	56,516	42,483	6,360	0	48,843
(g) Recreation facility reserve	346,483	251,417	0	597,900	346,486	251,213	0	597,699	46,205	300,278	0	346,483
(h) Homes for the aged reserve	400,304	1,636	0	401,940	400,326	1,401	0	401,727	397,909	2,395	0	400,304
(i) Southern Cross refuse disposal site reserve	241,958	989	0	242,947	241,971	847	0	242,818	240,511	1,447	0	241,958
(j) Community bus reserve	128,567	526	0	129,093	128,574	450	0	129,024	127,798	769	0	128,567
(k) Mueum reserve	35,431	4,396	(15,000)	24,827	35,433	3,124	(15,000)	23,557	30,554	4,877	0	35,431
(l) Health services (capital) reserve	238,970	977	(27,700)	212,247	238,984	836	0	239,820	237,540	1,430	0	238,970
(m) Unspent grant funding reserve	0	943,522	0	943,522	0	943,522	0	943,522	0	0	0	0
(n) HVRIC reserve	443,296	141,543	0	584,839	443,051	155,551	0	598,602	287,984	155,312	0	443,296
(o) Youth development reserve	111,089	454	0	111,543	111,095	389	0	111,484	110,424	665	0	111,089
(p) ICT and furniture reserve	0	0	0	0	0	0	0	0	0	0	0	0
(q) Tourism reserve	252,883	1,033	0	253,916	252,894	885	0	253,779	201,669	51,214	0	252,883
(r) Health services (operations) reserve	108,571	410	0	108,981	108,577	380	0	108,957	107,922	649	0	108,571
(s) Yilgarn bowls and tennis club reserve	40,575	13,499	0	54,074	40,577	6,808	0	47,385	40,332	243	0	40,575
(t) Standpipe upgrade reserve	0	200,155	0	200,155	0	0	0	0	0	0	0	0
	5,678,524	3,579,823	(42,700)	9,215,647	5,678,522	2,884,563	(15,000)	8,548,085	4,536,844	1,141,680	0	5,678,524

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserves - cash backed.



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

**30. TRUST FUNDS**

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

	1 July 2021	Amounts Received	Amounts Paid	30 June 2022
	\$	\$	\$	\$
Third-party funds held on agreement	0	5,547	0	5,547
	0	5,547	0	5,547



## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2022 Shire of Yilgarn

To the Councillors of the Shire of Yilgarn

#### Opinion

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

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

In my opinion, the financial report is:

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

#### Basis for opinion

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

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

#### Other information

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

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

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

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

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

The Chief Executive Officer of the Shire is responsible for:

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

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

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

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

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

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

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

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

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

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

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

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



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

# Attachment 8.2



**Shire of Yilgarn  
BUDGET REVIEW REPORT  
For the Period Ended 31st January 2023**

**LOCAL GOVERNMENT ACT 1995  
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

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**Shire of Yilgarn**  
**STATEMENT OF BUDGET REVIEW**  
**(Nature or Type)**  
**For the Period Ended 31st January 2023**

	Budget v Actual		Predicted Variance			
	Note	Adopted Annual Budget	YTD Actual	Budget Increase / (Decrease)	Timing / (Carryover)	Estimated Year End
		\$	\$	\$	\$	\$
<b>Net current assets at start of financial year surplus/(deficit)</b>		<b>4,209,114</b>	<b>3,933,334</b>	<b>(275,780)</b>		<b>3,933,334</b>
<b>Revenue from operating activities (excluding rates)</b>						
Grants, Subsidies and Contributions		2,299,689	1,366,870	(85,800)		2,198,483
Profit on Asset Disposal		26,462	0	0		16,449
Fees and Charges		1,762,498	1,422,171	286,420		1,975,477
Interest Earnings		82,255	236,838	299,000		386,008
Other Revenue		719,023	502,925	0		809,269
		<b>4,889,928</b>	<b>3,528,804</b>	<b>499,620</b>	<b>0</b>	<b>5,385,686</b>
<b>Expenditure from operating activities</b>						
Employee Costs		(3,242,324)	(1,953,821)	119,000		(3,308,906)
Materials and Contracts		(2,942,652)	(1,287,745)	39,200		(2,860,356)
Utilities Charges		(866,215)	(450,482)	(17,000)		(793,534)
Depreciation (Non-Current Assets)		(4,005,550)	(2,729,423)	(700,000)		(4,676,487)
Interest Expenses		(8,967)	(4,897)	0		(4,897)
Insurance Expenses		(332,566)	(341,234)	0		(373,567)
Loss on Asset Disposal		(259,490)	(93,371)	0		(208,999)
Other Expenditure		(811,102)	(466,107)	(15,000)		(830,604)
		<b>(12,468,866)</b>	<b>(7,327,080)</b>	<b>(573,800)</b>	<b>0</b>	<b>(13,057,350)</b>
<b>Funding Balance Adjustment</b>						
Add Back Depreciation		4,005,550	2,729,423	700,000		4,676,487
Adjust (Profit)/Loss on Asset Disposal		233,028	93,371	0		192,550
Adjust Provisions and Accruals		0	0	0		0
<b>Amount attributable to operating activities</b>		<b>868,754</b>	<b>2,957,852</b>	<b>350,040</b>	<b>0</b>	<b>1,130,707</b>
<b>INVESTING ACTIVITIES</b>						
Non-Operating Grants, Subsidies and Contributions		3,351,243	676,154	190,356		3,548,747
Land Held for Resale		0	0	0		0
Land and Buildings		(2,459,751)	(459,291)	104,406		(2,010,891)
Plant and Equipment		(1,994,000)	(954,272)	0		(1,992,772)
Furniture and Equipment		(50,000)	(20,800)	900		(68,800)
Infrastructure Assets - Roads		(3,587,413)	(1,392,081)	(10,880)		(3,611,776)
Infrastructure Assets - Other		(736,500)	(40,851)	0		(709,601)
Purchase of Investments		0	0	0		0
Proceeds from Disposal of Assets		440,700	0	0		190,700
Proceeds from Sale of Investments		0	0	0		0
<b>Amount attributable to investing activities</b>		<b>(5,035,721)</b>	<b>(2,191,141)</b>	<b>284,782</b>	<b>0</b>	<b>(4,654,394)</b>
<b>FINANCING ACTIVITIES</b>						
Proceeds from New Debentures		0	0	0		0
Proceeds from Advances		0	0	0		0
Self-Supporting Loan Principal		0	0	0		0
Transfer from Reserves		1,112,469	943,522	0		1,112,469
Repayment of Debentures		(100,190)	(51,079)	0		(102,158)
Advances to Community Groups		0	0	0		0
Transfer to Reserves		(1,109,418)	(130,866)	0		(1,311,842)
<b>Amount attributable to financing activities</b>		<b>(97,139)</b>	<b>761,577</b>	<b>0</b>	<b>0</b>	<b>(301,531)</b>
<b>Budget deficiency before general rates</b>		<b>(4,264,106)</b>	<b>1,528,176</b>			<b>(3,825,218)</b>
<b>Estimated amount to be raised from general rates</b>		<b>4,196,740</b>	<b>4,207,615</b>			<b>4,207,615</b>
<b>Closing Funding Surplus(Deficit)</b>		<b>(67,366)</b>	<b>5,735,791</b>			<b>382,397</b>

**SHIRE OF YILGARN**  
**NOTES TO AND FORMING PART OF THE BUDGET REVIEW REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

The budget review report has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this budget review report are presented below and have been consistently applied unless stated otherwise.

The 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.

**Critical accounting estimates**

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

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

**The 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 budget review.

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

**(b) 2021/22 Actual Balances**

Balances shown in this budget review report as 2022/22 Actual are as forecast at the time of budget review preparation and are subject to final adjustments.

**(c) Rounding Off Figures**

All figures shown in this budget review report, other than a rate in the dollar, are rounded to the nearest dollar.

**(d) Rates, Grants, Donations and Other Contributions**

Rates, grants, donations and other contributions are recognised as revenues when the Shire obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

**(e) 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 Note 4 Net Current Assets

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.



**SHIRE OF YILGARN  
NOTES TO AND FORMING PART OF THE BUDGET REVIEW REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(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) Cash and Cash Equivalents**

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

Bank overdrafts are shown as short term borrowings in current liabilities in Note 4 Net Current Assets.

**(h) Trade and Other Receivables**

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

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

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

**(i) Inventories**

**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 sale 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. Finance 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 on to the buyer at this point.

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

**(j) Fixed Assets**

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

**SHIRE OF YILGARN**  
**NOTES TO AND FORMING PART OF THE BUDGET REVIEW REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Fixed Assets (Continued)**

***Mandatory requirement to revalue non-current assets***

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

During the year ended 30 June 2013, the Shire commenced the process of adopting Fair Value in accordance with the Regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at Fair Value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the Shire revalues its asset classes in accordance with this mandatory timetable.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

***Initial Recognition and Measurement between Mandatory Revaluation Dates***

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, 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 acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation of the next anniversary date in accordance with the mandatory measurement framework detailed above.

***Revaluation***

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

***Land Under Roads***

In Western Australia, all land under roads is Crown land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Shire

**SHIRE OF YILGARN**  
**NOTES TO AND FORMING PART OF THE BUDGET REVIEW REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Depreciation**

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

Major depreciation periods used for each class of depreciable asset are:

<b>Asset</b>	<b>Years</b>
Buildings	30 to 50 years
Furniture and Equipment	5 to 10 years
Plant and Equipment	5 to 10 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
bituminous seals	30 years
asphalt surfaces	25 years
Gravel Roads	
formation	not depreciated
pavement	50 years
gravel sheet	15 years
Formed roads	
formation	not depreciated
pavement	50 years
Footpaths - slab	12 years
Sewerage piping	50 years
Water supply piping & drainage systems	50 years
Airfields and runways	30 years
Refuse disposal sites	not depreciated

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

**(k) Fair Value of Assets and Liabilities**

When performing a revaluation, the Shire uses a mix of both independent and management valuations using the following as a guide:

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

**SHIRE OF YILGARN  
NOTES TO AND FORMING PART OF THE BUDGET REVIEW REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Fair Value of Assets and Liabilities (Continued)**

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.

***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 an asset at its current service capacity.

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 and 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.

**SHIRE OF YILGARN**  
**NOTES TO AND FORMING PART OF THE BUDGET REVIEW REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cost approach (Continued)**

The mandatory measurement framework imposed by the *Local Government (Financial Management) Regulations* requires, as a minimum, all assets to be revalued at least every 3 years. Relevant disclosures, in accordance with the requirements of Australian Accounting Standards have been made in the budget review report as necessary.

**(I) Financial Instruments**

**Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the Shire becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Shire commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

**Classification and Subsequent Measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

**(i) Financial assets at fair value through profit and loss**

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short term profit taking. Assets in this category are classified as current assets. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

**(ii) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

**SHIRE OF YILGARN**  
**NOTES TO AND FORMING PART OF THE BUDGET REVIEW REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(I) Financial Instruments (Continued)**

*(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Shire management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

*(iv) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available for sale financial assets are classified as non-current.

*(v) Financial liabilities*

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

**Impairment**

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

**Derecognition**

Financial assets are derecognised where the contractual rights for receipt of cash flows expire or the asset is transferred to another party, whereby the Shire no longer has any significant continual involvement in the risks and benefits associated with the asset.

**SHIRE OF YILGARN**  
**NOTES TO AND FORMING PART OF THE BUDGET REVIEW REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(l) Financial Instruments (Continued)**

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

**(m) Impairment of Assets**

In accordance with Australian Accounting Standards the Shire 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 revaluation decrease in accordance with that other standard.

**(m) Impairment of Assets (Continued)**

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

At the time of adopting this budget review report, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2022.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on this budget review report.

**(n) Trade and Other Payables**

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

**(o) Employee Benefits**

**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. The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.



**SHIRE OF YILGARN**  
**NOTES TO AND FORMING PART OF THE BUDGET REVIEW REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Other Long-Term Employee Benefits**

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at 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.

**(p) Borrowing Costs**

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

**(q) Provisions**

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

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

**(r) Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Shire, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

**SHIRE OF YILGARN**  
**NOTES TO AND FORMING PART OF THE BUDGET REVIEW REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(s) Investment in Associates**

An associate is an entity over which the Shire has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Shire's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Shire and the associate are eliminated to the extent of the Shire's interest in the associate.

When the Shire's share of losses in an associate equals or exceeds its interest in the associate, the Shire discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Shire will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

**(t) Interests in Joint Arrangements**

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(o) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements.

**(u) Current and Non-Current Classification**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. 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 even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the Shire's intentions to release for sale.

**(v) Comparative Figures**

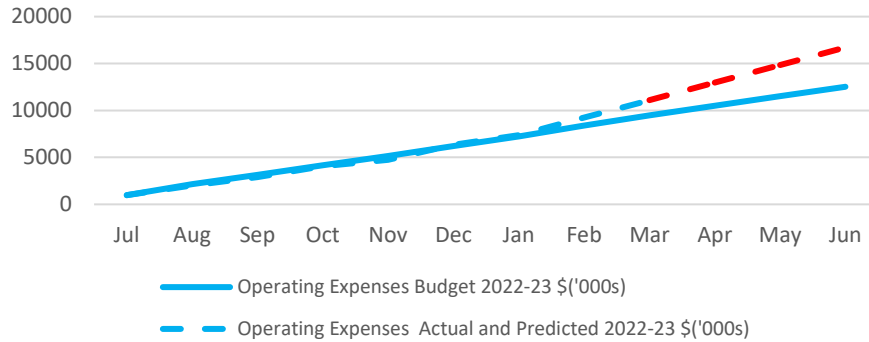
Where required, comparative figures have been adjusted to conform with changes in presentation for the current budget year.

**(w) Budget Comparative Figures**

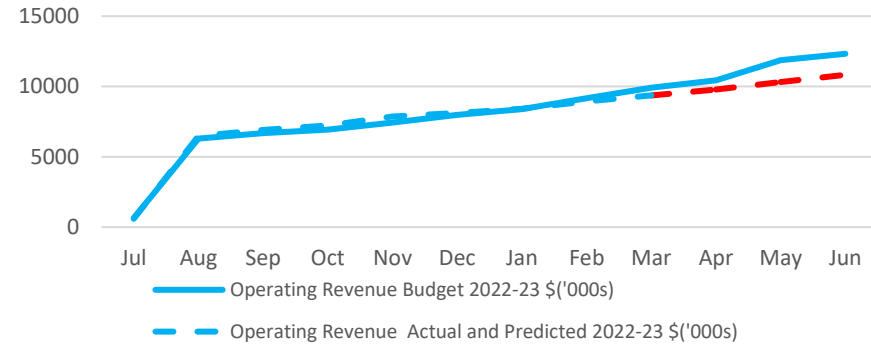
Unless otherwise stated, the budget comparative figures shown in this budget review report relate to the original budget estimate for the relevant item of disclosure.

**SHIRE OF YILGARN**  
**SUMMARY GRAPHS - BUDGET REVIEW**  
**For the Period Ended For the Period Ended 31st January 2023**

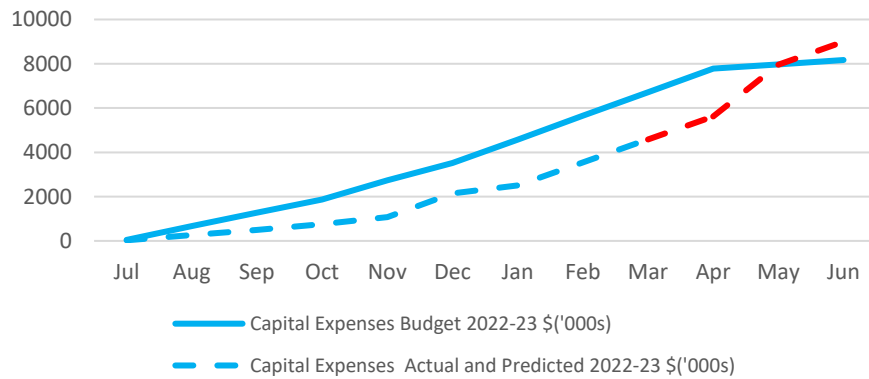
**Operating Expenses**



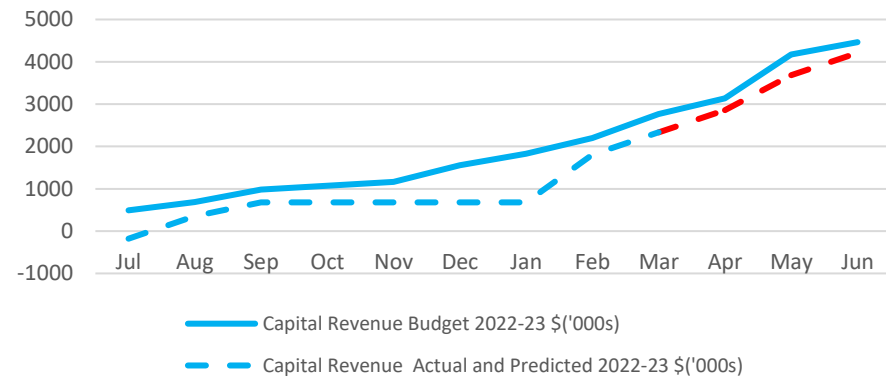
**Operating Revenue**



**Capital Expenditure**



**Capital Revenue**



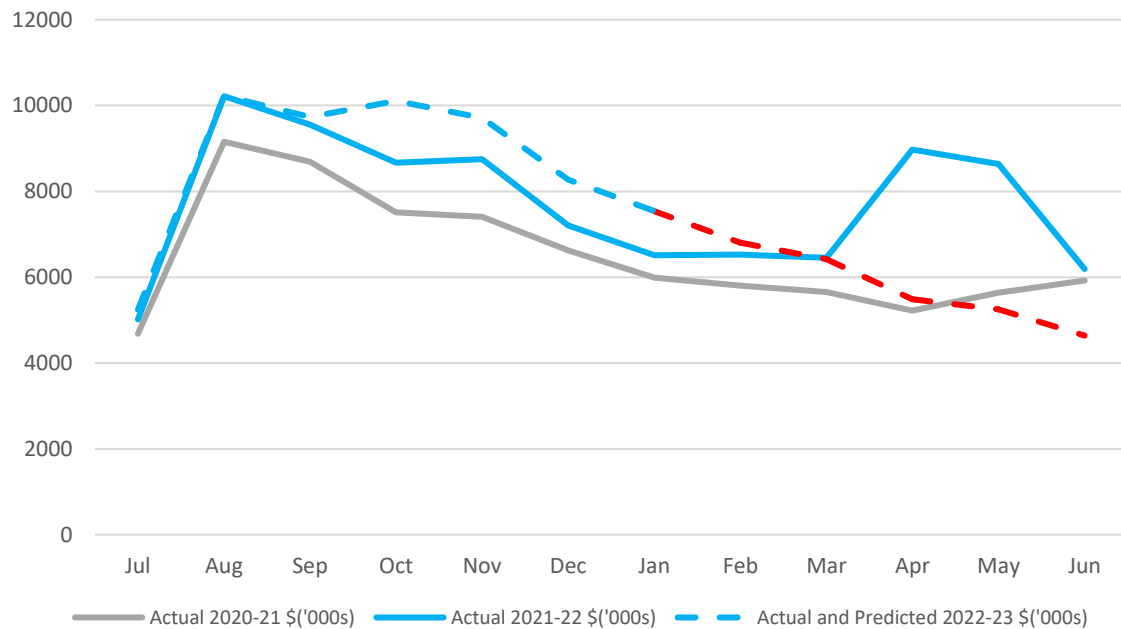
This information is to be read in conjunction with the accompanying financial statements and notes.

**Shire of Yilgarn**  
**NOTES TO THE BUDGET REVIEW REPORT**  
**For the Period Ended 31st January 2023**

**Note 3: NET CURRENT FUNDING POSTION**

Positive=Surplus (Negative=Deficit)			
<b>2022-23</b>			
	<b>Note</b>	<b>This Period</b>	<b>Last Period</b>
		<b>\$</b>	<b>\$</b>
			<b>Same Period Last Year</b>
			<b>\$</b>
<b>Current Assets</b>			
Cash Unrestricted		6,674,697	7,249,623
Cash Restricted		8,417,360	8,417,360
Receivables - Rates and Rubbish		550,449	663,580
Receivables -Other		293,872	336,492
Inventories		20,134	19,064
		<b>15,956,512</b>	<b>16,686,120</b>
<b>Less: Current Liabilities</b>			
Payables		(146,190)	(143,468)
Provisions		(471,302)	1,253,291
		<b>(617,492)</b>	<b>1,109,823</b>
			<b>357,133</b>
Less: Cash Restricted		(8,417,360)	(8,417,360)
			(5,688,550)
<b>Net Current Funding Position</b>		<b>6,921,659</b>	<b>9,378,583</b>
			<b>6,872,245</b>

**Liquidity Over the Year**



**Comments/Notes - Net Current Funding Position**

Shire of Yilgarn  
NOTES TO THE BUDGET REVIEW REPORT  
For the Period Ended 31st January 2023

**Note 4: BUDGET AMENDMENTS**

Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Account Code	Description	Council Resolution	Classification	No Change - (Non Cash Items) Adjust.	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance	Comments
				\$	\$	\$	\$	
<b>Budget Adoption</b>			<b>Opening Surplus(Deficit)</b>			<b>275,780</b>	<b>(275,780)</b>	Grant income received but works not yet completed, transferred at EOY to contract liability as per AASB 15 Revenue from Contracts with Customers
<b>Budget Amendments Previously Approved - Pre 31 January 2023</b>								
E10315	S X Sewerage - Other	294/2022	Operating Expenses		105,000		<b>105,000</b>	Removal of Contractor costs for Sewer Inspections
E10353	Southern Cross Sewerage Scheme - Plant & Equipment Capital	294/2022	Capital Expenses			125,000	<b>(125,000)</b>	Purchase of Sewer Inspection Equipment
<b>Budget Amendments Previously Approved - Post 31 January 2023</b>								
E14656	Shire Administration - Plant & Equipment	18/2023	Capital Expenses			38,200	<b>(38,200)</b>	Purchase of New Administration Pool Vehicle
<b>Budget Amendments Resulting From Review</b>								
<u>03. General Purpose Funding</u>								
E03118	Debtors Written Off		Operating Expenses			15,000	<b>(15,000)</b>	Writeoff's for Assessments Seized and Sold
E03119	Consultancy		Operating Expenses			16,500	<b>(16,500)</b>	Conveyancing Costs for Assessments Seized and Sold
R03205	Grants - Local Roads And Community Infrastructure (Lrci)		Operating Revenue		160,311		<b>160,311</b>	Unpaid Grants for Works Completed from Prior Year
R03302	Interest Earned - Reserve Funds		Operating Revenue		190,000		<b>190,000</b>	General Increase in Interest Rate
R03303	Interest Earned - Municipal Funds		Operating Revenue		109,000		<b>109,000</b>	General Increase in Interest Rate
<u>07. Health</u>								
E07104	Depreciation - Public Health Administration		Operating Expenses			1,600	<b>(1,600)</b>	Allow for Depreciation on Assets
E07112	Other - Public Health Administration		Operating Expenses			900	<b>(900)</b>	Minor Costs Associated with Contract EHO
E07416	Provision Of Medical Services (To Be Reimbursed From Trust)		Operating Expenses			8,400	<b>(8,400)</b>	New Doctors Contract - Increase in Support
<u>08. Education &amp; Welfare</u>								
E08215	Mt Hampton School Operations/ Maintenance		Operating Expenses		30,000		<b>30,000</b>	Demolition of School Postponed to a future Year
E08250	Child Care Centre - Land & Buildings Capital		Capital Expenses			11,000	<b>(11,000)</b>	Increase in Costs
R08301	Senior Citizens - Fundraising		Operating Revenue		2,000		<b>2,000</b>	Waiver of Use Fees, Rename Account to Reflect
R08303	Senior Citizens Centre - Grant Funding		Operating Revenue			800	<b>(800)</b>	Seniors Games Grant not being applied for
J08401	Homes for the Aged - Units 1 & 2 - Capital Works		Capital Expenses			18,376	<b>(18,376)</b>	Proposed Works to be Carried Forward
J08402	Homes for the Aged - Units 3 & 4 - Capital Works		Capital Expenses			19,124	<b>(19,124)</b>	
J08403	Homes for the Aged - Units 5 & 6 - Capital Works		Capital Expenses			20,409	<b>(20,409)</b>	
J08404	Homes for the Aged - Units 7 & 8 - Capital Works		Capital Expenses			19,054	<b>(19,054)</b>	

Shire of Yilgarn  
NOTES TO THE BUDGET REVIEW REPORT  
For the Period Ended 31st January 2023

**Note 4: BUDGET AMENDMENTS**

Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Account Code	Description	Council Resolution	Classification	No Change - (Non Cash Items) Adj.	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance	Comments
				\$	\$	\$	\$	
J08405	Homes for the Aged - Units 9 & 10 - Capital Works		Capital Expenses			19,054	(19,054)	
J08406	Homes for the Aged - Units 11 & 12 - Capital Works		Capital Expenses			16,577	(16,577)	
<b>09. Housing</b>								
R09706	Housing Rental Income - All Sources - 13 (West) Libra Pl		Operating Revenue		5,300		5,300	Occupied by a Staff Member
R09713	Housing Rental Income - All Sources - 120 Antares St		Operating Revenue		3,120		3,120	
R09716	Housing Rental Income - All Sources - 3/50 Antares St		Operating Revenue			4,500	(4,500)	Occupancy Transferred to a Staff Member
J09752	6 Libra Pl - Land & Buildings Capital		Capital Expenses			26,000	(26,000)	Replace Dilapidated Shed
J09754	3 Libra Pl - Land & Buildings Capital		Capital Expenses			80,000	(80,000)	Opportunistic Capital Renewals due to Vacancy
J09813	Staff Housing - 120 Antares St - Maintenance		Operating Expenses			4,000	(4,000)	Added Maint in readiness for New Tenant
J09816	Staff Housing - 3/50 Antares St - Maintenance		Operating Expenses			3,400	(3,400)	Replace Faulty Air-conditioned
<b>10. Community Amenities</b>								
R10101	Comm Refuse Site Disposal - Bulk		Operating Revenue		75,000		75,000	Increased Use by Miners
J10104	Bullfinch Refuse Site Operations		Operating Expenses			17,500	(17,500)	Increased General Compliance Rehab Works
J10106	Bodallin Refuse Site Operations		Operating Expenses			12,000	(12,000)	Increased General Compliance Rehab Works
J10301	Southern Cross Sewerage Maintenance		Operating Expenses			55,000	(55,000)	Dedicated Employee, Increased Costs
E10415	M/Loch Sewerage - Other		Operating Expenses		30,000		30,000	No Expenditure Anticipated
R10502	Septic Waste Disposal Fees		Operating Revenue		15,000		15,000	Increased Use of Sullage Pits by Miners
E10610	Town Planning Scheme - Other		Operating Expenses		45,000		45,000	Town Planning Scheme Review to be Postponed
E10904	Depreciation - Urban Stormwater Drainage		Operating Expenses	300,000				Significant Fair Value Increase
J10604	Xmas decorations. lights and banners		Operating Expenses			12,000	(12,000)	Construction of Community Christmas Tree
J10605	Community Development - General		Operating Expenses		17,000		17,000	Lower than Expected Expenditure
<b>11. Recreation &amp; Culture</b>								
E11122	Mt Hampton Hall - Maintenance		Operating Expenses			10,000	(10,000)	Additional Maintenance Due to Storm Damage
J11201	Swimming Pool maintenance		Operating Expenses		17,000		17,000	Less Than Expected Maintenance Required
<b>12. Transport</b>								
R12100	Grant Roads 2025		Operating Revenue		30,045		30,045	Additional RRG Alloc Due to Group Underspend
RRG21	R2030 - Koolyanobbing Rd - Construct To 8M Prime Seal - Slk 0.0 - 2.1 (22/23)		Capital Expenses			45,067	(45,067)	Contra to Additional RRG Alloc
RRU31	Rru - Marvel Loch Forrestania Rd - Reseal - Slk 0.0 To 1.0 (22/23)		Capital Expenses		55,947		55,947	To Be Upgraded By Third Party
E12204	Infrastructure Depreciation		Operating Expenses	400,000				
E12352	Depot - Furniture & Equipment Capital		Capital Expenses		10,000		10,000	Shelving Project to be Stages Due to Supply Issues
J14602	Depot - Land & Buildings Capital		Operating Expenses		10,000		10,000	Washdown Bay Project to be Staged
R12400	Airport Landing Charges		Operating Revenue		40,000		40,000	Greater Usage

Shire of Yilgarn  
NOTES TO THE BUDGET REVIEW REPORT  
For the Period Ended 31st January 2023

**Note 4: BUDGET AMENDMENTS**

Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Account Code	Description	Council Resolution	Classification	No Change - (Non Cash Items) Adjust.	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance	Comments
				\$	\$	\$	\$	
<u>13. Economic Services</u>								
R13210	Caravan Park Income		Operating Revenue		150,500		<b>150,500</b>	Significantly Increased Sandlewood Occupancy
E13211	Caravan Park Operations		Operating Revenue			17,000	<b>(17,000)</b>	Higher Than Expected Operating Costs
J13206	Caravan Park - Furniture & Equipment General		Capital Expenses			10,600	<b>(10,600)</b>	Replacement of Commercial Washer/Dryer
R13700	State Skeleton Weed Committee Fund		Operating Revenue			85,000	<b>(85,000)</b>	Transfer of Program from Council
<u>14. Other Property &amp; Services</u>								
E14215	Housing Incentive		Operating Expenses			62,000	<b>(62,000)</b>	Increase in Staff Housing Allowance
E14314	Parts & Repairs		Operating Expenses			83,000	<b>(83,000)</b>	Increased Materials & Parts Costs
J14603	11 Antares Street - Land & Buildings Capital		Capital Expenses			100,000	<b>(100,000)</b>	Additional Allowance to Complete Works
<b>Amended Budget Cash Position as per Council Resolution</b>				<b>700,000</b>	<b>1,100,223</b>	<b>1,332,841</b>	<b>(232,618)</b>	