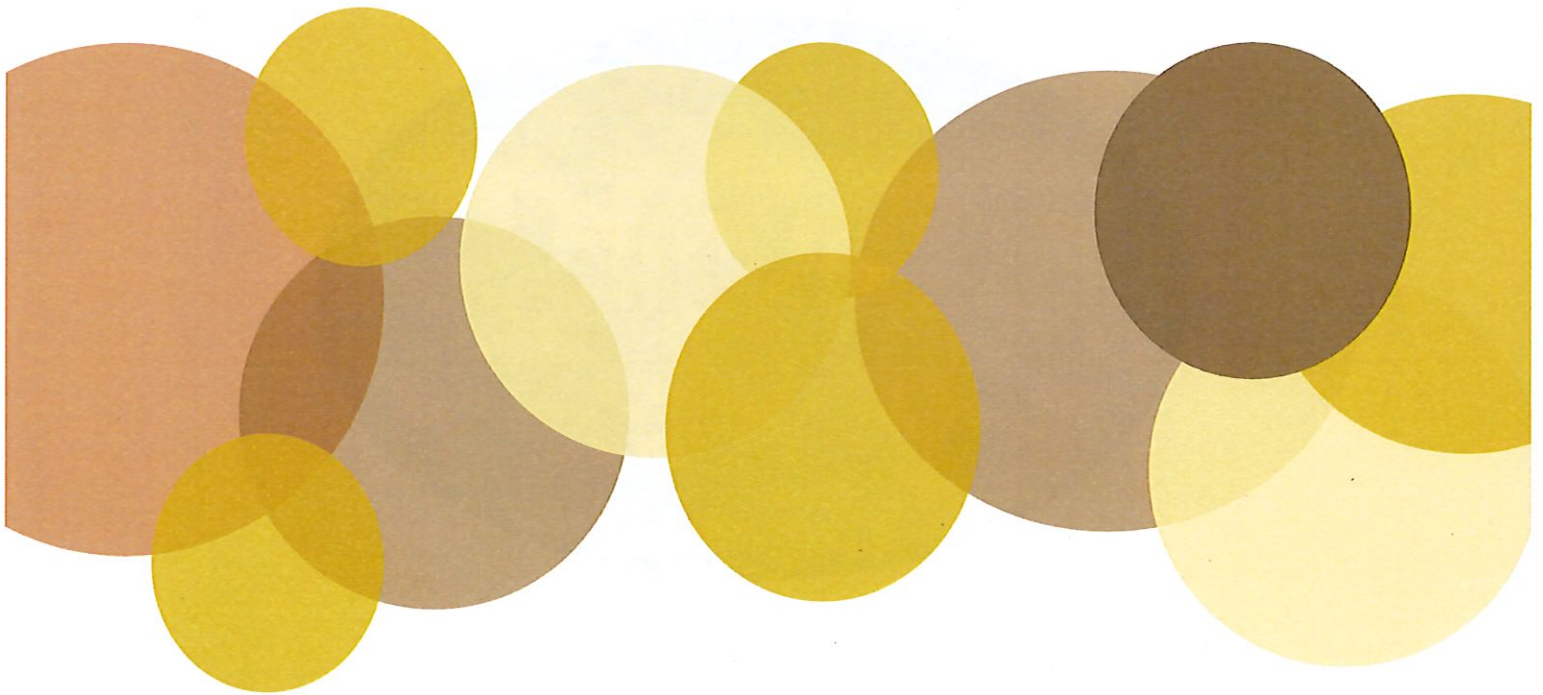




# Annual Report

2020-2021





186 Campbell Street (PO Box 13)  
Cuballing WA 6311  
PH: 9883 6031  
E-mail; [enquiries@cuballing.wa.gov.au](mailto:enquiries@cuballing.wa.gov.au)  
Website: [www.cuballing.wa.gov.au](http://www.cuballing.wa.gov.au)

## **INTRODUCTION**

Council is pleased to present the Annual Report of the Shire of Cuballing for the Financial Year ending 30 June 2021. The report is prepared in accordance with the requirements of Section 5.53 of the Local Government Act 1995, relevant standards and Regulations.

Council is required to, in its Annual Report, include more on its operations and activities and it is hoped that you will find the information of interest.

Copies of the report are available at the Shire Offices in Campbell Street, Cuballing. Council welcomes any comment from ratepayers and residents of the Shire.



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## **Elected Members**

### **CR. E Dowling – President**

Elected to Office: 2013

Term Expires: 2025

Address: PO Box 2, Popanyinning WA 6309

Phone: 0488 775 095

Email: [president@cuballing.wa.gov.au](mailto:president@cuballing.wa.gov.au)

### **CR. R Harris – Deputy President**

Elected to Office: 2019

Term Expires: 2023

Address: PO Box 28, Cuballing WA 6311

Phone: 0458 939 097

Email: [cubyeast@gmail.com](mailto:cubyeast@gmail.com)

### **CR. D Bradford – Councillor**

Elected to Office: 2013

Term Expires: 2023

Address: Hillcroft Farms, Popanyinning WA 6309

Phone: 0427 877 055

Email: [hillcroftbradford@gmail.com](mailto:hillcroftbradford@gmail.com)

### **CR. J Christensen - Councillor**

Elected to Office: 2021

Term Expires: 2025

Address: PO Box 36, Cuballing WA 6311

Phone: 0427 836 220

Email: [camjul@westnet.com.au](mailto:camjul@westnet.com.au)

### **CR. P Dowdell - Councillor**

Elected to Office: 2021

Term Expires: 2023

Address: PO Box 1058, Narrogin WA 6312

Phone: 0427 897 890

Email: [dowdells@westnet.com.au](mailto:dowdells@westnet.com.au)

### **CR. A Kowald - Councillor**

Elected to Office: 2021

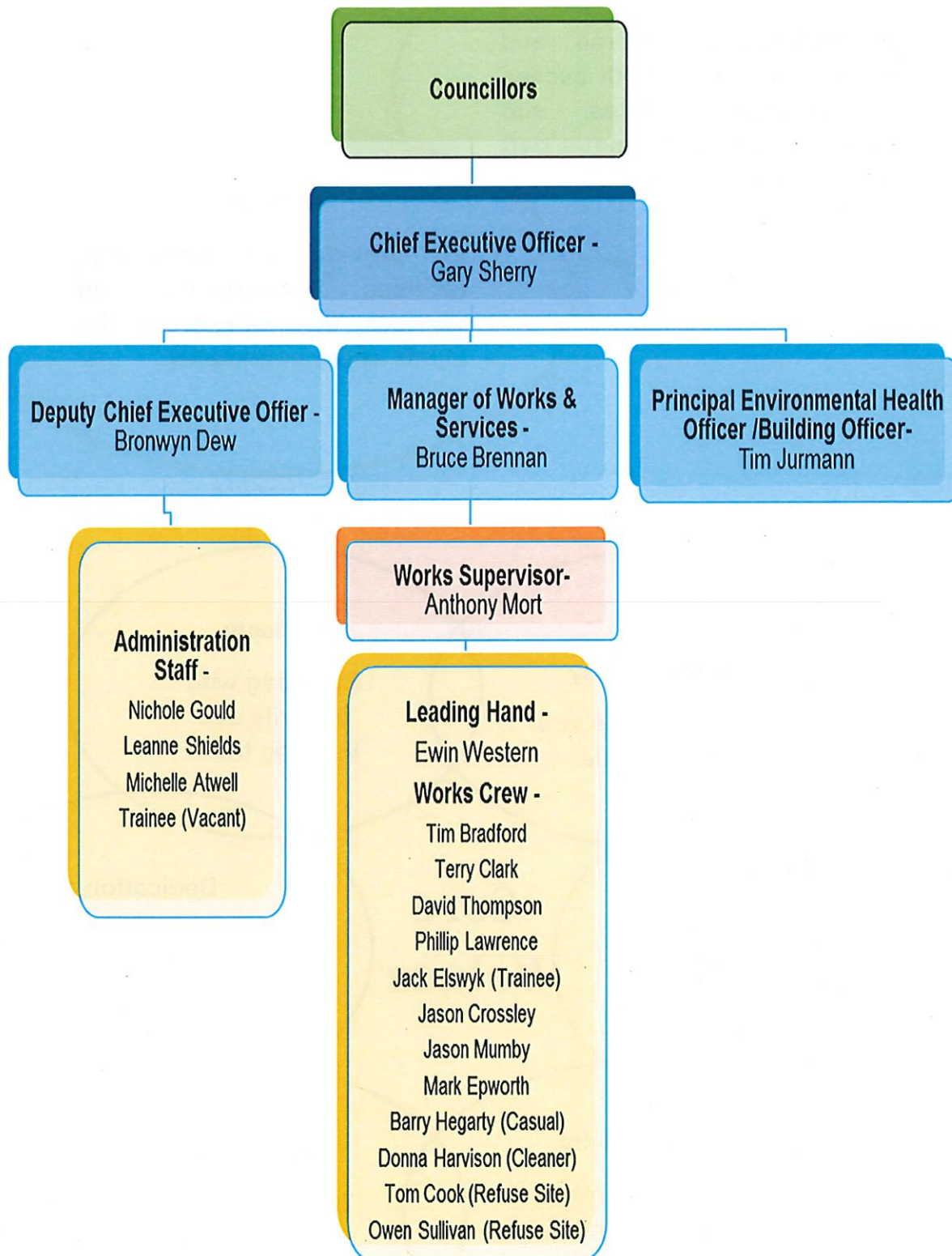
Term Expires: 2025

Address: PO Box 55, Popanyinning WA 6309

Phone: 0408 953 337

Email: [adrianpoppo@outlook.com](mailto:adrianpoppo@outlook.com)

# Organisational Structure & Staff



### **Vision**

**A progressive, diverse and caring community, with access to modern services and infrastructure, in a unique part of the world.**

### **Mission**

**To provide the leadership, facilities, infrastructure and services that will serve the needs of our community.**

## **Core Values**

### **Transparency**

**By being open and accountable.**

### **Honesty**

**By acting with integrity and building trust.**

### **Respect**

**By being tolerant, helpful and showing empathy and care for others.**

### **Dedication**

**In the continual pursuit of excellence.**






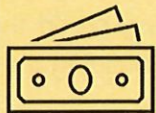





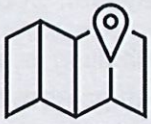



### **Proactivity**

**Through forward thinking and being positive.**

### **Cohesiveness**

**Through teamwork, unity and shared ownership.**

# Shire Statistics

 <p>863</p> <p><b>Population</b> *Based on 2016 Census</p>	 <p>\$690</p> <p><b>Minimum Rates-Residential</b></p>	 <p>21</p> <p><b>Number of Staff</b></p>
 <p>192km's</p> <p><b>Distance from Perth</b></p>	 <p>\$1,090,630</p> <p><b>Operating Grant Revenue</b></p>	 <p>\$1,172,623</p> <p><b>Rates Levied</b></p>
 <p>\$2,755,483</p> <p><b>Operating Revenue</b></p>	 <p>\$1,691,211</p> <p><b>Capital Grant Revenue</b></p>	 <p>\$930</p> <p><b>Minimum Rates – Rural</b></p>
 <p>465Km's</p> <p><b>Length of Unsealed Roads</b></p>	 <p>407</p> <p><b>Number of Dwellings</b></p>	 <p>1000</p> <p><b>Area (sq. KM)</b></p>
 <p>\$72,826,997</p> <p><b>Total Assets</b></p>	 <p>0.95</p> <p><b>Asset Sustainability Ratio</b></p>	 <p>176 KM's</p> <p><b>Length of Sealed Roads</b></p>

## Shire Presidents Report Period Ending 30<sup>th</sup> June 2021

2020/21 financial year proved to be another successful one for the Shire of Cuballing. Whilst the rest of the world reeled from the impact of the pandemic, massive hold ups in ports and delays in shipping, political change and the demise of trade relationships, the Shire has kept true to its course and has continued to operate both efficiently and effectively.



The biggest obstacle to navigate has been the weather with a wet autumn and extremely wet winter having a big impact on the trafficability of our roads and on the progression of road program and community projects. Major blowouts have been seen in roads that have long stood the test of time and the Works Crew has done an amazing job in fixing and rebuilding them to their usual excellent standard.

It has been a pleasure to see the completion of the restoration of the Yornaning Dam, and the commencement of works for the Aged Persons housing. Overcoming the wet conditions has caused delays and been a challenge but the staff have coped admirably. The stalled progress of the Cuballing Rail Reserve Precinct and War Memorial has been disappointing for staff and councillors alike. ARC infrastructure has proved a difficult organisation to collaborate with on this project and, without their support, we have been unable to get much traction.

The work of our volunteer groups continues to enhance both the appearance and liveability of our Shire. The Cuballing Action Group has done a wonderful job of reinvigorating the Skate Park and improving the look of the Cuballing Cemetery. The Popanyinning Progress Association has continued to hold the monthly family dances, the Popanyinning Bonfire night and market days. The Shire has been actively supporting these groups and has also run its own community events, such as the Australia Day Breakfast, Cuballing Movie Night, Kids Day Out, Cuballing Music Festival and Thank a Volunteer event.

Cuballing is a small shire, with a correspondingly small workforce. The indoor and outdoor staff go above and beyond in the amount they achieve. The burden of compliance continues to mount in local government, as it does in many industries, and this has been exacerbated by the Covid-19 pandemic. Staff have continued to update processes and develop strategies to mitigate its effect and to adhere to changes in regulations so that if, and when, Covid does come, we will be prepared!

Our Deputy CEO, Bronwyn Dew, has done a wonderful job in managing and reporting on the financial affairs of the Shire throughout the year and in ensuring that the Shire gets a glowing report from our auditors. I commend her for her work throughout the year and for the preparation and publishing of this report.

I would like to thank both inside and outside staff for their work throughout the year in sometimes trying conditions. I would also like to commend Shire CEO, Gary Sherry, for his leadership over the year and for his sound advice to Council.

Cr Eliza Dowling  
**SHIRE PRESIDENT**



## **Chief Executive Officer's Report Period Ending 30<sup>th</sup> June 2021**

---

The year 2020/21 saw the ongoing pandemic altering the way of life for all Western Australians in ways we have never experienced before. With a few adjustments to how we conducted our business, COVID did not impact on the Shire's delivery of projects. Although the onset of winter brought more rain than our roads could cope with causing extensive damage throughout the Shire.



I would like to thank the staff for continuing to adapt to the changes brought on by the pandemic and the extremely wet winter while continuing to deliver a high level of services to the community.

During 2020/21 Council assisted with several very successful community events;

- In January, Council conducted the Australia Day Breakfast in Cuballing, with Peter Denton being awarded the Citizen of the year Award for his continued volunteering within the Shire and showing leadership on local environmental issues.
- February saw a crowd of approximately 200 attending the Cuballing Music Festival at the Cuballing Recreation Centre.
- The 2021 Anzac Day service was well attended and was a welcome return to an in person event after being cancelled in 2020 due to COVID restrictions. The service was conducted by MC Cr Scott Ballantyne and Shire President, Mark Conley.
- Council supported the Popanyinning Bonfire in August and the Cuballing Christmas tree in December.
- The annual Kids day in October was well supported with families coming from far & wide to enjoy the day, with 310 kids attending the day along with parents, grandparents, carers and friends.

After 3 years of rehabilitation works the Yornaning Dam was officially opened on 8th September 2020 by Darren West MLC. The project included defining walk trails, building boardwalk crossing's of the dam & creek, improved parking & fencing, a new playground and BBQ facilities along with the rehabilitation of the native vegetation. This project could not have been completed without a dedicated team of volunteers led by the Shire's Community Development Officer, Michelle Atwell. Congratulations to all involved.

The Cuballing Skate Park received a welcome facelift from the Cuballing Volunteer Action Group who designed and painted murals on the skatepark ramps. To complement work carried out by the group the Cuballing Youth day run by the Shire saw our local youth produce two eye catching murals used to shield the Skate Park public toilets from view. A sensational result by both groups has the Skate Park looking bright, fresh and welcoming. Thank you to all who contributed.

The Cuballing Volunteer Action Group also gave the Cuballing Cemetery a facelift with the installation of new planter boxes built by the Men's Shed, and installation of name plaques

on the gazebo walls. The Shire worked closely with the Cuballing Volunteer Action Group on this project, installing the seating and providing the funds for the planter boxes and plaques.

After two years of solid construction and overcoming many hurdles, the major realignment of the Narrogin Wandering Road, Nebrikinning Road and Springhill Road intersections was completed. This complex realignment has made the road much safer and is a credit to the skill of the Shire's works crew.

Other projects completed during the 2020/21 year include:

- Shade sails being installed over the playground at Yornaning Dam;
- Further boardwalks and walk trails installed at Yornaning Dam;
- Earthworks on the Aged Persons Accommodation commenced;
- Painting of the Cuballing Town Hall exterior;
- Improving drainage behind the Cuballing Town Hall;
- Installation of CCTV along the Popanyinning Main Street;
- Major road works projects were carried out including:
  - Reeds Road gravel sheeting;
  - Popanyinning East Road gravel sheeting;
  - Widening sections of Narrogin Wandering Road;
  - Widening sections of Stratherne Road;
  - Stage two of the Black spot project on the Narrogin Wandering Road;
  - Design and preliminary works on the Cuballing East Road ;
  - Culvert replacement on Congelin Road;
  - Final seal to previous works on Narrogin Wandering Road; and
  - Improved drainage to Popanyinning East Road.
- Plant items purchased during 2020/21 include :
  - Caterpillar Grader;
  - Rake for the Komatsu Loader;
  - Replacement of the CEO vehicle; and
  - Water tank for the Shire Depot.

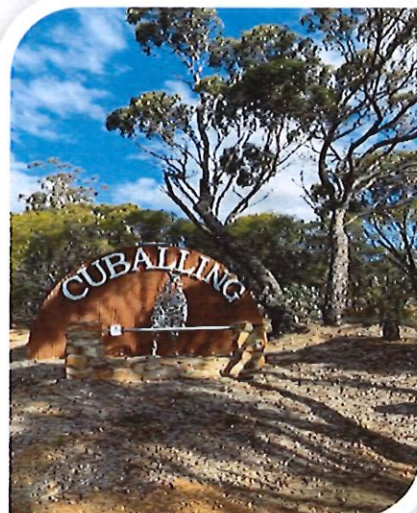
I would like to thank Councillors, fellow staff and the community for their efforts and support throughout the year.

Gary Sherry MLGP

**CHIEF EXECUTIVE OFFICER**



**SHIRE OF CUBALLING ANNUAL REPORT 2020/21**



# Highlights of the Year

## Anzac Day

The 2021 Shire of Cuballing Anzac Day Service was well attended on a crisp morning.

Shire President Cr Mark Conley made a moving tribute to those who served followed by the Prayer of Remembrance read by Cr Scott Ballantyne. Mrs Robin Newman and Mrs Pat McDougall then led us in singing the hymn "O God Our Help in Ages Past"

The wreaths were laid by Mr Ries Chattillon, President of the Narrogin Branch of the RSL, and Cr Robert Harris. Mr Chattillon spoke The Ode which was followed by Emily Ballantyne playing The Last Post. Local lads Sam and Lucas Grieve raised and lowered the Australian and New Zealand flags.



After the One Minute Silence and The Rouse played by Emily, the flags were raised by Sam & Lucas.

Mrs Newman and Mrs McDougall then led the group in singing the National Anthems of New Zealand and Australia.

Grace and Adam from the Cuballing Tavern had prepared a morning tea of scones for all to enjoy at the completion of the service.

## Yornaning Dam—Official Opening



*Darren West MLC invited Mr Rick Wilson MP, Barbara Allen and Shire President Mark Conley to assist with cutting the ribbon over the new boardwalk.*



## 2021 Music Festival

On Saturday the 13th February approximately 200 people attended the Cuballing Music Festival at the Cuballing Recreation Centre.

This year saw a different genre of music with Kevin Lansdell and family donning the stage to sing country and western. The night was concluded by local band "Trip".



## Kids Day

The Shire of Cuballing held another very successful Go for 2&5 Cuballing Kid's Day on Wednesday 30<sup>th</sup> September 2020. The fine but overcast weather saw 310 kids and parents come out to enjoy the morning.

This year we saw an interactive science team attend providing kids with a hands on experience with bubbles, CO2 Rockets, Vortex Cannons, elephant toothpaste and take home slime and snow, Old Mac's Petting Zoo, balloon animals, obstacle course, bouncy castles, merry go round and Morty & Carlos with the Cuballing Bush Fire Brigade fire truck.

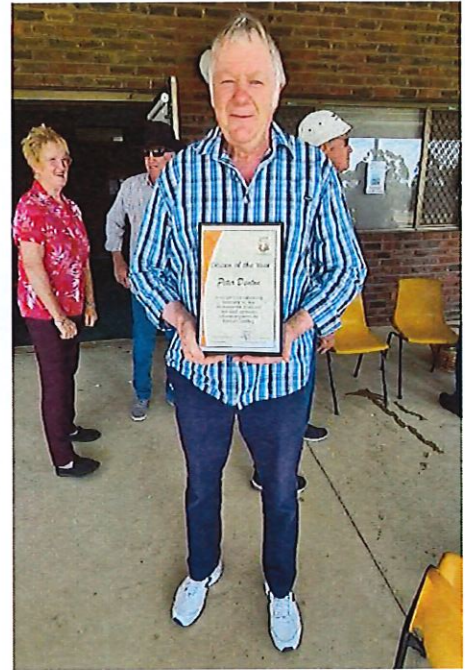
Lots of fun was had by all!

**SHIRE OF CUBALLING ANNUAL REPORT 2020/21**





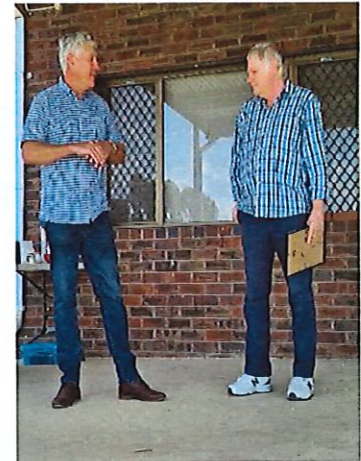
## Australia Day



On Australia Day 2021 the Shire of Cuballing hosted their annual community BBQ Breakfast at the Cuballing Rec Centre. At the breakfast Shire President, Mark Conley, presented the 2021 Shire of Cuballing Citizen of the Year Award to Peter Denton of Cuballing.

Peter was selected in recognition of outstanding leadership on local environmental issues and continued volunteering within the Shire of Cuballing.

Well done Peter!



## Australia's Biggest Morning Tea

On Thursday the 27<sup>th</sup> May the Shire of Cuballing hosted a Cancer's Biggest Morning Tea and raised \$520 for the Cancer Foundation





## Youth Day



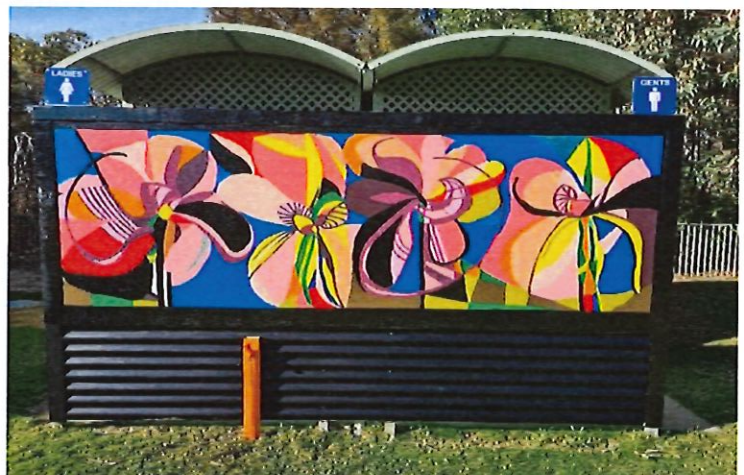
The annual Youth day saw the youth of the district draw & paint spectacular murals for the Cuballing Skate Park.

The day was well attended by 12 local Cuballing Youth ranging in ages from 6 to 15 who had different ideas on what Cuballing is to them. Settling on an abstract Orchid mural and a massive farming scene, the youth armed with paint brushes set about painting their bright, eye-catching murals.

This project was funded by the Department of Communities and organised by the Shire of Cuballing.



## Skate Park Murals

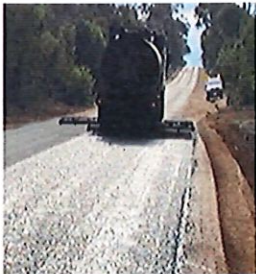


## Blackspot Project



After two years of construction the Shire of Cuballing's major realignment of the Wandering Narrogin Road was completed in June 2021.

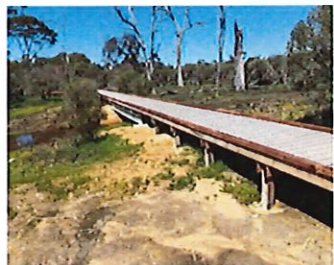
The realigned road was part funded by the Western Australian government's Blackspot program, with the project costing \$1,057,000 over the construction period.



## Yornaning Dam

Shade Sails were installed at Yornaning Dam Playground, funded by LRCI, along with a new boardwalk funded by State NRM.

Shire staff installed bollards and the constant rain ensured the dam was at full capacity.



## Other Works



Earthworks commenced at the site of the Aged Persons Independent Living Units on Austral Street Cuballing. The \$1.6 Million project is part funded by Royalties for Regions.



### The arrival of the new CAT Grader.



## Official Opening of the Cuballing Fire Station

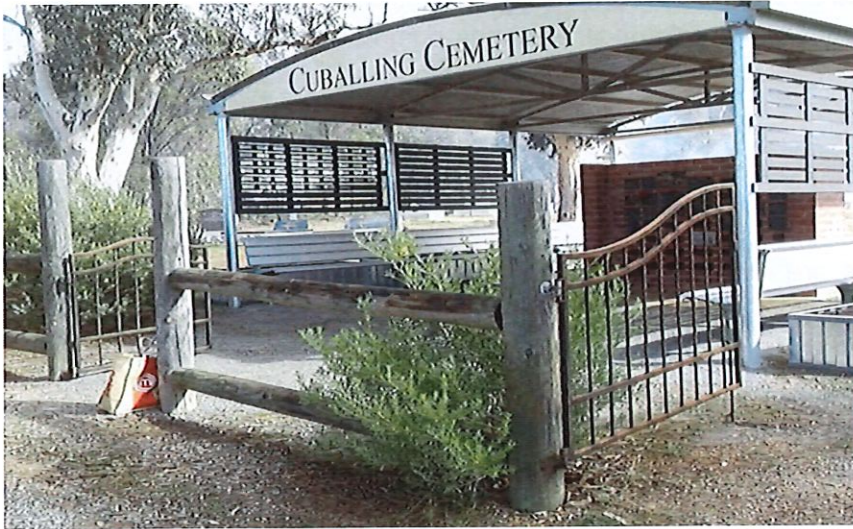


The \$36,300 project was funded by DFES capital grant through the Emergency Services Levy and has constructed one new bay for a fire appliance and widened an existing entrance to improve access for the Brigades fire trucks.

*Paul Blechynden, DFES; Councillor Rob Harris; Gary Sherry, CEO Shire of Cuballing; Daniel Christensen, Captain Cuballing Fire Brigade; Bruce Brennan, Manager Works & Services Shire of Cuballing; Shire President Mark Conley; DFES Regional Superintendent Sven Andersen; Anthony Mort, Chief Bush Fire Control Officer.*



# Cuballing Volunteer Action Group



## Cuballing Cemetery Beautification Project

The Cuballing Volunteer Action Group undertook a beautification project at the Cuballing Cemetery. Work included the installation of new planter boxes—made by the Cuballing Mens Shed, the installation of name plaques on the gazebo walls, oiling of the front gates and a general tidy up of the cemetery.

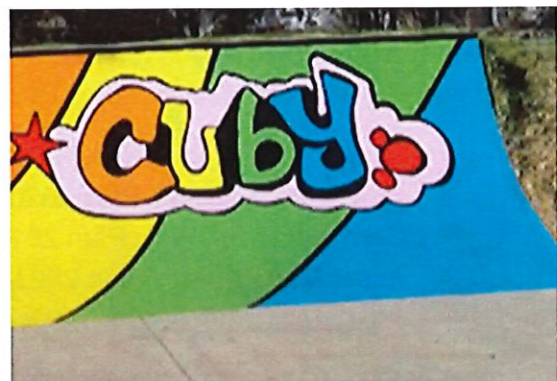
Shire staff installed new seating to the gazebo.

A fantastic effort by all involved.

## Skate Park



The Cuballing Volunteer Action Group designed and installed artwork at the Cuballing Skate Park, giving the park a much needed facelift.



## Council

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Council Meetings are held on the third Wednesday of every month except in January where no meeting is planned. All Ordinary Council Meetings commence at 2.00pm. All Council meetings are open to the public, except for matters raised by Council under “confidential items”

Members of the public may ask a question at an ordinary council meeting during ‘Public Question Time’

Minutes of the meetings are available at the Council offices or by visiting our website [www.cuballing.wa.gov.au](http://www.cuballing.wa.gov.au)

## Annual Financial and Audit Report

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The Shire of Cuballing Annual Financial report for 30 June 2021 was audited by the Office of the Auditor General. A copy of the Annual Financial return and Audit Report is tabled later in this report.

## Employees Remuneration

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Local Government Administration Regulation 19B requires Council's employee remuneration over \$100,000 to be disclosed in the Annual Report.

Salary Range	2019	2020
\$100,000 – 109,999	1	1
\$109,999 – 119,999		
\$119,999 - 129,999		
\$130,000 - 139,999	1	1

## Plan for the Future

---

Local Government Act 1995 Section 5.51(2) (e) and section 5.56 requires a local government to plan for the future of the district. The following plans are available from the Shire Administration Office. Long Term Financial Plan 2020-2034

- Long Term Financial Plan 2020-2034;
- Corporate Business Plan 2020-2024;
- Community Strategic Plan 2017-2027; and
- Asset Management Plan 2021-2035.

## **Register of Complaints**

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Section 5.121 of the Local Government Act 1995 requires Council to maintain a register of complaints which records all complaints that result in an action under the Local Government Act s5.121(6)(b) or (c)

The register of complaints is to include, for each recorded complaint;

- Name of Council Member or person about whom the complaint is made;
- Name of the person who makes the complaint;
- A description of the minor breach that the standards Panel finds has occurred; and
- Details of the action taken under LGA s5.110(6)(b) or (c)

During 2020/21 there was one reportable complaint.

## **Freedom of Information**

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The Freedom of Information (FOI) Act 1992 gives the public the right to apply for access to information held by the Shire of Cuballing. In the event that a request for information goes beyond the scope of the usual requests received, then the Shire would consider using the FOI process.

A copy of the FOI process is contained within the Shire's FOI Information Statement, which is available at [www.cuballing.wa.gov.au](http://www.cuballing.wa.gov.au)

In the 2020-2021 financial year, the Shire of Cuballing processed no applications.

## **Elections**

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Elections are held biannually on the second Saturday in October and are subject to electoral procedures as governed by the Local Government Act. Voting at Council elections is not compulsory, however participation by residents in elections is vital to the effectiveness of Local Government. Residents not included in the State Electoral Roll should contact the Western Australian Electoral Commission.

## **Public Interest Disclosure**

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In accordance with the Public Interest Disclosure Act 2003, procedures have been implemented to facilitate receiving, reporting and action on public interest disclosures.

During the 2020/21 reporting period, no public interest disclosures were lodged.

## **State Records Act**

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State Records Commission Standard 2 (Record Keeping Plan), Principle 6 (Compliance) states that the Government Organisations, including Local Governments, should develop and implement strategies for ensuring that each employee is aware of the compliance responsibilities under their Record Keeping Plan.

Council is guided by its record keeping plan to maintain compliance with the State Records Commission. The Shire of Cuballing's Record Keeping Plan was endorsed by the Commission in July 2021, and is due for review prior to July 2026.

Staff continually work on implementing the strategies outlined in the Record Keeping Plan.

Councils Administration Officer/ Executive Officer is delegated the responsibility of maintaining the filing and record system of the Shire. The officer attends appropriate training courses to build knowledge in this area. All staff are trained to use the system as well as being trained in their record keeping responsibilities. Staff training and development in this area is ongoing to ensure best case practise.

The Shire of Cuballing's Induction Program for new employees includes an introduction to Councils record keeping system and program, and information on their record keeping responsibilities.

## **Equal Opportunity**

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Under the Western Australian Equal Opportunity Act, 1984 (PART IX) it is the responsibility of Local Government Authorities to prepare and implement an equal opportunity management plan in order to achieve the objects of the Act. These objects are:

- A. to eliminate and ensure the absence of discrimination in employment on the ground of sex, marital status, pregnancy, family responsibility or family status, sexual orientation, race, religious or political conviction, impairment or age;
- B. to eliminate and ensure the absence of discrimination in employment against gender reassigned persons on gender history grounds; and
- C. to promote equal employment opportunity for all persons.

The Shire of Cuballing Adopted its Equal Employment Opportunity Management Plan on 19<sup>th</sup> August 2020. Copies of this document are available from Council's Administration Office.

## **National Competition Policy**

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The Clause 7 Statement on the application of National Competition Policy to local government requires certain information to be provided in the Annual Report.

### **Competitive Neutrality**

Council has reviewed all areas of operations to determine the existence or otherwise of significant business activities.

A significant business activity is defined as an activity with an income in excess of \$200,000 pa, which is not a regulatory service (community service obligation) and which is not already contracted out.

Accordingly, it has been determined that Council has no significant business activity for the purposes of competitive neutrality as it relates to the National Competition Policy Clause 7 Statement.

## **Structural Reform**

As required by the Australian Accounting Standards and the Financial Management Regulations, an activity based costing system has been implemented. This assists the regulatory functions of Council to be separately identified from the service delivery functions, with a proper record of cost of provision of those functions.

Due to the compactness of the staff and range of activities undertaken by the Shire, there is little scope for further change.

## **Access and Inclusion Plan**

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The Shire of Cuballing first adopted a Shire of Cuballing Disability Access and Inclusion Plan in 1995. The Shire of Cuballing Disability Access and Inclusion Plan 2019-2024 was adopted on 19<sup>th</sup> June 2019.

The Disability Services Amendment Act 1999 requires local governments to report annually on their Disability Access and Inclusion Plan achievements. The achievements for the year ended 30<sup>th</sup> June 2020 are listed below and grouped into the outcome areas addressed in the Shire of Cuballing's Disability Access and Inclusion Plan.

### **Outcome 1 People with disability have the same opportunity as other people to access the services of, and any events organised in the Shire of Cuballing**

Council is responsive to the needs of the community in relation to the adaptation of services to suit particular needs. During the year no areas of service delivery were identified as requiring modification.

### **Outcome 2 People with disability have the same opportunity as other people to access the buildings and other facilities of the Shire of Cuballing**

Council owned buildings are reviewed annually to see what modifications are required to improved access for members of the community that have difficulty with mobility.

Commercial enterprises are encouraged to address this problem and are gradually making their shop entrances easier for members of the public to access.

### **Outcome 3 People with disability receive information pertaining to Council functions facilities and services in a format that will enable them to access the information as readily as other people are able to access it**

Information about the functions, facilities and services provided by the Shire is prepared using clear and concise language. If necessary, this information can be made in alternative formats i.e. large print, verbal etc on request. During the year no such requests were received.

### **Outcome 4 People with disability will receive the same level and quality of service from the staff of the Shire of Cuballing as other people receive.**

Staff training is reviewed annually and where a need for training is identified, the staff are given the appropriate training.

**Outcome 5 People with disability have the same opportunities as other people to make complaints to the Shire of Cuballing**

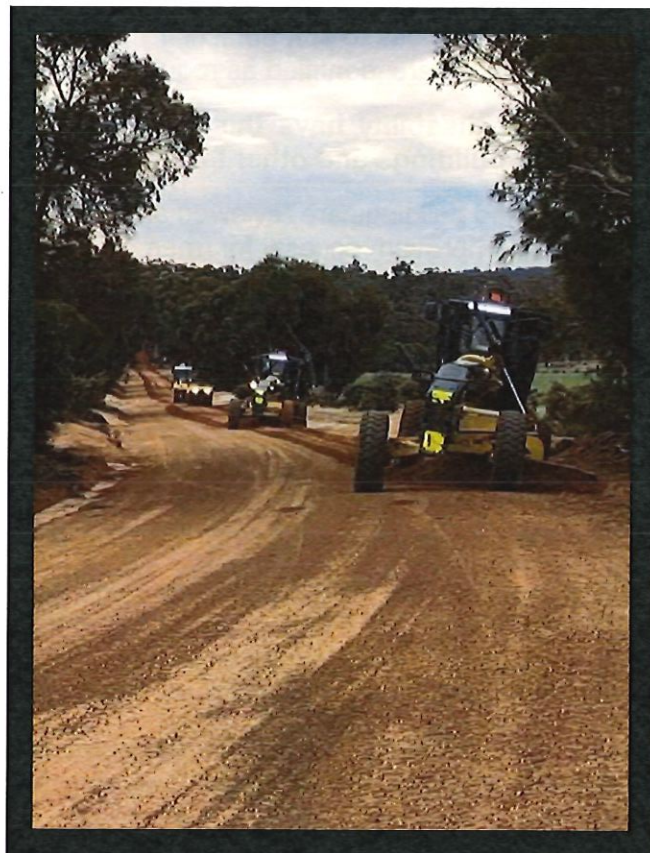
All grievance procedures are accessible and staff are available to assist where required to ensure diverse needs are met to ensure grievances and complaints can be made known to the Shire. Procedures are reviewed regularly and staff are provided with training as required.

**Outcome 6 People with disability have the same opportunities as other people to participate in any public consultation by the Shire of Cuballing**

Venues which are utilised for community participation in Council process are selected with the objective of ensuring access for all members of the community.

**Outcome 7 People with disability have the same opportunities as other people to obtain and maintain employment with the Shire of Cuballing**

Council or staff responsible for recruitment will ensure that the right person is selected for the position regardless of disability. At all stages of the recruitment process, staff will ensure that the position description, interviews and the workplace are accessible to all.



**SHIRE OF CUBALLING**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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**COMMUNITY VISION**

A progressive, diverse and caring community, with access to modern services and infrastructure, in a unique part of the world.

Principal place of business:  
Campbell Street  
Cuballing WA 6311

SHIRE OF CUBALLING  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Cuballing for the financial year ended 30 June 2021 is based on proper accounts and records to present fairly the financial position of the Shire of Cuballing at 30 June 2021 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 20<sup>th</sup> day of December 2021



---

Gary Sherry  
Chief Executive Officer





SHIRE OF CUBALLING  
 STATEMENT OF COMPREHENSIVE INCOME  
 BY NATURE OR TYPE  
 FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Revenue</b>				
Rates	24(a)	1,172,623	1,171,584	1,184,618
Operating grants, subsidies and contributions	2(a)	1,227,523	615,168	1,090,630
Fees and charges	2(a)	267,755	166,672	332,051
Interest earnings	2(a)	15,572	20,800	30,532
Other revenue	2(a)	72,010	64,665	111,122
		<u>2,755,483</u>	<u>2,038,888</u>	<u>2,748,953</u>
<b>Expenses</b>				
Employee costs		(839,681)	(996,469)	(1,080,392)
Materials and contracts		(796,023)	(835,793)	(726,650)
Utility charges		(84,086)	(67,601)	(91,389)
Depreciation on non-current assets	10(d)	(2,072,341)	(1,962,282)	(1,690,424)
Interest expenses	2(b)	(5,383)	(5,383)	(8,108)
Insurance expenses		(146,251)	(147,848)	(146,749)
Other expenditure		(52,195)	(58,105)	(130,570)
		<u>(3,995,960)</u>	<u>(4,073,481)</u>	<u>(3,874,282)</u>
		<u>(1,240,477)</u>	<u>(2,034,593)</u>	<u>(1,125,329)</u>
Non-operating grants, subsidies and contributions	2(a)	1,691,211	1,702,022	850,455
Profit on asset disposals	10(a)	874	0	0
(Loss) on asset disposals	10(a)	(158,332)	(155,513)	(38,362)
		<u>1,533,753</u>	<u>1,546,509</u>	<u>812,093</u>
<b>Net result for the period</b>		<u>293,276</u>	<u>(488,084)</u>	<u>(313,236)</u>
<b>Total other comprehensive income for the period</b>		<u>0</u>	<u>0</u>	<u>0</u>
<b>Total comprehensive income for the period</b>		<u>293,276</u>	<u>(488,084)</u>	<u>(313,236)</u>

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



SHIRE OF CUBALLING  
STATEMENT OF COMPREHENSIVE INCOME  
BY PROGRAM  
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue	2(a)			
Governance		35,613	1,780	64,329
General purpose funding		1,803,919	1,484,292	1,785,559
Law, order, public safety		209,304	35,444	44,645
Health		1,173	800	13,936
Education and welfare		0	1,000	0
Housing		3,960	4,680	4,680
Community amenities		125,045	71,830	87,705
Recreation and culture		26,402	25,151	13,150
Transport		445,281	283,262	484,780
Economic services		55,985	38,650	70,375
Other property and services		48,800	92,000	179,794
		<u>2,755,483</u>	<u>2,038,890</u>	<u>2,748,953</u>
Expenses	2(b)			
Governance		(154,250)	(131,679)	(156,914)
General purpose funding		(102,595)	(78,415)	(86,666)
Law, order, public safety		(278,752)	(182,585)	(175,084)
Health		(44,748)	(45,440)	(63,829)
Education and welfare		(17,140)	(18,650)	(14,019)
Housing		(30,654)	(37,745)	(29,829)
Community amenities		(374,961)	(337,403)	(433,531)
Recreation and culture		(356,410)	(411,274)	(357,490)
Transport		(2,238,420)	(2,613,168)	(2,178,622)
Economic services		(202,334)	(152,740)	(187,444)
Other property and services		(190,313)	(59,000)	(182,746)
		<u>(3,990,577)</u>	<u>(4,068,100)</u>	<u>(3,866,174)</u>
Finance Costs	2(b)			
Education and welfare		(3,078)	(3,078)	(3,394)
Transport		(2,305)	(2,305)	(4,714)
		<u>(5,383)</u>	<u>(5,383)</u>	<u>(8,108)</u>
		<u>(1,240,477)</u>	<u>(2,034,593)</u>	<u>(1,125,329)</u>
Non-operating grants, subsidies and contributions	2(a)	1,691,211	1,702,022	850,455
Profit on disposal of assets	10(a)	874	0	0
(Loss) on disposal of assets	10(a)	(158,332)	(155,513)	(38,362)
		<u>1,533,753</u>	<u>1,546,509</u>	<u>812,093</u>
Net result for the period		<u>293,276</u>	<u>(488,084)</u>	<u>(313,236)</u>
Total other comprehensive income for the period		<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive income for the period		<u>293,276</u>	<u>(488,084)</u>	<u>(313,236)</u>

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



SHIRE OF CUBALLING  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021

	NOTE	2021	2020
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	2,907,935	2,324,583
Trade and other receivables	6	214,662	214,246
Inventories	7	5,613	6,061
<b>TOTAL CURRENT ASSETS</b>		<b>3,128,210</b>	<b>2,544,890</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	5	35,611	35,611
Property, plant and equipment	8	6,413,715	6,457,651
Infrastructure	9	62,367,604	62,392,633
Right-of-use assets	11(a)	881,858	860,852
<b>TOTAL NON-CURRENT ASSETS</b>		<b>69,698,788</b>	<b>69,746,747</b>
<b>TOTAL ASSETS</b>		<b>72,826,998</b>	<b>72,291,637</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	116,443	121,497
Other liabilities	14	694,224	428,777
Borrowings	15(a)	44,358	57,073
Employee related provisions	16	260,765	196,543
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,115,790</b>	<b>803,890</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	15(a)	115,572	159,930
Employee related provisions	16	30,268	55,723
Other provisions	17	72,424	72,424
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>218,264</b>	<b>288,077</b>
<b>TOTAL LIABILITIES</b>		<b>1,334,054</b>	<b>1,091,967</b>
<b>NET ASSETS</b>		<b>71,492,946</b>	<b>71,199,670</b>
<b>EQUITY</b>			
Retained surplus		19,763,621	19,230,837
Reserves - cash backed	4	1,076,896	1,316,404
Revaluation surplus	12	50,652,429	50,652,429
<b>TOTAL EQUITY</b>		<b>71,492,946</b>	<b>71,199,670</b>

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



SHIRE OF CUBALLING  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019		19,286,326	1,574,151	50,652,429	71,512,906
Restated balance at the beginning of the financial year		19,286,326	1,574,151	50,652,429	71,512,906
Comprehensive income					
Net result for the period		(313,236)	0	0	(313,236)
Total comprehensive income		(313,236)	0	0	(313,236)
Transfers from reserves	4	289,104	(289,104)	0	0
Transfers to reserves	4	(31,357)	31,357	0	0
Balance as at 30 June 2020		19,230,837	1,316,404	50,652,429	71,199,670
Restated balance at 1 July 2020		19,230,837	1,316,404	50,652,429	71,199,670
Comprehensive income					
Net result for the period		293,276	0	0	293,276
Total comprehensive income		293,276	0	0	293,276
Transfers from reserves	4	254,179	(254,179)	0	0
Transfers to reserves	4	(14,671)	14,671	0	0
Balance as at 30 June 2021		19,763,621	1,076,896	50,652,429	71,492,946

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



SHIRE OF CUBALLING  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		1,151,444	1,171,584	1,147,243
Operating grants, subsidies and contributions		1,513,682	615,168	1,438,551
Fees and charges		267,755	166,672	332,051
Interest received		15,572	20,800	30,532
Goods and services tax received		0	0	(51)
Other revenue		72,010	64,665	111,122
		<u>3,020,463</u>	<u>2,038,889</u>	<u>3,059,448</u>
<b>Payments</b>				
Employee costs		(801,030)	(996,469)	(1,109,681)
Materials and contracts		(800,513)	(1,252,005)	(674,761)
Utility charges		(84,086)	(67,601)	(91,389)
Interest expenses		(5,383)	(5,383)	(8,108)
Insurance paid		(146,251)	(147,848)	(146,749)
Goods and services tax paid		51	0	0
Other expenditure		(52,195)	(58,105)	(130,570)
		<u>(1,889,407)</u>	<u>(2,527,411)</u>	<u>(2,161,258)</u>
<b>Net cash provided by (used in) operating activities</b>	18	<u>1,131,056</u>	<u>(488,522)</u>	<u>898,190</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds on disposal of financial assets at amortised cost - term deposits		0	0	1,574,150
Payments for purchase of property, plant & equipment	8(a)	(620,269)	(2,132,770)	(709,514)
Payments for construction of infrastructure	9(a)	(1,682,654)	(1,366,232)	(1,021,309)
Payments for right of use assets	11(a)	(42,122)	0	0
Non-operating grants, subsidies and contributions	2(a)	1,691,211	1,702,022	850,455
Proceeds from sale of property, plant & equipment	10(a)	163,203	138,000	96,123
<b>Net cash provided by (used in) investment activities</b>		<u>(490,631)</u>	<u>(1,658,980)</u>	<u>789,905</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	15(b)	(57,073)	(57,073)	(54,937)
Proceeds from new borrowings	15(b)	0	310,000	0
<b>Net cash provided by (used In) financing activities</b>		<u>(57,073)</u>	<u>252,927</u>	<u>(54,937)</u>
<b>Net increase (decrease) in cash held</b>		<u>583,352</u>	<u>(1,894,575)</u>	<u>1,633,158</u>
<b>Cash at beginning of year</b>		<u>2,324,583</u>	<u>2,399,322</u>	<u>691,425</u>
<b>Cash and cash equivalents at the end of the year</b>	18	<u><u>2,907,935</u></u>	<u><u>504,747</u></u>	<u><u>2,324,583</u></u>

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



SHIRE OF CUBALLING  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2021

NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>OPERATING ACTIVITIES</b>			
Net current assets at start of financial year - surplus/(deficit)	25 (b) 678,212	945,522	643,807
	678,212	945,522	643,807
<b>Revenue from operating activities (excluding rates)</b>			
Governance	35,613	1,780	64,329
General purpose funding	631,605	305,958	600,941
Law, order, public safety	209,304	35,444	44,645
Health	1,173	800	13,936
Education and welfare	0	1,000	0
Housing	3,960	4,680	4,680
Community amenities	125,045	71,830	87,705
Recreation and culture	26,402	25,151	13,150
Transport	446,155	283,262	484,781
Economic services	55,985	38,650	70,375
Other property and services	48,800	92,000	179,794
	1,584,042	860,555	1,564,336
<b>Expenditure from operating activities</b>			
Governance	(156,820)	(131,679)	(156,914)
General purpose funding	(102,595)	(78,415)	(86,666)
Law, order, public safety	(281,857)	(182,585)	(175,084)
Health	(44,748)	(45,440)	(63,829)
Education and welfare	(20,218)	(21,728)	(17,413)
Housing	(30,654)	(37,745)	(29,829)
Community amenities	(374,961)	(337,403)	(433,531)
Recreation and culture	(375,172)	(411,274)	(357,490)
Transport	(2,374,620)	(2,770,986)	(2,216,984)
Economic services	(202,334)	(152,740)	(187,445)
Other property and services	(190,313)	(59,000)	(187,460)
	(4,154,292)	(4,228,995)	(3,912,645)
Non-cash amounts excluded from operating activities	25(a) 2,226,445	2,117,795	1,779,522
Amount attributable to operating activities	334,407	(305,123)	75,020
<b>INVESTING ACTIVITIES</b>			
Non-operating grants, subsidies and contributions	2(a) 1,691,211	1,702,022	850,455
Proceeds from disposal of assets	10(a) 163,203	138,000	96,123
Purchase of property, plant and equipment	8(a) (620,269)	(2,132,770)	(709,514)
Purchase and construction of infrastructure	9(a) (1,682,654)	(1,366,232)	(1,021,309)
	(448,509)	(1,658,980)	(784,245)
Amount attributable to investing activities	(448,509)	(1,658,980)	(784,245)
<b>FINANCING ACTIVITIES</b>			
Repayment of borrowings	15(b) (57,073)	(57,073)	(54,937)
Proceeds from borrowings	15(b) 0	310,000	0
Transfers to reserves (restricted assets)	4 (14,671)	(17,545)	(31,357)
Transfers from reserves (restricted assets)	4 254,179	551,774	289,104
Amount attributable to financing activities	182,435	787,156	202,810
Surplus/(deficit) before imposition of general rates	68,333	(1,176,947)	(506,415)
Total amount raised from general rates	24(a) 1,172,314	1,178,334	1,184,618
Surplus/(deficit) after imposition of general rates	25(b) 1,240,647	1,387	678,203

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



SHIRE OF CUBALLING  
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FOR THE YEAR ENDED 30 JUNE 2021

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SHIRE OF CUBALLING  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is 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.

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.

**INITIAL APPLICATION OF ACCOUNTING STANDARDS**

During the current year, the Shire adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

These were:

- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of Materiality*

The adoption of these standards had no material impact on the financial report.

**NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS**

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

- AASB 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*

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

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

- Employee expenses
- Land held for resale
- Other financial assets
- Property, Plant and Equipment
- Infrastructure
- Right-of-use assets
- Lease liabilities
- Borrowing liabilities
- Provisions



SHIRE OF CUBALLING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES

(a) Grant revenue

Grants, subsidies and contributions are included as both operating and non-operating revenues in the Statement of Comprehensive Income:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Operating grants, subsidies and contributions</b>			
Governance	7,796	0	30,000
General purpose funding	571,041	279,962	535,483
Law, order, public safety	204,026	32,194	39,939
Housing	0	0	180
Community amenities	38	0	7,366
Recreation and culture	11,335	7,250	4,900
Transport	426,611	274,262	472,762
Economic services	3,970	6,500	0
Other property and services	2,706	15,000	0
	<b>1,227,523</b>	<b>615,168</b>	<b>1,090,630</b>
<b>Non-operating grants, subsidies and contributions</b>			
General purpose funding	329,219	247,768	0
Law, order, public safety	27,671	0	37,593
Education and welfare	105,982	444,223	0
Recreation and culture	63,485	63,485	80,924
Transport	1,164,854	946,546	731,938
	<b>1,691,211</b>	<b>1,702,022</b>	<b>850,455</b>
<b>Total grants, subsidies and contributions</b>	<b>2,918,734</b>	<b>2,317,190</b>	<b>1,941,085</b>
<b>Fees and charges</b>			
Governance	4,294	1,150	2,217
General purpose funding	43,283	2,947	13,157
Law, order, public safety	5,277	3,251	4,705
Health	1,173	800	13,936
Community amenities	125,045	71,830	73,726
Recreation and culture	7,901	7,545	8,250
Transport	8,503	2,000	108
Economic services	52,015	32,150	70,375
Other property and services	20,264	45,000	145,578
	<b>267,755</b>	<b>166,672</b>	<b>332,051</b>

There were no changes to the amounts of fees or charges detailed in the original budget.

**SIGNIFICANT ACCOUNTING POLICIES**

**Grants, subsidies and contributions**

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature.

Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

**Fees and Charges**

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

SHIRE OF CUBALLING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2021 Actual \$	2021 Budget \$	2020 Actual \$
Contracts with customers and transfers for recognisable non-financial assets			
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:			
Operating grants, subsidies and contributions	1,227,523	615,168	1,090,630
Fees and charges	267,755	166,672	332,051
Other revenue	72,010	64,665	111,122
Non-operating grants, subsidies and contributions	1,691,211	1,702,022	850,455
	<u>3,258,499</u>	<u>2,548,527</u>	<u>2,384,258</u>
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:			
Revenue from contracts with customers included as a contract liability at the start of the period	428,777	0	0
Revenue from contracts with customers recognised during the year	1,138,511	846,505	1,533,803
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	1,691,211	1,702,022	850,455
	<u>3,258,499</u>	<u>2,548,527</u>	<u>2,384,258</u>
Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:			
Trade and other receivables from contracts with customers	92,407		113,119
Contract liabilities from contracts with customers	(694,224)		(428,777)

Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met.

Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less.

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

Performance obligations in relation to contract liabilities from transfers for recognisable non financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

SHIRE OF CUBALLING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements  
 Revenue from statutory requirements was recognised during  
 the year for the following nature or types of goods or services:

General rates

2021 Actual	2021 Budget	2020 Actual
\$	\$	\$
1,172,314	1,178,334	1,183,335
1,172,314	1,178,334	1,183,335

The Shire uses volunteer services for the bushfire brigades.  
 The fire brigade volunteer services are not recognised as revenue as  
 the fair value of the services cannot be reliably estimated.

Other revenue

Other

72,010	64,665	111,122
72,010	64,665	111,122

Interest earnings

Interest on reserve funds

Rates instalment and penalty interest (refer Note 24(c))

Other interest earnings

5,159	13,000	17,642
10,109	5,800	12,244
304	2,000	646
15,572	20,800	30,532

**SIGNIFICANT ACCOUNTING POLICIES**

**Interest earnings**

Interest income is calculated by applying the effective interest  
 rate to the gross carrying amount of a financial asset 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).

**Interest earnings (continued)**

Interest income is presented as finance income where it is  
 earned from financial assets that are held for cash  
 management purposes.

SHIRE OF CUBALLING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(b) Expenses	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Auditors remuneration				
Audit of the Annual Financial Report		15,200	17,200	17,200
Other services		800	800	800
		16,000	18,000	18,000
Interest expenses (finance costs)				
Borrowings	15(b)	5,383	5,383	8,108
		5,383	5,383	8,108
Other expenditure				
Sundry expenses		52,195	58,105	130,570
		52,195	58,105	130,570

SHIRE OF CUBALLING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates - General Rates	General Rates	Over Time	Payment dates are adopted by Council during the year	None	Adopted by Council annually	When taxable event occurs	Not Applicable	When rates notice is issued
Service charges	Charge for a specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by Council annually	When taxable event occurs	Not Applicable	When rates notice is issued
Waste collection service	Kerbside collection service	Over Time	Payment on an annual basis in advance	None	Adopted by Council annually	Apportioned equally across the collection period	Not Applicable	Output method based on regularly weekly and fortnightly period as proportionate to collection service
Fee & Charges	Cemetery service, private works, standpipe charges	Single point in time	Payment once the service has been provided	None	Adopted by Council annually	Applied fully based on timing of provision	Not Applicable	Output method based on provision of service or completion of works
Fees & charges	Building, planning, developments and animal management having the same nature as a licence regardless of naming	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issues of the associated rights	No refunds	On payment of the licence, registration or approval
Other revenue	Commissions on Licensing	Over Time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not Applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not Applicable	When claim is agreed
Grant contracts with customers	Community events, minor facilities, research design planning evaluation and services	Over Time	Fixed terms transfer of funds based on agreed milestones & reporting	Contract obligation if contract not met	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by Local Government	Over Time	Fixed terms transfer of funds based on agreed milestones & reporting	Contract obligation if contract not met	Set by mutual agreement with funding body	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared

SHIRE OF CUBALLING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2021

3. CASH AND CASH EQUIVALENTS

	NOTE	2021	2020
		\$	\$
Cash at bank and on hand		1,831,039	2,324,583
Term deposits/Reserve Accounts		1,076,896	0
<b>Total cash and cash equivalents</b>		<b>2,907,935</b>	<b>2,324,583</b>
<b>Restrictions</b>			
The following classes of 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		1,771,454	1,747,312
		<b>1,771,454</b>	<b>1,747,312</b>
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash backed	4	1,076,896	1,316,404
Contract liabilities from contracts with customers	14	694,224	428,777
Bonds & Deposits		334	2,131
<b>Total restricted assets</b>		<b>1,771,454</b>	<b>1,747,312</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

**Restricted assets**

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed 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.

SHIRE OF CUBALLING  
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4. RESERVES - CASH BACKED

	2021 Actual		2021 Actual		2021 Budget		2021 Budget		2020 Actual		2020 Actual	
	Opening Balance	Transfer to	Actual	Transfer (from)	Opening Balance	Transfer to	Actual	Transfer (from)	Opening Balance	Transfer to	Actual	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Employee Entitlements Reserve	284,972	1,101	286,073		284,971	2,598	287,569	(20,000)	303,438	3,526	(21,992)	284,972
(b) Admin Building, IT & Office Equipment Reserve	6,721	2,428	9,149		6,721	147	6,868	0	21,068	199	(14,546)	6,721
(c) Housing Reserve	97,840	368	98,208		97,840	754	98,594	(40,000)	96,817	1,023	0	97,840
(d) Recreations & Community Reserve	191,187	801	178,046	(13,942)	191,187	2,596	64,474	(129,309)	291,198	5,967	(105,978)	191,187
(e) Refuse Site Reserve	45,216	206	45,422		45,216	841	36,557	(7,500)	58,763	1,142	(14,689)	45,216
(f) Grain Freight Reserve	82,825	314	83,139		82,825	672	83,497	0	81,912	913	0	82,825
(g) Equestrian Reserve	14,769	4,596	4,910	(14,455)	14,769	4,587	19,356	0	10,166	4,603	0	14,769
(h) Roads & Bridges Reserve	43,361	176	21,883	(21,654)	43,361	603	22,310	(21,654)	42,542	819	0	43,361
(i) Plant & Equipment Reserve	538,713	2,069	340,654	(200,129)	538,714	4,728	214,131	(328,311)	684,195	6,417	(131,899)	538,713
(j) Standpipe Maintenance Reserve	4,075	21	4,096		4,075	16	4,091	0	4,052	23	0	4,075
(k) Community & Sporting Club Reserve	6,725	2,591	5,316	(4,000)	6,725	3	2,728	(4,000)	1,574,151	6,725	(289,104)	6,725
	1,316,404	14,671	1,076,896	(254,179)	1,316,404	17,545	782,175	(551,774)	1,574,151	31,357	(289,104)	1,316,404

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Employee Entitlements Reserve	As Required	To be used to fund employee entitlements.
(b) Admin Building, IT & Office Equipment Reserve	As Required	To be used to maintain the administration building and for the purchase of new and/ or replacement of office equipment or furniture.
(c) Housing Reserve	As Required	To be used to fund maintenance or construction of new housing.
(d) Recreations & Community Reserve	As Required	To be used to fund maintenance or construction of new housing.
(e) Refuse Site Reserve	As Required	To be used to fund the upgrade of the refuse sites.
(f) Grain Freight Reserve	As Required	To be used to maintain the grain freight route through the district.
(g) Equestrian Reserve	As Required	To be used to maintain and upkeep the equestrian centre.
(h) Roads & Bridges Reserve	As Required	To be used to maintain and fund road and bridge projects through the district.
(i) Plant & Equipment Reserve	As Required	To be used to maintain and fund plant replacement program.
(j) Standpipe Maintenance Reserve	As Required	To be used to maintain and upkeep the standpipe network.
(k) Community & Sporting Club Reserve	As Required	To be used to fund Community and Sporting Club Small Grants (LEAP)

SHIRE OF CUBALLING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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	\$	\$
5 Other financial assets		
Financial assets at fair value through profit and loss	35,611	35,611
	<u>35,611</u>	<u>35,611</u>
Financial assets at fair value through profit and loss		
Units in Local Government House Trust	35,611	35,611
	<u>35,611</u>	<u>35,611</u>

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 15(b) as self supporting loans.

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial assets at fair value through profit and loss**

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

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

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 26.



SHIRE OF CUBALLING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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6. TRADE AND OTHER RECEIVABLES

Current
Rates receivable
Trade and other receivables
GST receivable

2021	2020
\$	\$
122,255	101,076
92,407	113,119
0	51
214,662	214,246

**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 goods sold and services performed in the ordinary course of business.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

**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 26.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Classification and subsequent measurement**

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.

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

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

SHIRE OF CUBALLING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2021

7. INVENTORIES

Current  
 Fuel and materials

	2021	2020
	\$	\$
	5,613	6,061
	5,613	6,061
	6,061	8,986
	(115,856)	(125,291)
	(5,613)	(6,061)
	5,613	6,061
	115,408	122,366
	5,613	6,061

The following movements in inventories occurred during the year:

Balance at beginning of year  
 Inventories expensed during the year  
 Write down of inventories to net realisable value  
 Reversal of write down of inventories to net realisable value  
 Additions to inventory  
 Balance at end of year

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.

SHIRE OF CUBALLING  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021

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.

	Land & Buildings	Total land and buildings	Furniture & Equipment	Plant & Equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$
Balance at 1 July 2019	4,064,311	4,064,311	12,400	2,371,493	6,448,204
Additions	230,495	230,495	8,720	470,299	709,514
(Disposals)	0	0	(2,200)	(124,632)	(126,832)
Revaluation increments / (decrements) transferred to revaluation surplus	(250,000)	(250,000)	0	0	(250,000)
Depreciation (expense)	(75,296)	(75,296)	(3,994)	(243,945)	(323,235)
Balance at 30 June 2020	3,969,510	3,969,510	14,926	2,473,215	6,457,651
Comprises:					
Gross balance amount at 30 June 2020	4,194,188	4,194,188	40,526	2,716,837	6,951,551
Accumulated depreciation at 30 June 2020	(224,678)	(224,678)	(25,600)	(243,622)	(493,900)
Balance at 30 June 2020	3,969,510	3,969,510	14,926	2,473,215	6,457,651
Additions	177,898	177,898	0	442,371	620,269
(Disposals)	(930)	(930)	(8,060)	(292,759)	(301,749)
Depreciation (expense)	(93,361)	(93,361)	(3,413)	(265,681)	(362,455)
Balance at 30 June 2021	4,053,117	4,053,117	3,453	2,357,146	6,413,716
Comprises:					
Gross balance amount at 30 June 2021	4,367,436	4,367,436	31,626	2,823,074	7,222,136
Accumulated depreciation at 30 June 2021	(314,319)	(314,319)	(28,173)	(465,929)	(808,421)
Balance at 30 June 2021	4,053,117	4,053,117	3,453	2,357,145	6,413,715

SHIRE OF CUBALLING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2021

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
<b>(i) Fair Value</b>					
Land and buildings					
Land & Buildings	Level 2	Independent Valuation	Independent Licensed Valuer	June 2017	Sales Comparison Approach (market data) to market type properties and Cost Approach (replacement) to non-market properties

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement. During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

**(ii) Cost**

Furniture and equipment	Level 2	Cost	Cost	June 2019	Purchase Cost
Plant and equipment	Level 2	Cost	Cost	June 2019	Purchase Cost

Following a change to Local Government (Financial Management) Regulation 17A, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change was effective from 1 July 2019 and represented a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximated cost at the date of change.

SHIRE OF CUBALLING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2021

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.

	Infrastructure Roads & Footpaths	Bridges	Recreation	Parks, Ovals & Playgrounds	Other Infrastructure	Total Infrastructure
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	55,338,734	5,927,442	759,786	232,857	467,485	62,726,304
Additions	863,526	30,620	0	38,870	88,293	1,021,309
(Disposals)	0	0	0	(7,653)	0	(7,653)
Depreciation (expense)	(1,166,370)	(121,519)	(31,814)	(13,381)	(14,243)	(1,347,327)
Balance at 30 June 2020	55,035,890	5,836,543	727,972	250,693	541,535	62,392,633
Comprises:						
Gross balance at 30 June 2020	57,349,769	6,079,581	791,600	274,770	565,355	65,061,075
Accumulated depreciation at 30 June 2020	(2,313,879)	(243,038)	(63,628)	(24,077)	(23,820)	(2,668,442)
Balance at 30 June 2020	55,035,890	5,836,543	727,972	250,693	541,535	62,392,633
Additions	1,555,885	15,720	9,000	33,416	68,633	1,682,654
(Disposals)	0	0	(1,920)	(3,440)	(13,552)	(18,912)
Depreciation (expense)	(1,502,379)	(121,592)	(33,734)	(14,687)	(16,378)	(1,688,770)
Balance at 30 June 2021	55,089,396	5,730,671	701,318	265,982	580,238	62,367,604
Comprises:						
Gross balance at 30 June 2021	58,905,654	6,095,301	795,800	303,886	619,188	66,719,829
Accumulated depreciation at 30 June 2021	(3,816,258)	(364,630)	(94,482)	(37,904)	(38,950)	(4,352,224)
Balance at 30 June 2021	55,089,396	5,730,671	701,318	265,982	580,238	62,367,604

SHIRE OF CUBALLING  
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9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Infrastructure Roads & Footpaths	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
	Bridges	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
	Recreation	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
	Parks, Ovals & Playgrounds	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
	Other Infrastructure	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement. During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

SHIRE OF CUBALLING  
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10. FIXED ASSETS

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

Each class of fixed assets within either 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 between mandatory revaluation dates**

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

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

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

Individual assets that are land, buildings, infrastructure and investment properties acquired between initial recognition and the next revaluation 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 anniversary 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.

**AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY Revaluation (Continued)**

At the end of each period the valuation 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.

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.

**Land under roads from 1 July 2019**

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, is treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

**Vested improvements from 1 July 2019**

The measurement of vested improvements at fair value in accordance with *Local Government (Financial Management) Regulation 17A(2)(iv)* is a departure from AASB 16 which would have required the Shire to measure the vested improvements as part of the related right-of-use assets at zero cost.

Refer to Note 11 that details the significant accounting policies applying to leases (including right-of-use assets).

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

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
Land & Buildings	\$ 930	\$ 0	\$ 0	\$ (930)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Furniture & Equipment	8,060	0	0	(8,060)	0	0	0	0	2,200	0	0	(2,200)
Plant & Equipment	292,769	163,203	874	(130,430)	293,512	138,000	0	(155,513)	124,632	96,123	0	(28,509)
Recreation	1,920	0	0	(1,920)	0	0	0	0	0	0	0	0
Parks, Ovals & Playgrounds	3,440	0	0	(3,440)	0	0	0	0	7,653	0	0	(7,653)
Other Infrastructure	13,552	0	0	(13,552)	0	0	0	0	0	0	0	0
	320,661	163,203	874	(158,332)	293,512	138,000	0	(155,513)	134,485	96,123	0	(38,362)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Plant and Equipment				
Governance	\$	\$	\$	\$
Holden Calais Sedan	28,000	14,545	0	(13,455)
Council Chambers Furniture and Bar	2,570	0	0	(2,570)
Law, order, public safety				
Fast Fill Fire Trailer	3,105	0	0	(3,105)
Community amenities				
Popo Cemetery - Niche Wall	4,512	0	0	(4,512)
Cuballing Cemetery - Fencing & Gate	3,400	0	0	(3,400)
Cuballing Youth & Community Park - RV Dump	3,440	0	0	(3,440)
Recreation and culture				
Poppanyinning Hall Range	2,160	0	0	(2,160)
Cuballing Hall Range	1,170	0	0	(1,170)
Cuballing Hall Holbox	2,160	0	0	(2,160)
Recreation Facilities - BBQ and Seating	1,920	0	0	(1,920)
Transport				
Komatsu Motor grader	223,678	114,898	0	(108,780)
Holden Colorado Crew Cab	32,886	33,760	874	0
Chemical Storage Shed - Depot	930	0	0	(930)
Standpipe Controllers - Popo	2,820	0	0	(2,820)
Standpipe Controllers - Cuballing	2,820	0	0	(2,820)
Husqvarna Ride on Mower	1,760	0	0	(1,760)
Tree rake and grab	2,250	0	0	(2,250)
PAPAS Flat Top Trailer	1,080	0	0	(1,080)
	320,661	163,203	874	(158,332)
	320,661	163,203	874	(158,332)

(b) Fully Depreciated Assets In Use

The gross carrying value of assets held by the Shire which are currently in use yet fully depreciated are shown in the table below.

	2021	2020
Furniture & Equipment	\$ 22,906	\$ 22,906
	22,906	22,906

(c) Temporarily Idle Assets

The carrying value of assets held by the Shire which are temporarily idle or retired from active use and not classified as held for sale are shown in the table below.

	2021	2020
Other Infrastructure	\$ 13,600	\$ 14,400
	13,600	14,400



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 10. FIXED ASSETS

(d) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Land & Buildings	93,361	94,302	75,296
Furniture & Equipment	3,413	5,460	3,994
Plant & Equipment	265,681	236,200	243,945
Infrastructure Roads & Footpaths	1,502,379	1,569,250	1,166,370
Bridges	121,592	0	121,519
Recreation	33,734	0	31,814
Parks, Ovals & Playgrounds	14,687	0	13,381
Other Infrastructure	16,378	57,070	14,243
Right-of-use assets - buildings	21,116	0	19,862
	<u>2,072,341</u>	<u>1,962,282</u>	<u>1,690,424</u>

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 rates

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

Asset Class	Useful life
Buildings	30 to 50 years
Furniture and equipment	3 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - Roads formation	50 years
pavement	not depreciated
seal	50 years
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Bridges	50 years
Other Infrastructure	20 to 50 years
Parks and Ovals	20 to 50 years
Recreation	20 to 50 years
Water supply piping and drainage systems	75 years

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:

- 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
- 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 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 on non-current assets in the Statement of Comprehensive Income and in the note above.

SHIRE OF CUBALLING  
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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.

	Right-of-use assets - buildings	Right-of-use assets Total
	\$	
Balance at 1 July 2019	880,714	880,714
Depreciation (expense)	(19,862)	(19,862)
Balance at 30 June 2020	860,852	860,852
Additions	42,122	42,122
Depreciation (expense)	(21,116)	(21,116)
Balance at 30 June 2021	881,858	881,858

The Shire has one lease relating to recreation. The lease term is 6 years.  
 The lease is classified as low value as such is recognised as an operating expense.

**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 shortest. 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 CUBALLING  
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12. REVALUATION SURPLUS

	2021 Opening Balance	2021 Closing Balance	2020 Opening Balance	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land & Buildings	2,113,803	2,113,803	2,363,803	(250,000)	(250,000)	2,113,803
Revaluation surplus - Furniture & Equipment	(11,730)	(11,730)	(11,730)	0	0	(11,730)
Revaluation surplus - Plant & Equipment	672,794	672,794	672,794	0	0	672,794
Revaluation surplus - Infrastructure Roads & Footpaths	40,416,514	40,416,514	40,416,514	0	0	40,416,514
Revaluation surplus - Bridges	6,638,303	6,638,303	6,638,303	0	0	6,638,303
Revaluation surplus - Recreation	605,731	605,731	605,731	0	0	605,731
Revaluation surplus - Parks, Ovals & Playgrounds	167,789	167,789	167,789	0	0	167,789
Revaluation surplus - Other Infrastructure	49,225	49,225	49,225	0	0	49,225
	50,652,429	50,652,429	50,902,429	(250,000)	(250,000)	50,652,429

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

SHIRE OF CUBALLING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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13. TRADE AND OTHER PAYABLES

Current  
 Sundry creditors  
 Accrued salaries and wages  
 Bonds and deposits held

	2021	2020
	\$	\$
	105,300	108,441
	10,809	10,925
	334	2,131
	116,443	121,497

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

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 CUBALLING  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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14. OTHER LIABILITIES

Current

Contract liabilities

2021	2020
\$	\$
694,224	428,777
694,224	428,777

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract liabilities**

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

**Capital Grant Liabilities**

Capital Grant Liabilities represent the the Shire's obligation to construct recognisable non-financial assets for which the Shire has received consideration from the grant provider.

Grant liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

SHIRE OF CUBALLING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2021

15. INFORMATION ON BORROWINGS

	2021	2020
(a) Borrowings	\$	\$
Current	44,358	57,073
Non-current	115,572	159,930
	<u>159,930</u>	<u>217,003</u>

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2021		30 June 2021		30 June 2021		30 June 2021		30 June 2020		30 June 2020	
				Actual Principal	Actual Interest	Actual Principal	Actual Interest	Budget Principal	Budget Interest	Actual Principal	Actual Interest	Budget Principal	Budget Interest		
Education and welfare															
Loan - Aged Person Accommodation	65	WATC	TBC	0	0	0	0	0	0	0	0	0	0	0	0
Transport															
Grader	63	WATC	4.50%	71,494	(2,305)	(42,266)	(2,305)	71,505	0	(42,266)	(2,305)	111,940	(4,714)	(4,714)	71,494
Economic services															
Lot 74 Austral Street	64	WATC	2.18%	145,509	(3,078)	(14,807)	(3,078)	145,509	0	(14,807)	(3,078)	180,000	(3,394)	(3,394)	145,509
				<u>217,003</u>	<u>(5,383)</u>	<u>(57,073)</u>	<u>(5,383)</u>	<u>217,014</u>	<u>310,000</u>	<u>(57,073)</u>	<u>(5,383)</u>	<u>271,940</u>	<u>(8,108)</u>	<u>(8,108)</u>	<u>217,003</u>
				<u>217,003</u>	<u>(5,383)</u>	<u>(57,073)</u>	<u>(5,383)</u>	<u>217,014</u>	<u>310,000</u>	<u>(57,073)</u>	<u>(5,383)</u>	<u>271,940</u>	<u>(8,108)</u>	<u>(8,108)</u>	<u>217,003</u>

\* WA Treasury Corporation

SHIRE OF CUBALLING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2021

15. INFORMATION ON BORROWINGS (Continued)

	2021	2020
(c) Undrawn Borrowing Facilities	\$	\$
Credit Standby Arrangements		
Bank overdraft limit	100,000	130,000
Bank overdraft at balance date	0	0
Credit card limit	30,000	30,000
Credit card balance at balance date	(613)	(559)
Total amount of credit unused	129,387	159,441
Loan facilities		
Loan facilities - current	44,358	57,073
Loan facilities - non-current	115,572	159,930
Total facilities in use at balance date	159,930	217,003
Unused loan facilities at balance date	NIL	NIL

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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.

**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.

**Risk**

Information regarding exposure to risk can be found at Note 26.

SHIRE OF CUBALLING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2021

16. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2020			
Current provisions	114,409	82,134	196,543
Non-current provisions	0	55,723	55,723
	114,409	137,857	252,266
Additional provision	133,004	45,047	178,051
Amounts used	(139,284)	0	(139,284)
Balance at 30 June 2021	108,129	182,904	291,033
Comprises			
Current	108,129	152,636	260,765
Non-current	0	30,268	30,268
	108,129	182,904	291,033
	2021	2020	
	\$	\$	
Amounts are expected to be settled on the following basis:			
Less than 12 months after the reporting date	152,637	80,372	
More than 12 months from reporting date	131,856	167,893	
Expected reimbursements from other WA local governments	6,540	4,001	
	291,033	252,266	

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees.

Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as 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 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

Other long-term employee benefits (Continued) 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.

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 CUBALLING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2021

17. OTHER PROVISIONS

	Provision for remediation costs	Total
	\$	\$
Opening balance at 1 July 2020		
Non-current provisions	72,424	72,424
	72,424	72,424
Balance at 30 June 2021		
	72,424	72,424
Comprises		
Non-current	72,424	72,424
	72,424	72,424

Provision for remediation costs

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

A provision for remediation is recognised when:

- there is a present obligation as a result of waste activities undertaken;
- it is probable that an outflow of economic benefits will be required to settle the obligation; and
- the amount of the provision can be measured reliably.

The estimated future obligation 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 estimate are reflected in the present value of the remediation provision at each reporting date.

Amounts which are reliably expected to be paid 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 the remaining life of the waste facility.

SHIRE OF CUBALLING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2021

18. NOTES TO THE STATEMENT OF CASH FLOWS

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:

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cash and cash equivalents	2,907,935	504,748	2,324,583
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	293,276	(488,084)	(313,236)
Non-cash flows in Net result:			
Depreciation on non-current assets	2,072,341	1,962,282	1,690,424
(Profit)/loss on sale of asset	157,458	155,513	38,362
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(416)	(20,000)	(107,338)
(Increase)/decrease in inventories	448	(2,475)	2,925
Increase/(decrease) in payables	(5,053)	22,845	(470,783)
Increase/(decrease) in employee provisions	38,767	(2,845)	50,737
Increase/(decrease) in other liabilities	265,447	(413,737)	857,554
Non-operating grants, subsidies and contributions	(1,691,211)	(1,702,022)	(850,455)
Net cash from operating activities	1,131,056	(488,523)	898,190

SHIRE OF CUBALLING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2021

19. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	460,587	453,703
General purpose funding	3,122,596	2,538,829
Law, order, public safety	750,109	787,786
Education and welfare	121,022	15,040
Housing	602,500	610,625
Community amenities	752,020	728,086
Recreation and culture	3,844,457	3,835,944
Transport	62,996,698	62,839,222
Economic services	45,208	45,377
Other property and services	133,720	149,200
Unallocated	(1,919)	287,825
	<u>72,826,998</u>	<u>72,291,637</u>

## 20. CONTINGENT LIABILITIES

In compliance with the contaminated Sites Act 2003 Section 11, the Shire has listed sites to be the possible sources of contamination. Details of those sites are;

- Shire of Cuballing Depot

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk, and agree with the Department of Water and Environmental Regulation on the need and criteria for remediation of a risk based approach, the Shire is unable to estimate the potential costs associated with the remediation of these sites. This approach is consistent with the Department of Water and Environmental Regulation Guidelines.

SHIRE OF CUBALLING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2021

21. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects

	\$	\$
	17,372	0
	<u>17,372</u>	<u>0</u>

Payable:

- not later than one year

17,372

The capital expenditure project outstanding at the end of the current reporting period represents the construction of the new Aged Person Accommodation units.

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts (short term and low value leases).

Payable:

- not later than one year

- later than one year but not later than five years

- later than five years

	2021	2020
	\$ 1,500	\$ 1,500
	0	1,500
	0	0
	<u>1,500</u>	<u>3,000</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**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 of 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.

**Leases (Continued)**

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

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 CUBALLING  
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22. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
<b>Elected member President - Cr M Conley</b>			
President's annual allowance	8,000	8,000	8,000
Meeting attendance fees	3,150	2,730	2,730
	<u>11,150</u>	<u>10,730</u>	<u>10,730</u>
<b>Elected member Deputy President - Cr E Dowling</b>			
Deputy President's annual allowance	2,000	2,000	2,000
Meeting attendance fees	1,860	2,015	2,015
	<u>3,860</u>	<u>4,015</u>	<u>4,015</u>
<b>Elected member - Cr S Ballantyne</b>			
Meeting attendance fees	2,170	2,015	1,860
	<u>2,170</u>	<u>2,015</u>	<u>1,860</u>
<b>Elected member - Cr D Bradford</b>			
Meeting attendance fees	1,085	2,015	1,705
	<u>1,085</u>	<u>2,015</u>	<u>1,705</u>
<b>Elected member - Cr D Hopper</b>			
Meeting attendance fees	2,325	1,265	1,240
Travel and accommodation expenses	555	500	117
	<u>2,880</u>	<u>1,765</u>	<u>1,357</u>
<b>Elected member - Cr R Harris</b>			
Meeting attendance fees	2,325	1,265	1,240
	<u>2,325</u>	<u>1,265</u>	<u>1,240</u>
<b>Elected member - Cr R Newman</b>			
Meeting attendance fees	0	750	750
	<u>0</u>	<u>750</u>	<u>750</u>
<b>Elected member Cr T Haslam</b>			
Meeting attendance fees	0	750	600
	<u>0</u>	<u>750</u>	<u>600</u>
	<u>23,470</u>	<u>23,305</u>	<u>22,257</u>
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	8,000	8,000	8,000
Deputy President's allowance	2,000	2,000	2,000
Meeting attendance fees	12,915	12,805	12,140
Travel and accommodation expenses	555	500	117
	<u>23,470</u>	<u>23,305</u>	<u>22,257</u>

SHIRE OF CUBALLING  
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23. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2021 Actual	2020 Actual
The total of remuneration paid to KMP of the Shire during the year are as follows:	\$	\$
Short-term employee benefits	342,830	341,305
Post-employment benefits	51,083	49,810
Other long-term benefits	33,329	8,000
	<u>427,242</u>	<u>399,115</u>

*Short-term employee benefits*

These amounts include all salary, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found above.

*Post-employment benefits*

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

*Other long-term benefits*

These amounts represent long service benefits accruing during the year.

SHIRE OF CUBALLING  
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23. RELATED PARTY TRANSACTIONS (Continued)

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 guaranties exist in relation to related parties at year end.

The following transactions occurred with related parties:	2021 Actual	2020 Actual
	\$	\$
Sale of goods and services	1,137	5,402
Purchase of goods and services	46,761	24,480
Amounts outstanding from related parties:		
Trade and other receivables	36	171
Amounts payable to related parties:		
Trade and other payables	4,680	0

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 elected 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 CUBALLING  
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24. RATING INFORMATION

(a) Rates

RATE TYPE	Number of Properties	2020/21 Actual		2020/21 Actual		2020/21 Actual		2020/21 Budget		2020/21 Budget		2020/21 Budget		2019/20 Actual	
		Rateable Value	Revenue	Interim Rates	Actual Rates	Actual Rates	Actual Rates	Interim Rates	Back Rates	Total Revenue	Total Revenue	Total Revenue	Total Revenue	Total Revenue	
Differential general rate / general rate		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Gross rental valuations															
GRV Cuballing	187	2,350,114	180,888	0	0	0	180,888	0	0	0	180,888	0	0	180,888	180,881
Unimproved valuations															
UV Cuballing	181	122,755,879	835,231	0	0	0	835,231	0	0	0	835,231	0	0	839,905	839,905
Sub-Total	368	125,105,993	1,016,119	0	0	0	1,016,119	0	0	0	1,016,119	0	0	1,020,786	1,020,786
Minimum payment															
Minimum															
Gross rental valuations															
GRV Cuballing	142	0	97,980	0	0	0	97,980	0	0	0	97,980	0	0	96,600	96,600
Unimproved valuations															
UV Cuballing	157	0	146,010	0	0	0	146,010	0	0	0	146,010	0	0	141,360	141,360
Sub-Total	299	0	243,990	0	0	0	243,990	0	0	0	243,990	0	0	237,960	237,960
Discounts/concessions (Note 24(b))															
Total amount raised from general rate	667	125,105,993	1,260,109	0	0	0	1,260,109	0	0	0	1,260,109	0	0	1,256,746	1,256,746
Ex Gratia Rates														(75,411)	(75,411)
Rates written off														1,183,335	1,183,335
Totals														250	1,380
														(97)	(97)
														1,171,584	1,184,618

SIGNIFICANT ACCOUNTING POLICIES

Rates  
Control over assets acquired from rates is obtained at the commencement of the rating period.

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 CUBALLING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2021

24. RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee Discount Granted	Discount %	Discount \$	2021		2020		Circumstances in which Discount is Granted
			Actual \$	Budget \$	Actual \$		
Option One only	8.00%		84,700	81,775	75,411		A discount of 8% of the current rates levied will be offered to ratepayers
COVID 19 Rates Subsidy			3,095	0	0		A subsidy given to ratepayers who can demonstrate financial hardship due to the COVID 19 pandemic.
			<u>87,795</u>	<u>81,775</u>	<u>75,411</u>		
Total discounts/concessions (Note 24(a))			<u>87,795</u>	<u>81,775</u>	<u>75,411</u>		

SHIRE OF CUBALLING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2021

24. 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>				
Discount	10/09/20			0.00%
<b>Option Two</b>				
Pay in Full	10/09/20			0.00%
Second instalment				
<b>Option Three</b>				
First instalment	10/09/20	30.00	2.50%	8.00%
Second instalment	10/11/20		2.50%	8.00%
Third instalment	11/01/21		2.50%	8.00%
Fourth instalment	11/03/21		2.50%	8.00%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	9,697	5,000	10,615
Interest on instalment plan	412	800	1,629
Charges on instalment plan	1,400	1,500	2,020
	11,509	7,300	14,264

SHIRE OF CUBALLING  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021

25. RATE SETTING STATEMENT INFORMATION

Note	2020/21	2020/21	2020/21	2019/20
	(30 June 2021)	Budget (30 June 2021)	(1 July 2020)	(30 June 2020)
	Carried Forward	Carried Forward	Brought Forward	Carried Forward
	\$	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
	Less: Profit on asset disposals			
10(a)	(874)	0	0	0
	Movement in employee benefit provisions (current)			
	64,222	0	(12,541)	(12,541)
	Movement in employee benefit provisions (non-current)			
	(25,455)	0	(9,147)	(9,147)
	Movement in right of use assets			
	(42,122)	0	0	0
	Movement in other provisions (non-current)			
	0	0	72,424	72,424
	Add: Loss on disposal of assets			
10(a)	158,332	155,513	38,362	38,362
	Add: Depreciation on non-current assets			
10(d)	2,072,341	1,962,282	1,690,424	1,690,424
	Non cash amounts excluded from operating activities			
	2,226,445	2,117,795	1,779,522	1,779,522
<b>(b) Surplus/(deficit) after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
	Less: Reserves - cash backed			
4	(1,076,896)	(782,175)	(1,316,404)	(1,316,404)
	Add: Current liabilities not expected to be cleared at end of year			
	- Current portion of borrowings			
15(a)	44,358	57,073	57,073	57,063
	- Employee benefit provisions			
	260,765	209,084	196,543	196,543
	Total adjustments to net current assets			
	(771,773)	(516,018)	(1,062,788)	(1,062,798)
Net current assets used in the Rate Setting Statement				
	Total current assets			
	3,128,210	888,540	2,544,890	2,544,890
	Less: Total current liabilities			
	(1,115,790)	(371,134)	(803,890)	(803,890)
	Less: Total adjustments to net current assets			
	(771,773)	(516,018)	(1,062,788)	(1,062,798)
	Net current assets used in the Rate Setting Statement			
	1,240,647	1,387	678,212	678,203

SHIRE OF CUBALLING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2021

26. FINANCIAL RISK MANAGEMENT

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

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

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

Financial risk management is carried out by the finance area under policies approved by the Council. The finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

(a) Interest rate risk

Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2021					
Cash and cash equivalents	0.00%	2,907,935	1,076,896	0	1,831,039
2020					
Cash and cash equivalents	0.10%	2,324,583	0	2,324,583	0

Sensitivity

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

	2021	2020
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	29,079	23,246

\* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 15(b).

SHIRE OF CUBALLING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2021

26. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

*Trade and Other Receivables*

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

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2020 or 1 July 2021 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

The loss allowance as at 30 June 2021 and 30 June 2020 was determined as follows for rates receivables:

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2021</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	2.726%	
Gross carrying amount	409	51,790	30,531	39,525	122,255
<b>30 June 2020</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,590	51,923	11,779	35,784	101,076

The loss allowance as at 30 June 2021 and 30 June 2020 was determined as follows for trade receivables:

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2021</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.52%	
Gross carrying amount	87,219	0	598	4,590	92,407
<b>30 June 2020</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.20%	
Gross carrying amount	111,843	0	30	1,246	113,119

SHIRE OF CUBALLING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2021

26. 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 15(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>2021</b>					
Payables	116,443	0	0	116,443	116,443
Borrowings	47,599	71,540	53,655	172,794	159,930
Lease liabilities	1,500	0	0	1,500	0
	<u>165,542</u>	<u>71,540</u>	<u>53,655</u>	<u>290,737</u>	<u>276,373</u>
<b>2020</b>					
Payables	121,497	0	0	121,497	121,497
Borrowings	62,456	101,254	71,540	235,250	217,003
Lease liabilities	1,500	1,500	0	3,000	0
	<u>185,453</u>	<u>102,754</u>	<u>71,540</u>	<u>359,747</u>	<u>338,500</u>

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27. 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) 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.

**i) 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 regulatory 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.



SHIRE OF CUBALLING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2021

28. ACTIVITIES/PROGRAMS

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<b>SOCIAL</b> Our Community, Neighbourhoods, Recreation and Culture	A healthy and caring community which has strong support for all ages and abilities. A safe community where residents feel secure and comfortable at home, work and play. A healthy community engaging in positive and rewarding lifestyles with access to recreational and leisure opportunities. A vibrant community, enjoying access to a wide range of quality arts and cultural activities.
<b>ENVIRONMENT</b> Our environment, Resource Management and Services	Valuing our unique environment and ensuring the natural resources within the Shire are recognised as an important asset and managed in a sustainable manner. Recognising the environmental and recreational value of Council reserves, and managing them in a way that will preserve them for future generations to enjoy. Aiming for the equitable and sustainable development of land within the Shire of Cuballing that provides a genuinely desirable lifestyle. Managing waste and recycling in a manner that is environmentally sustainable and meets the expectations of the community.
<b>ECONOMY</b> Our Economy, Infrastructure, Systems and Services	Community infrastructure and services delivered in a timely manner, are well utilised, effective and meet the expectations of the community. Transport systems that are functional, efficient, economical and safe, coupled with continuous improvement to meet the safety and amenity needs of the community. Managing community assets in a whole of life and economically sustainable manner. Promoting sustainable and diverse economic development opportunities that make the Shire of Cuballing an attractive place to live, work and visit.
<b>GOVERNANCE AND ORGANISATION</b> Our Council, Services, Policies and Engagement	An independent Council that is supported by an excellent organisation. Governance structures that ensure accountable, transparent and ethical decision making. Building the organisation and managing its structure, finances and assets in a sustainable manner. A Council that proactively engages with all elements of its community to make decisions that reflect positively on the future of the Shire of Cuballing.

SHIRE OF CUBALLING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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29. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	1.22	2.02	3.59
Asset consumption ratio	0.93	0.96	0.97
Asset renewal funding ratio	0.97	0.97	N/A
Asset sustainability ratio	0.95	0.97	0.62
Debt service cover ratio	10.88	8.48	15.70
Operating surplus ratio	(0.96)	(0.75)	(0.62)
Own source revenue coverage ratio	0.35	0.40	0.42

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$



## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2021 Shire of Cuballing

To the Councillors of the Shire of Cuballing

## Report on the audit of the annual financial report

### Opinion

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

- the Statement of Financial Position at 30 June 2021, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, 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
- the Statement by the Chief Executive Officer.

In my opinion the financial report of the Shire of Cuballing:

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2021 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 section below. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for 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 and 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 responsibility 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).

## **Report on other legal and regulatory requirements**

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In my opinion, the following material matter indicates a significant adverse trend in the financial position of the Shire:
  - a) The Operating Surplus Ratio as reported in Note 29 of the financial report has been below the Department of Local Government, Sport and Cultural Industries' basic standard for the current year and past 2 years.
- (ii) The following material matters indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:
  - a) Changes made to the payroll master file were not independently reviewed and approved. This increased the risk of unauthorised changes to key information, although our testing did not identify any.
  - b) Daily banking reconciliations were not consistently evidenced as independently reviewed. This increased the risk of errors and omissions remaining undetected; however our audit testing did not identify any such instances.

- c) The Shire did not reassess the rates on the land arising from the updated Landgate valuation schedules and give notice to the owner of the land of any changes in the amount of rates payable on the land, as required by Section 6.40(1) of the Act. In addition, rateable value and debtor reconciliations were not adequately prepared and reviewed during the financial year.
  - d) A copy of the financial report of the local government was not submitted to the Departmental CEO within 30 days of the receipt by the local government's CEO of the auditor's report on that financial report, as required by Regulation 51(2) of the Local Government (Financial Management) Regulations 1996. The auditor's report for the year ended 30 June 2020, dated 24 February 2021 was submitted to the Departmental CEO on 21 May 2021.
  - e) A councillor had not lodged with the CEO their primary return in the prescribed form within three months of their start day in October 2019, as required by Section 5.75 (1) of the Act.
  - f) The Shire did not report the Asset Renewal Funding Ratio for 2019 in the financial report as required by Regulation 50(1)(c) of the Local Government (Financial Management) Regulations 1996, as the long-term financial plan was not updated. The financial ratios are reported in note 29 of the financial report.
- (iii) All required information and explanations were obtained by me.
  - (iv) All audit procedures were satisfactorily completed.
  - (v) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

### Other information

The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

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

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

This auditor's report relates to the financial report of the Shire of Cuballing for the year ended 30 June 2021 included 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 described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

*Mark Ambrose*

Mark Ambrose  
 Senior Director Financial Audit  
 Delegate of the Auditor General for Western Australia  
 Perth, Western Australia  
 22 December 2021

