A photograph of a stone archway with the word 'MORAWA' in blue letters. In the background, there are trees and a tall metal windmill.

MORAWA

SHIRE OF MORAWA

ANNUAL REPORT 2020-2021







CONTENTS

	Page
Shire President's Report	1-2
Chief Executive Officer's Report	3-4
Governance and Statutory Reporting	
• Disability Access & Inclusion Plan	5-6
• Record Keeping Plan	7
• Public Interest Disclosure	7
• Freedom of Information Act 1992	8
• National Competition Policy	9
• Payments to Employees	9
• Councillor Information	10
Cyclone Seroja	11
Projects 2020-2021	12-14
Planning for Our Future	15
Strategic Community Plan	16
Annual Financial Report	18



A MESSAGE FROM THE SHIRE PRESIDENT

It is my pleasure to present the Shire of Morawa's Annual Report for the 2020-2021 financial year. What a year we have had from Cyclones, to good rains to fantastic wildflowers.

We have all had a trying year with the continued focus on COVID-19 and the restrictions this has brought with it. On top of that, we in Morawa also had to face the damage caused by Cyclone Seroja. I want to take this opportunity to comment the entire community on their resilience and camaraderie throughout this difficult time. The damage caused can still be seen throughout the town and the the lack of tradesman and insurance company action, has slowed down the recovery but as a Shire we have been working hard to champion the needs of Morawa. I would like to thank all the volunteers who worked tirelessly in the weeks that followed the impact trying to ensure that everyone was safe, roads were clear, and essentials were available. It is in these difficult times that the true value of volunteerism and service to others is shown.

Whilst acknowledging it has been a difficult year, the Shire has also delivered some excellent community projects and initiatives.

The newly installed Caravan Park camp kitchen is much larger and accessible than before and was well received and utilised throughout the tourist season.

In partnership with the Morawa Netball Club and with grant funding received from the State Government (CSRFF) new netball courts and fencing was installed this year. With the new playing surface officially opened by the Hon. Sandra Carr on 12 June 2021. The Morawa Netball Club named the courts after one of their life members Glenda Milloy during the opening ceremony.

The Morawa Community Gym was opened in February 2021 and has so far been well received by the community.

As always, the Shire also invested heavily in Road Infrastructure, most notable with significant upgrades to sections of Morawa Yalgoo Road, Nanekine Road, and Old Three Springs Road.



A MESSAGE FROM THE SHIRE PRESIDENT

I would like to take this opportunity to thank Mr Robert Paull for all his hard work and support as the Acting CEO during the first half of the year. Council appointed Mr Scott Wildgoose as the CEO in November 2020 with him commencing at the Shire on 14 December 2020. Scott's efforts since he arrived in Morawa have been appreciated.

Thank you to all Councillors and Shire staff for their support and tireless hard work. It has been a difficult year, everyone's dedication to our organisation and the community is valued and appreciated.

CR KAREN CHAPPEL JP
SHIRE PRESIDENT





A WORD FROM THE CEO

The financial year 2020-2021 was overshadowed by an unprecedented occurrence: Cyclone Seroja. This event impacted the Shire in various ways, and we are still recovering from the event. The Shire expended significant funds in responding and recovering from this event outside of normal budgeted activities and resources allocated to this event has meant several projects and activities needed to be amended or carried forward.

In terms of longer-term recovery, the Shire fought for a recovery hub to be located in Morawa to meet the support needs of the entire North Midlands.

Although the year was dominated by Cyclone Seroja and with COVID-19 still affecting supply of goods, the Shire continued to deliver key services.

The outdoor roads crews did an excellent job in maintaining the rural roads whilst also working on widening and sealing of a new section of the Morawa-Yalgoo Road which is scheduled to be completely widened and sealed by 2030 as per the State funding arrangements.

The following road program was undertaken to maintain and improve the roads in the Shire. Funding for the roads program comes from Shire rates, the Federal Department of Infrastructure, the State Department of Transport, the Grants Commission and Main Roads. The Shire's Road management program is where the largest amount (approx. 35%) of Shire funds are expended. The major expenditure in 2020-2021 occurred in the following areas:

• Morawa Yalgoo Road	\$ 355,413
• Nanekine Road	\$ 218,975
• Old Three Springs Road	\$ 218,296
• Canna North East Road	\$ 251,199
• Naetes Road	\$ 136,751
• Maintenance of Rural Roads	\$ 410,160
• Maintenance of Town Roads	<u>\$ 78,078</u>
	\$1,668,873

As part of its footpath program to increase the safety of pedestrians and improve liveability throughout the town, the Shire spent \$63,791 to install a dual-use footpath on Davis Street with the co-contribution assistance of grant funding from the Department of Transport.

The Morawa Community Gym opened its doors this year, and even with a cyclone interruption, it is promising to see the facility has been accessed almost 600 times in the months leading up to June 2021. The Shire is encouraged by this start and hopefully the usage of the facility continues to grow.



A WORD FROM THE CEO

The Youth Centre has still proved to be a hit with the kids, with attendance at the centre up to 2,516 kids during 2020-2021. Council will continue investing in creative activities and look at expanding the programs where demand is higher than normal.

The Morawa Swimming Pool continued to be popular during the 2020-2021 season with over 6,800 patrons.

In 2020-2021 the Shire has focussed on improving behind the scenes functions like compliance and financial management, to enhance efficiency, service and integrity. Further corporate improvements are planned for 2021-2022.

It has been a privilege to join the Morawa team and work alongside the community, Council and stakeholders of the Shire of Morawa over the 2020/2021 financial year. I would like to take this opportunity to sincerely thank the Shire President and Councillors for the opportunity to work with them for the Morawa community and the support they have given me since arriving in Morawa.

I would also like to thank the staff; without them things wouldn't happen and I would like to express my sincere gratitude to the effort and dedication by the entire staff during this exceptionally challenging year.

In terms of our finances, our annual Audit conducted by Nexia on behalf of the Office of the Auditor General (OAG), was carried out in October and came through unqualified. This means that in accordance with the Local Government (Audit) regulations 1996: All required information and explanations were provided. All audit procedures were satisfactorily completed. In their opinion (OAG) the asset consumption ratio and the asset renewal funding ratio included in the annual report were supported by verifiable information and reasonable assumptions.

SCOTT WILDGOOSE
CHIEF EXECUTIVE OFFICER



GOVERNANCE & STATUTORY REPORTING STANDARDS



Disability Access & Inclusion Plan (DAIP)

Section 29(2) of the *Disability Services Act* requires local governments to report their approach to assisting people with disabilities in the community as part of the implementation of the Disability Access and Inclusion Plan.

The following DAIP Outcomes have had significant inclusions added during 2020/2021 year.

DAIP Outcome 1: People with a disability have the same opportunities as other people to access the services of, and any events organised by a public authority.

The Shire of Morawa has held a number of inclusive community events during the 2020/2021 year including:

- 2 Free community movie nights held in partnership with the Community Resource Centre (CRC)
- The Australia Day event including the Auspire Community Citizen of the Year Awards was held at the Morawa Swimming Pool and
- Rhymetime and Storytime sessions were held to encourage pre-literacy social skill development for infants and toddlers.

GOVERNANCE & STATUTORY REPORTING STANDARDS



DAIP Outcome 2: People with disability have the same opportunities as other people to access the buildings and other facilities of a public authority.

Works were undertaken and completed at the Shire Morawa's Caravan Park with the upgrade to the camp kitchen. This upgrade has significantly increased the cooking preparation space, increased dining and seating and upgraded appliances has resulted in a more comfortable and practical space for people with disabilities.

Council also constructed an accessible footpath along Prater Street that now links the Town Centre on Winfield Street to the Morawa Districts High School increasing the safety for students and community members that utilise the path.

DAIP Outcome 3: People with a disability receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it.

The Shire of Morawa uses a variety of communication methods to provide information to the community, and ensures all information provided can be made available in alternative formats. To promote community events and services the Shire used communication methods including:

- Shire's website
- Shire's social media channels
- Printed posters and flyers
- Letters to residents
- Morawa Scene newsletter and
- Media releases to local newspapers & radio stations.

GOVERNANCE & STATUTORY REPORTING STANDARDS

Record Keeping Plan

The Shire of Morawa is committed to accessible and efficient record keeping practices and complies with relevant legislation including the *State Records Act 2000*.

The Shire has an established Record Keeping Plan. This plan includes a Records Management Procedure Manual which is designed to adequately address all records management issues and identifies staff roles and responsibilities.

The Shire is committed in maintaining a high standard of record keeping and will continue to review and improve processes.



Public Interest Disclosure

The *Public Interest Disclosure Code* was established by the Commissioner for Public Sector Standards under Section 20 of the *Public Interest Disclosure Act 2003*.

One of the principles of the Code is not just to provide protection to those who make disclosures, but also to encourage a system of transparency and accountability in the way government officials act and utilise public monies.

Matters that relate to the Shire of Morawa should be referred to the Shire of Morawa's Public Interest Disclosure officer.

Disclosures to the officer can be made not just about officers of the Shire of Morawa but also its elected members.

There is an obligation of the Public Interest Disclosure Officer in the *Public Interest Disclosure Act* to ensure that the disclosure is confidential and that the person making a disclosure is provided adequate protection from reprisals, civil and criminal liability or breach of confidentiality.

The Shire of Morawa had no Public Interest Disclosures during the 2020/2021 reporting year.

GOVERNANCE & STATUTORY REPORTING STANDARDS



Freedom of Information Act 1992

The Shire's affairs are governed by seven (7) elected members from and by the community, who represent all sections of the community. The Council meets on the Third Thursday of each month - excluding January. These meetings are open to the public and the dates and times are advertised on Council's website and noticeboards as Public information.

The Council is a legislative body that establishes policies and makes decisions within the requirements of the *Local Government Act 1995* on a wide range of issues affecting the community, and in keeping with the legislative requirements.

The Council governs the Shire's affairs including decisions regarding its activities and functions. Such decisions include the approval of services and facilities to be undertaken, and the allocation of resources and funding to these services and facilities.

Nominated documents can be inspected upon application and payment of a small fee at the Shire office located at 26 Winfield Street, Morawa during normal business hours.

During the year of review any applications received are considered on the basis of not contravening the privacy rights of any individual and are subject to an administrative charge in accordance with the ACT.

The Shire of Morawa has had no Freedom of Information requests during the 2020/2021 reporting year.

GOVERNANCE & STATUTORY REPORTING STANDARDS

National Competition Policy

In 1995, the Council of Australian Government entered into agreements known as the National Competition Policy. The Policy is a whole of government approach to bring about reform in the public sector to encourage government to become more competitive.

Local government will mainly be affected where it operates significant business activities (defined as one that generates an annual income from fees and charges exceeding \$200,000) that compete or could compete with private sector business. The Shire of Morawa does not operate any such businesses

A review of the Local Laws found that they had no impact on the competition across the Shire.

Employee Payments

For the purpose of Regulation 19B of the *Local Government (Administration) Regulations 1996* the following information is required to be included in Council's Annual Report:

The number of employees of the Shire of Morawa (excluding the CEO) entitled to an annual salary:

- Of \$130,000 or more; and
- That falls within each band of \$10,000 over \$130,000

There were no employees entitled to an annual salary of \$130,000 or more during 2020/2021.

The total remuneration paid to the Chief Executive Officer (CEO) during 2020/2021 was \$?????



GOVERNANCE & STATUTORY REPORTING STANDARDS

Councillor Information

For the purpose of Regulation 19B (f)(g)(h)(i) of the *Local Government (Administration) Regulations 1996* the following Councillor information is required to be included in Council's Annual Report:

- the number of council and committee meetings attended by each council member during the year
- if available, the gender, linguistic background and country of birth of council members
- if available, the number of council members who are aged -
 - 1) between 18 and 24 years; and
 - 2) between 25 and 34 years; and
 - 3) between 35 and 44 years; and
 - 4) between 45 and 54 years; and
 - 5) between 55 and 64 years; and
 - 6) over the age of 64 years.
- if available, the number of council members who identify as Aboriginal or Torres Strait Islander.

Councillor Information	1	2	3	4	5	6	7
Aged between 18 & 24 years							
Aged between 25 & 34 years							
Aged between 35 & 44 years							
Aged between 45 & 54 years				X			
Aged between 55 & 64 years	X	X					
Aged over 64 years			X				
Identify as Aboriginal or Torres Strait Islander	No	No	No	No			
Gender	M	F	F	F	F	M	F
Linguistic background	E	E	E	E			
Country of birth	A	A	A	A			
Council Meetings Attended	15	18	17	16	17	18	17
Committee Meetings Attended	4	8	6	6	5	8	5



CYCLONE SEROJA

Cyclone Seroja hit Morawa late on Sunday 11 April 2021 causing significant damage to the shire.

583

Properties lost power in the Shire of Morawa. Western Power had 530 of those customers by 4 May with all residents restored by 10 May 2021.

23

Primary producer properties located in the shire were impacted by Cyclone Seroja.

107

Homes were damaged with around 30 being severely damaged or destroyed.

\$141,962

Spent by Council in the immediate response to the storm with the majority being for the clearing of roads, removing fallen trees and town cleanup.

202

Requests for Emergency Welfare assistance were made

PROJECTS 2020-2021

\$355,413

Council continued the widening of the Morawa Yalgoo Road. This year we completed a further 3km's of road.

\$218,975

A section of Nanekine Road was widened and sealed to 7.2m .

\$418,429

Maintenance works on the Shire's rural roads were carried out during the year. This was less than budgeted due to Cyclone Serjoa.

\$218,296

Council were fortunate to receive additional grant funding during the year from the Federal Government under LRCIP and allocated part of that funding to the re-sheeting of Old Three Springs Road.

\$251,199

Gravel resheeting works were completed on the Canna North East Road during the year.

PROJECTS 2020-2021



NETBALL COURTS

Back in 2019 the process began to upgrade the netball courts with Council submitting an application for Grant funding that would require equal contributions from the Netball Club and the Shire. This \$291,969 project was to install new floodlights & fencing and to reseal the courts.

AFTER



The court construction was finished in May 2021 and was opened by the Hon. Sandra Carr on 12 June 2021 and officially named the Glenda Milloy Netball Courts

PROJECTS 2020-2021

		Source of Funds					
Project Description	Expense Budget 2020/21	Borrowings	Grant Funding	Contributions Other/ Proceeds from Sale of Assets	Reserves	Municipal Funds	Grant Funding Body
Recreation & Culture							
Swimming Areas & Beaches							
Hybrid Energy Saver System	\$ 54,387					\$ 54,387	
Other Recreation & Sport							
Stand on Aerator	\$ 14,740					\$ 14,740	
Netball Court Redevelopment Project	\$ 290,969	\$ 75,027	\$ 90,750	\$ 121,000		\$ 4,192	Grant Funding was received from DLG SC through Community Sporting & Recreation Facilities Fund (CSRFF)
	\$ 360,096	\$ 75,027	\$ 90,750	\$ 121,000	\$ -	\$ 73,319	
Transport							
Construction Streets, Roads, Bridges, Depots							
Morawa-Yalgoo Road	\$ 355,413		\$ 249,518			\$ 105,895	Funding was received from Main Roads through Regional Road Group (RRG)
Nanekine Road Reconstruction	\$ 72,294		\$ 56,800			\$ 15,494	
Nanekine Road - Widen and Seal	\$ 146,682		\$ 124,534			\$ 22,148	
Naetes Rd - clearing and reseal	\$ 136,751		\$ 136,751			\$ -	
Canna North East Road - clearing and gravel sheeting	\$ 145,187		\$ 145,187			\$ -	Funding was received from the Federal Government through Roads to Recovery (R2R)
Canna North East Road - clearing and gravel sheeting C/Fwd	\$ 106,012		\$ 106,012			\$ -	
Town - Lodge Street	\$ 9,950		\$ 9,950			\$ -	
Town - Manning Road	\$ 39,846		\$ 39,846			\$ -	
Old Three Springs Road	\$ 218,296		\$ 190,000			\$ 28,296	Funding was received from the Federal Government through Local Roads & Community Infrastructure Program (LRCIP)
Town Entry Signage	\$ 17,195		\$ 10,000			\$ 7,195	
Main Street Lighting Upgrade	\$ 21,747		\$ 21,747			\$ -	
Footpath Construction							
							Funding received from the Department of Transport through WA Bike Network Grants (WABN)
Davis Street Shared Pathway	\$ 63,791		\$ 30,468			\$ 33,323	
Road Plant Purchases							
John Deere Grader	\$ 372,350			\$ 75,000	\$ 297,350	\$ -	
Aerodrome							
Aerodrome Terminal Building Upgrade	\$ 11,487					\$ 11,487	
	\$ 1,717,001	\$ -	\$ 1,120,813	\$ 75,000	\$ 297,350	\$ 223,838	
Economic Services							
Tourism & Area Promotion							
Caravan Park - Camp Kitchen Upgrade	\$ 37,373					\$ 37,373	
Caravan Park Infrastructure Expansion	\$ 109,529		\$ 70,000			\$ 39,529	LRCIP Funding
	\$ 146,902	\$ -	\$ 70,000	\$ -	\$ -	\$ 76,902	
GRAND TOTAL	\$ 2,223,999	\$ 75,027	\$ 1,281,563	\$ 196,000	\$ 297,350	\$ 374,059	



PLANNING FOR OUR FUTURE

The Shire's Strategic Community Plan together with other integrated planning documents, which include the Business Plan and Long Term Financial Plan, provides a guide for Council's operations towards the year 2028. This document is due for a major review during 2021/2022

The Plan's vision is " A welcoming and inclusive community with diverse regional partnerships that have created a vibrant and growing economy".

The strategic objectives have been developed for each of the four key areas of community interest;

- Economic - A diverse, resilient and innovative economy.
- Environmental - Protect and enhance the natural environment.
- Social Connection - A community that is friendly, healthy and inclusive.
- Leadership & Governance - A connected community with strong leadership



STRATEGIC COMMUNITY PLAN

The Shire's Strategic Community Plan has been developed for the community - electors, ratepayers, permanent residents and temporary visitors. The Strategic Community Plan was developed hand in hand with the community. It has a key place in the Shire's delivery and management of services and infrastructure, and it is important to our community because it:

- Provides a vision for the future state we all want to achieve.
- Includes a clear direction for Council to use in decision making.
- Identifies the risks and opportunities for Council.
- Identifies the need to maintain its recreational facilities to promote health, wellbeing and community cohesiveness.







SHIRE OF MORAWA

ANNUAL FINANCIAL REPORT 2020-2021

SHIRE OF MORAWA

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Index of Notes to the Financial Report	9
Independent Auditor's Report	56

COMMUNITY VISION

The Shire of Morawa: Breaking New Ground

Our vision is a welcoming and inclusive community with diverse regional partnerships that have created a vibrant and growing economy.

Principal place of business:
26 Winfield Street
Morawa WA 6623



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

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

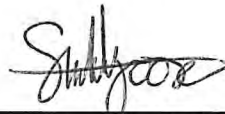
The attached financial report of the Shire of Morawa for the financial year ended 30 June 2021 is based on proper accounts and records to present fairly the financial position of the Shire of Morawa at 30 June 2021 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the

20th

day of December

2021



Scott Wildgoose
Chief Executive Officer

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	25(a)	1,981,711	1,961,111	1,892,644
Operating grants, subsidies and contributions	2(a)	1,929,359	1,154,235	1,902,277
Fees and charges	2(a)	736,361	787,736	745,758
Interest earnings	2(a)	58,452	92,500	90,609
Other revenue	2(a)	511,157	332,075	125,697
		5,217,040	4,327,657	4,756,985
Expenses				
Employee costs		(1,720,425)	(1,761,273)	(1,783,901)
Materials and contracts		(1,209,255)	(2,408,487)	(1,685,401)
Utility charges		(340,711)	(394,928)	(360,377)
Depreciation on non-current assets	11(b)	(2,009,922)	(1,930,501)	(1,917,260)
Interest expenses	2(b)	(17,465)	(11,383)	(11,808)
Insurance expenses		(188,931)	(183,961)	(216,375)
Other expenditure		(516,110)	(183,308)	(120,509)
		(6,002,819)	(6,873,841)	(6,095,631)
		(785,779)	(2,546,184)	(1,338,646)
Non-operating grants, subsidies and contributions	2(a)	1,469,848	1,553,037	868,767
Profit on asset disposals	11(a)	0	1,400	0
(Loss) on asset disposals	11(a)	(17,396)	(96,944)	(85,184)
Fair value adjustments to financial assets at fair value through profit or loss		1,939	0	865
		1,454,391	1,457,493	784,448
Net result for the period		668,612	(1,088,691)	(554,198)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	4,645,000	0	5,535
Total other comprehensive income for the period		4,645,000	0	5,535
Total comprehensive income/(Loss) for the period		5,313,612	(1,088,691)	(548,663)

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

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
	2(a)			
Governance		43	0	2,680
General purpose funding		3,716,327	2,967,866	3,727,247
Law, order, public safety		28,907	32,450	29,376
Health		10,664	13,850	4,235
Education and welfare		6,193	10,170	9,050
Housing		78,631	113,280	83,430
Community amenities		439,293	449,472	435,461
Recreation and culture		57,421	52,345	46,725
Transport		572,950	454,730	155,812
Economic services		168,263	151,044	95,413
Other property and services		138,348	82,450	167,556
		5,217,040	4,327,657	4,756,985
Expenses				
	2(b)			
Governance		(425,956)	(532,616)	(391,490)
General purpose funding		(179,332)	(212,341)	(173,424)
Law, order, public safety		(86,531)	(106,628)	(86,363)
Health		(198,423)	(210,162)	(137,006)
Education and welfare		(174,151)	(208,763)	(198,862)
Housing		(205,732)	(252,574)	(231,479)
Community amenities		(516,849)	(663,717)	(573,453)
Recreation and culture		(1,367,229)	(1,540,873)	(1,559,716)
Transport		(1,974,167)	(2,233,116)	(2,040,699)
Economic services		(658,089)	(882,231)	(680,948)
Other property and services		(198,895)	(19,437)	(10,383)
		(5,985,354)	(6,862,458)	(6,083,823)
Finance Costs				
	2(b)			
Housing		(11,307)	(11,383)	(11,808)
Recreation and culture		(6,158)	0	0
		(17,465)	(11,383)	(11,808)
		(785,779)	(2,546,184)	(1,338,646)
Non-operating grants, subsidies and contributions	2(a)	1,469,848	1,553,037	868,767
Profit on disposal of assets	11(a)	0	1,400	0
(Loss) on disposal of assets	11(a)	(17,396)	(96,944)	(85,184)
Fair value adjustments to financial assets at fair value through profit or loss		1,939	0	865
		1,454,391	1,457,493	784,448
Net result for the period		668,612	(1,088,691)	(554,198)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	4,645,000	0	5,535
Total other comprehensive income for the period		4,645,000	0	5,535
Total comprehensive income/(Loss) for the period		5,313,612	(1,088,691)	(548,663)

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

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

	NOTE	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	3	7,568,204	7,114,588
Trade and other receivables	6	764,200	523,228
Inventories	7	13,879	12,307
Other assets	8	5,127	4,147
TOTAL CURRENT ASSETS		8,351,410	7,654,270
NON-CURRENT ASSETS			
Trade and other receivables	6	26,076	28,157
Other financial assets	5	55,355	53,416
Property, plant and equipment	9	24,190,235	22,339,038
Infrastructure	10	50,397,216	47,444,292
Right-of-use assets	12	91,232	0
TOTAL NON-CURRENT ASSETS		74,760,114	69,864,903
TOTAL ASSETS		83,111,524	77,519,173
CURRENT LIABILITIES			
Trade and other payables	14	405,548	550,934
Other liabilities	15	203,224	62,324
Lease liabilities	16(a)	57,413	0
Borrowings	17(a)	26,580	14,049
Employee related provisions	18	325,811	370,554
TOTAL CURRENT LIABILITIES		1,018,576	997,861
NON-CURRENT LIABILITIES			
Lease liabilities	16(a)	28,922	0
Borrowings	17(a)	446,584	279,078
Employee related provisions	18	137,956	76,363
TOTAL NON-CURRENT LIABILITIES		613,462	355,441
TOTAL LIABILITIES		1,632,038	1,353,302
NET ASSETS		81,479,486	76,165,871
EQUITY			
Retained surplus		34,994,479	34,659,817
Reserves - cash backed	4	5,536,472	5,202,521
Revaluation surplus	13	40,948,535	36,303,533
TOTAL EQUITY		81,479,486	76,165,871

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

SHIRE OF MORAWA
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		34,876,226	5,540,310	36,297,998	76,714,534
Comprehensive income					
Net result for the period		(554,198)	0	0	(554,198)
Other comprehensive income	13	0	0	5,535	5,535
Total comprehensive income		(554,198)	0	5,535	(548,663)
Transfers from reserves	4	972,430	(972,430)	0	0
Transfers to reserves	4	(634,641)	634,641	0	0
Balance as at 30 June 2020		34,659,817	5,202,521	36,303,533	76,165,871
Comprehensive income					
Net result for the period		668,612	0	0	668,612
Other comprehensive income	13	0	0	4,645,000	4,645,000
Total comprehensive income		668,612	0	4,645,000	5,313,612
Transfers from reserves	4	363,331	(363,331)	0	0
Transfers to reserves	4	(697,282)	697,282	0	0
Balance as at 30 June 2021		34,994,479	5,536,472	40,948,535	81,479,486

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

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,998,777	1,961,111	1,966,972
Operating grants, subsidies and contributions		1,737,318	1,154,235	1,956,510
Fees and charges		745,014	787,736	745,758
Interest received		58,452	92,500	90,609
Goods and services tax received		267,382	0	341,638
Other revenue		511,158	332,075	125,697
		5,318,101	4,327,657	5,227,184
Payments				
Employee costs		(1,701,903)	(1,761,273)	(1,686,400)
Materials and contracts		(1,430,514)	(2,408,487)	(1,432,696)
Utility charges		(340,711)	(394,928)	(360,377)
Interest expenses		(17,465)	(11,383)	(11,808)
Insurance paid		(188,931)	(183,961)	(216,375)
Goods and services tax paid		(338,520)	0	(269,679)
Other expenditure		(425,189)	(183,308)	(120,509)
		(4,443,233)	(4,943,340)	(4,097,844)
Net cash provided by (used in) operating activities	19	874,868	(615,683)	1,129,340
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	9(a)	(505,383)	(747,198)	(916,266)
Payments for construction of infrastructure	10(a)	(1,778,868)	(2,099,645)	(1,240,056)
Non-operating grants, subsidies and contributions		1,610,748	1,553,037	868,767
Proceeds from sale of property, plant & equipment	11(a)	100,706	83,650	179,545
Net cash provided by (used in) investment activities		(572,797)	(1,210,156)	(1,108,010)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	17(b)	(19,963)	(14,049)	(13,513)
Payments for principal portion of lease liabilities	16(b)	(28,492)	0	0
Proceeds from new borrowings	17(b)	200,000	200,000	0
Net cash provided by (used in) financing activities		151,545	185,951	(13,513)
Net increase (decrease) in cash held		453,616	(1,639,888)	7,817
Cash at beginning of year		7,114,588	7,058,236	7,106,771
Cash and cash equivalents at the end of the year	19	7,568,204	5,418,348	7,114,588

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

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	26 (b)	1,692,941	1,836,882	1,849,977
		1,692,941	1,836,882	1,849,977
Revenue from operating activities (excluding rates)				
Governance		43	0	2,680
General purpose funding		1,742,720	1,009,920	1,840,650
Law, order, public safety		28,907	32,450	29,376
Health		10,664	13,850	4,235
Education and welfare		6,193	10,170	9,050
Housing		78,631	113,280	83,430
Community amenities		439,293	449,472	435,461
Recreation and culture		57,421	52,345	46,725
Transport		572,950	456,130	155,812
Economic services		168,263	151,044	95,413
Other property and services		138,348	82,450	167,556
		3,243,433	2,371,111	2,870,388
Expenditure from operating activities				
Governance		(405,253)	(532,616)	(391,490)
General purpose funding		(179,332)	(212,341)	(173,424)
Law, order, public safety		(86,531)	(106,628)	(86,363)
Health		(198,423)	(210,162)	(145,993)
Education and welfare		(174,151)	(208,763)	(198,862)
Housing		(217,039)	(263,957)	(243,287)
Community amenities		(516,849)	(663,717)	(581,490)
Recreation and culture		(1,373,385)	(1,540,873)	(1,559,716)
Transport		(1,988,658)	(2,315,972)	(2,079,612)
Economic services		(658,089)	(882,231)	(680,948)
Other property and services		(201,800)	(33,525)	(39,630)
		(5,999,510)	(6,970,785)	(6,180,815)
Non-cash amounts excluded from operating activities	26(a)	2,094,551	2,033,405	2,049,663
Amount attributable to operating activities		1,031,415	(729,387)	589,213
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	1,469,848	1,553,037	868,767
Proceeds from disposal of assets	11(a)	100,706	83,650	179,545
Purchase of property, plant and equipment	9(a)	(505,383)	(747,198)	(916,266)
Purchase and construction of infrastructure	10(a)	(1,778,868)	(2,099,645)	(1,240,056)
		(713,697)	(1,210,156)	(1,108,010)
Amount attributable to investing activities		(713,697)	(1,210,156)	(1,108,010)
FINANCING ACTIVITIES				
Repayment of borrowings	17(b)	(19,963)	(14,049)	(13,513)
Proceeds from borrowings	17(c)	200,000	200,000	0
Payments for principal portion of lease liabilities	16(b)	(28,492)	0	0
Transfers to reserves (restricted assets)	4	(697,282)	(763,057)	(634,641)
Transfers from reserves (restricted assets)	4	363,331	593,057	972,430
Amount attributable to financing activities		(182,406)	15,951	324,276
Surplus/(deficit) before imposition of general rates		135,312	(1,923,592)	(194,521)
Total amount raised from general rates	25(a)	1,975,546	1,957,946	1,887,462
Surplus/(deficit) after imposition of general rates	26(b)	2,110,858	34,354	1,692,941

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

SHIRE OF MORAWA
INDEX OF NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

Note 1	Basis of Preparation	10
Note 2	Revenue and Expenses	15
Note 3	Cash and Cash Equivalents	17
Note 4	Reserves - Cash backed	18
Note 5	Other Financial Assets	20
Note 6	Trade and Other Receivables	21
Note 7	Inventories	22
Note 8	Other Assets	23
Note 9	Property, Plant and Equipment	24
Note 10	Infrastructure	26
Note 11	Fixed Assets	28
Note 12	Leases	31
Note 13	Revaluation Surplus	32
Note 14	Trade and Other Payables	33
Note 15	Other Liabilities	34
Note 16	Lease Liabilities	35
Note 17	Information on Borrowings	36
Note 18	Employee Provisions	38
Note 19	Notes to the Statement of Cash Flows	39
Note 20	Total Assets Classified by Function and Activity	40
Note 21	Contingent Liabilities	41
Note 22	Elected Members Remuneration	42
Note 23	Related Party Transactions	43
Note 24	Investment in Associates & Joint Arrangements	45
Note 25	Rating Information	46
Note 26	Rate Setting Statement Information	48
Note 27	Financial Risk Management	49
Note 28	Trust Funds	52
Note 29	Other Significant Accounting Policies	53
Note 30	Activities/Programs	54
Note 31	Financial Ratios	55

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 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.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 28 to these financial statements.

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*

There was no impact to Council on adoption of these standards.

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
- Property, Plant & Equipment
- Infrastructure
- Right-of-use assets
- Provisions

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

2. REVENUE AND EXPENSES

(a) Revenue

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
	\$	\$	\$
Operating grants, subsidies and contributions			
General purpose funding	1,673,804	910,755	1,731,060
Law, order, public safety	21,827	24,000	20,826
Education and welfare	3,499	7,500	6,260
Recreation and culture	22,000	21,000	2,000
Transport	208,229	190,980	142,131
	1,929,359	1,154,235	1,902,277
Non-operating grants, subsidies and contributions			
Community amenities	0	0	80,000
Recreation and culture	211,750	253,000	11,000
Transport	1,170,811	1,180,037	777,767
Economic services	87,287	120,000	0
	1,469,848	1,553,037	868,767
Total grants, subsidies and contributions	3,399,207	2,707,272	2,771,044
Fees and charges			
Governance	43	0	2,368
General purpose funding	2,360	3,500	12,935
Law, order, public safety	3,080	4,450	2,564
Health	164	350	0
Education and welfare	2,694	2,420	2,790
Housing	76,670	105,780	79,885
Community amenities	436,178	446,472	432,223
Recreation and culture	19,866	31,345	29,807
Economic services	168,306	150,969	95,412
Other property and services	27,000	42,450	87,774
	736,361	787,736	745,758

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 MORAWA
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	0	0	29,086
Fees and charges	734,936	787,736	740,395
Other revenue	408,207	51,825	54,834
Non-operating grants, subsidies and contributions	1,469,848	1,553,037	868,767
	2,612,991	2,392,598	1,693,082
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 recognised during the year	1,143,143	839,561	824,315
Revenue from transfers intended for acquiring or constructing recognisable non financial assets held as a liability at the start of the period	62,324	0	0
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	1,407,524	1,553,037	868,767
	2,612,991	2,392,598	1,693,082
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	195,184	0	24,908
Contract liabilities from contracts with customers	0	0	(2,500)
Financial assets held from transfers for recognisable financial assets	203,224	0	59,824
Grant liabilities from transfers for recognisable non financial assets	(203,224)	0	(59,824)

Contract assets primarily relate to the Shire's right to consideration for work completed but not billed at 30 June 2021.

Assets associated with contracts with customers were not subject to an impairment charge.

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

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 MORAWA
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

Statutory permits and licences

Fines

Other revenue

Reimbursements and recoveries

Other

Interest earnings

Interest on reserve funds

Rates instalment and penalty interest refer Note 26(c)

Other interest earnings

	2021 Actual \$	2021 Budget \$	2020 Actual \$
General rates	1,975,546	1,954,946	1,887,462
Statutory permits and licences	725	0	4,025
Fines	700	0	1,338
	1,976,971	1,954,946	1,892,825
Other revenue			
Reimbursements and recoveries	102,950	280,250	70,863
Other	408,207	51,825	54,834
	511,157	332,075	125,697
Interest earnings			
Interest on reserve funds	17,469	55,000	54,258
Rates instalment and penalty interest refer Note 26(c)	31,036	30,000	28,369
Other interest earnings	9,947	7,500	7,982
	58,452	92,500	90,609

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

Audit of the Annual Financial Report
 Other Audit Services

Interest expenses (finance costs)

Borrowings
 Lease liabilities

Other expenditure

Impairment loss on trade and other receivables
 Sundry expenses

Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
	78,960	45,000	29,997
	1,655	10,000	2,000
	80,615	55,000	31,997
17(b)	14,657	11,383	11,808
16(b)	2,808	0	0
	17,465	11,383	11,808
	25,012	3,000	16,359
	491,098	180,308	104,150
	516,110	183,308	120,509

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

2. REVENUE AND EXPENSES (Continued)

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	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	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
Service charges	Charge for 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
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 and reporting	Contract obligation if project not complete	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 breached	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 the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	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 breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development 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 issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs

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

2. REVENUE AND EXPENSES (Continued)

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
Waste management collections	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 regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	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
Sale of stock	Materials, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	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

SHIRE OF MORAWA
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	5,468,204	5,014,588
Term deposits	2,100,000	2,100,000
Total cash and cash equivalents	7,568,204	7,114,588

Restrictions

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	5,759,349	5,284,858
- Financial assets at amortised cost	0	0
	5,759,349	5,284,858

The restricted assets are a result of the following specific purposes to which the assets may be used:

Reserves - cash backed	4	5,536,472	5,202,521
Contract liabilities from contracts with customers	15	0	2,500
Contract liabilities from transfers for recognisable non financial assets	15	203,224	59,824
Bonds and deposits held	14	19,653	20,013
Unspent loans	17(d)		0
Total restricted assets		5,759,349	5,284,858

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

4. RESERVES - CASH BACKED

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave Reserve	225,004	5,498	0	230,502	225,004	7,360	0	232,364	218,600	6,404	0	225,004
(b) Plant Reserve	467,291	251,035	(297,350)	420,976	467,291	354,901	(545,000)	277,192	833,618	255,347	(621,674)	467,291
(c) Building Reserve	114,195	20,253	0	134,448	114,195	21,198	0	135,393	93,594	20,601	0	114,195
(d) Economic Development Reserve	3,513	8	0	3,521	3,513	37	0	3,550	112,812	701	(110,000)	3,513
(e) Community Development Reserve	1,255,037	4,299	0	1,259,336	1,255,037	13,163	0	1,268,200	1,242,317	12,720	0	1,255,037
(f) Sewerage Reserve	222,620	50,492	0	273,112	222,620	52,335	0	274,955	246,040	51,580	(75,000)	222,620
(g) Morawa Future Funds Interest Reserve	224,416	8,480	(26,075)	206,821	274,396	20,935	(18,057)	277,274	240,224	25,814	(41,622)	224,416
(h) Morawa Community Future Funds Reserve	2,033,955	9,301	(7,906)	2,035,350	2,025,597	21,244	0	2,046,841	2,079,696	28,393	(74,134)	2,033,955
(i) Aged Care Units Reserve	9,485	25,021	0	34,506	9,485	25,099	0	34,584	9,424	61	0	9,485
(j) Business Units Reserve	145,806	20,323	0	166,129	145,806	21,529	0	167,335	125,003	20,803	0	145,806
(k) Legal Fees Reserve	26,094	58	0	26,152	26,094	274	0	26,368	25,927	167	0	26,094
(l) Road Reserve	147,130	50,326	0	197,456	147,130	51,543	0	198,673	146,191	939	0	147,130
(m) Aged Care ex MCC Unit 1-4 Reserve	70,593	156	0	70,749	70,593	740	0	71,333	70,143	450	0	70,593
(n) Aged Care Unit 5 Reserve	56,669	126	0	56,795	56,669	594	0	57,263	56,307	362	0	56,669
(o) Swimming Pool Reserve	60,673	20,134	0	80,807	60,673	20,636	0	81,309	40,414	20,259	0	60,673
(p) COVID-19 Emergency Response Reserve	140,040	310	(32,000)	108,350	140,040	51,469	(30,000)	161,509	0	190,040	(50,000)	140,040
(q) Old Hospital Reserve	0	50,000	0	50,000	0	50,000	0	50,000	0	0	0	0
(r) Jones Lake Road Rehab Reserve	0	50,000	0	50,000	0	50,000	0	50,000	0	0	0	0
(s) Morawa Yalgoo Road Reserve	0	5,489	0	5,489	0	0	0	0	0	0	0	0
(t) Unspent Loans Reserve	0	125,973	0	125,973	0	0	0	0	0	0	0	0
	5,202,521	697,282	(363,331)	5,536,472	5,244,143	763,057	(593,057)	5,414,143	5,540,310	634,641	(972,430)	5,202,521

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

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

4. RESERVES - CASH BACKED (CONT'D)

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) Leave Reserve	Ongoing	To be used to fund leave requirements.
(b) Plant Reserve	Ongoing	To be used to upgrade, replace or purchase new plant and equipment.
(c) Building Reserve	Ongoing	To be used to refurbish, replace, extend or establish Council owned buildings.
(d) Economic Development Reserve	Ongoing	To be used to create economic development initiatives in the local community.
(e) Community Development Reserve	Ongoing	To be used for Community Projects within the Shire of Morawa.
(f) Sewerage Reserve	Ongoing	To be used to repair, replace or extend the sewerage facility.
(g) Morawa Future Funds Interest Reserve	Ongoing	To allocate funding to community based projects financed from the interest received on the underlying reserves.
(h) Morawa Community Future Funds Reserve	Ongoing	To provide an ongoing conduit for benefits to the people and environment with the Sinosteel Midwest Corporation Morawa Future Fund Foundation Memorandum.
(i) Aged Care Units Reserve	Ongoing	To fund future expenditure relating to the Units.
(j) Business Units Reserve	Ongoing	To fund future expenditure relating to the Units.
(k) Legal Fees Reserve	Ongoing	A provision for unforeseen legal fees.
(l) Road Reserve	Ongoing	A provision for (emergency) road expenditure in addition to the annual budget for road infrastructure.
(m) Aged Care ex MCC Unit 1-4 Reserve	Ongoing	To fund future expenditure relating to the Units 1-4.
(n) Aged Care Unit 5 Reserve	Ongoing	To fund future expenditure relating to Unit 5.
(o) Swimming Pool Reserve	Ongoing	To be used for the maintenance/upgrade to Morawa Swimming Pool.
(p) COVID-19 Emergency Response Reserve	Ongoing	To invest in activities that promote community wellbeing, aid to residents and businesses in financial hardship and general COVID recovery projects.
(q) Old Hospital Reserve	Ongoing	To reserve monies for the future use of the old hospital
(r) Jones Lake Road Rehab Reserve	Ongoing	To reserve monies for the future closure and rehab of the landfill site at Jones Lake Rd
(s) Morawa Yalgoo Road Reserve	Ongoing	To be used to fund maintenance works on the Morawa Yalgoo Road
(t) Unspent Loans Reserve	Ongoing	To be used when there is any unspent new borrowings at year end due to incomplete projects.

5. OTHER FINANCIAL ASSETS

Non-current assets

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

Units in Local Government House Trust

2021	2020
\$	\$
55,355	53,416
55,355	53,416
55,355	53,416
55,355	53,416

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 27.

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	
Trade and other receivables	
GST receivable	
Allowance for impairment of receivables	

Non-current

Pensioner's rates and ESL deferred	
------------------------------------	--

2021	2020
\$	\$
501,125	514,679
195,184	24,908
92,903	0
(25,012)	(16,359)
764,200	523,228
26,076	28,157
26,076	28,157

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 27.

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.

7. INVENTORIES

Current

Fuel and materials

The following movements in inventories occurred during the year:

Balance at beginning of year

Additions to inventory

Balance at end of year

	2021	2020
	\$	\$
	13,879	12,307
	13,879	12,307
	12,307	10,168
	1,572	2,139
	13,879	12,307

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.

8. OTHER ASSETS

Other assets - current

Accrued income

2021	2020
\$	\$
5,127	4,147
5,127	4,147

SIGNIFICANT ACCOUNTING POLICIES

Accrued Income

Other non-financial assets include accrued Income which represent Income that should have been received in the current year for services or goods provided by Council.

9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land	Buildings - non-specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Work in Progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	1,230,625	4,106,442	14,719,618	20,056,685	58,573	2,238,151	0	22,353,409
Additions	0	0	20,699	20,699	0	895,567	0	916,266
(Disposals)	0	0	0	0	0	(264,729)	0	(264,729)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	1,300	4,235	0	5,535
Depreciation (expense)	0	(106,000)	(289,483)	(395,483)	(6,360)	(269,600)	0	(671,443)
Transfers	0	20,634	(20,699)	(65)	0	(20,634)	20,699	0
Balance at 30 June 2020	1,230,625	4,021,076	14,430,135	19,681,836	53,513	2,582,990	20,699	22,339,038
Comprises:								
Gross balance amount at 30 June 2020	1,230,625	4,336,736	15,288,620	20,855,981	59,100	2,836,308	20,699	23,772,088
Accumulated depreciation at 30 June 2020	0	(315,660)	(858,485)	(1,174,145)	(5,587)	(253,318)	0	(1,433,050)
Balance at 30 June 2020	1,230,625	4,021,076	14,430,135	19,681,836	53,513	2,582,990	20,699	22,339,038
Additions	0	5,460	85,756	91,216	0	392,420	21,747	505,383
(Disposals)	0	0	0	0	0	(118,102)	0	(118,102)
Revaluation increments / (decrements) transferred to revaluation surplus	(344,505)	492,900	2,048,648	2,197,043	0	0	0	2,197,043
Depreciation (expense)	0	(108,063)	(288,696)	(396,759)	(5,587)	(310,082)	0	(712,428)
Transfers	0	0	0	0	0	0	(20,699)	(20,699)
Balance at 30 June 2021	886,120	4,411,373	16,275,843	21,573,336	47,926	2,547,226	21,747	24,190,235
Comprises:								
Gross balance amount at 30 June 2021	886,120	4,411,373	16,275,843	21,573,336	59,100	3,062,728	21,747	24,716,911
Accumulated depreciation at 30 June 2021	0	0	0	0	(11,174)	(515,502)	0	(526,676)
Balance at 30 June 2021	886,120	4,411,373	16,275,843	21,573,336	47,926	2,547,226	21,747	24,190,235

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land - Feehold	2	Market approach using recent observable market data for similar properties	Independent Registered Valuers	June 2021	Price per hectare
Land - Feehold	3	Improvements to land valued using cost approach using current replacement cost	Independent Registered Valuers	June 2021	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent Registered Valuers	June 2021	Price per square metre
Buildings - specialised	3	Improvements to land valued using cost approach using current replacement cost	Independent Registered Valuers	June 2021	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

(ii) 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 MORAWA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

10. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - Footpaths	Other Infrastructure - Parks & Ovals	Other Infrastructure - Sewerage	Other Infrastructure - Airfields	Other Infrastructure - Dams	Other Infrastructure - Playground Equipment	Other Infrastructure - Other	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	38,135,785	370,033	734,847	2,155,337	471,350	593,033	78,464	4,911,204	47,450,053
Additions	1,159,931	6,719	0	23,902	0	0	49,504	0	1,240,056
Depreciation (expense)	(740,919)	(15,734)	(46,173)	(68,277)	(51,326)	(45,166)	(15,243)	(262,979)	(1,245,817)
Balance at 30 June 2020	38,554,797	361,018	688,674	2,110,962	420,024	547,867	112,725	4,648,225	47,444,292
Comprises:									
Gross balance at 30 June 2020	69,719,387	1,112,774	1,526,594	3,696,702	2,103,500	2,192,150	280,154	9,739,782	90,371,043
Accumulated depreciation at 30 June 2020	(31,164,590)	(751,756)	(837,920)	(1,585,740)	(1,683,476)	(1,644,283)	(167,429)	(5,091,557)	(42,926,751)
Balance at 30 June 2020	38,554,797	361,018	688,674	2,110,962	420,024	547,867	112,725	4,648,225	47,444,292
Additions	1,247,626	73,935	290,969	7,950	11,486	0	0	146,902	1,778,868
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	(30,055)	311,996	267,802	272,161	27,893	1,598,158	2,447,955
Depreciation (expense)	(766,442)	(15,829)	(46,119)	(68,759)	(51,325)	(45,128)	(17,318)	(262,979)	(1,273,899)
Balance at 30 June 2021	39,035,981	419,124	903,469	2,362,149	647,987	774,900	123,300	6,130,306	50,397,216
Comprises:									
Gross balance at 30 June 2021	70,967,014	1,186,709	903,469	2,362,149	647,987	774,900	123,300	6,130,306	83,095,834
Accumulated depreciation at 30 June 2021	(31,931,033)	(767,585)	0	0	0	0	0	0	(32,698,618)
Balance at 30 June 2021	39,035,981	419,124	903,469	2,362,149	647,987	774,900	123,300	6,130,306	50,397,216

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

10. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using current replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Footpaths	3	Cost approach using current replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Other Infrastructure - Parks & Ovals	3	Cost approach using current replacement cost	Independent Registered Valuers	June 2021	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Other Infrastructure - Sewerage	3	Cost approach using current replacement cost	Independent Registered Valuers	June 2021	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Other Infrastructure - Airfields	3	Cost approach using current replacement cost	Independent Registered Valuers	June 2021	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Other Infrastructure - Dams	3	Cost approach using current replacement cost	Independent Registered Valuers	June 2021	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Other Infrastructure - Playground Equip	3	Cost approach using current replacement cost	Independent Registered Valuers	June 2021	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Other Infrastructure - Other	3	Cost approach using current replacement cost	Independent Registered Valuers	June 2021	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.

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

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

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

11. 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 \$
Plant and equipment	\$ 118,102	\$ 100,706	\$ 0	\$ (17,396)	\$ 179,194	\$ 83,650	\$ 1,400	\$ (96,944)	\$ 264,729	\$ 179,545	\$ 0	\$ (85,184)
	118,102	100,706	0	(17,396)	179,194	83,650	1,400	(96,944)	264,729	179,545	0	(85,184)

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				
Transport				
P202 - John Deere 670D Grader	87,008	75,000	0	(12,008)
P565 - Toyota Rav 4	19,405	16,500	0	(2,905)
P121 Toyota Hilux	1,000	706	0	(294)
P165 - JD Tractor Mower	10,689	8,500	0	(2,189)
	118,102	100,706	0	(17,396)
	118,102	100,706	0	(17,396)

11. FIXED ASSETS (Continued)

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	108,063	107,241	106,000
Buildings - specialised	288,696	292,742	289,483
Furniture and equipment	5,587	6,476	6,360
Plant and equipment	310,082	248,130	269,600
Infrastructure - roads	766,442	761,800	740,919
Other Infrastructure - Footpaths	15,829	16,177	15,734
Other Infrastructure - Parks & Ovals	46,119	46,522	46,173
Other Infrastructure - Sewerage	68,759	70,201	68,277
Other Infrastructure - Airfields	51,325	52,772	51,326
Other Infrastructure - Dams	45,128	46,439	45,166
Other Infrastructure - Playground Equipment	17,318	12,717	15,243
Other Infrastructure - Other	262,979	269,284	262,979
Right-of-use assets - plant and equipment	23,595	0	0
	2,009,922	1,930,501	1,917,260

Revision of useful lives of plant and equipment

No changes were implemented during the annual review of remaining useful life for this financial year.

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation on revaluation

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

- 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.

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	40 to 100 years
Furniture and equipment	5 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
- clearing and earthworks	not depreciated
- construction/road base	40 to 50 years
- seal	
- bituminous seals	20 to 30 years
Gravel roads	
- clearing and earthworks	not depreciated
- construction/road base	40 to 50 years
- gravel sheet	12 to 15 years
Formed roads (unsealed)	
- clearing and earthworks	not depreciated
- construction/road base	50 years
Footpaths - slab	50 years
Drainage	50 years
Other infrastructure	10 to 50 years
Parks and ovals	50 years
Airfields	50 years

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 and amortisation method are reviewed at the end of each year.

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

12. LEASES

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 - plant and equipment	Right-of-use assets Total
	\$	
Balance at 1 July 2020	0	0
Additions	114,827	114,827
Depreciation (expense)	(23,595)	(23,595)
Balance at 30 June 2021	91,232	91,232

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

	2021 Actual	2020 Actual
	\$	\$
Depreciation expense on lease liabilities	(23,595)	0
Interest expense on lease liabilities	(2,808)	0
Total amount recognised in the statement of comprehensive income	(26,403)	0
Total cash outflow from leases	(31,300)	0

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

Leases for right-of-use assets are secured over the asset being leased.

Right-of-use assets - valuation

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

Refer to Note 11 for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the 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 MORAWA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

13. REVALUATION SURPLUS

	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance	2020 Opening Balance	2020 Change in Accounting Policy	2020 Revaluation Increment	Total Movement on Revaluation	2020 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land & Buildings	10,016,410	2,541,545	(344,502)	2,197,043	12,213,453	10,023,810	(7,400)	0	(7,400)	10,016,410
Revaluation surplus - Furniture and equipment	36,213	0	0	0	36,213	34,913	0	1,300	1,300	36,213
Revaluation surplus - Plant and equipment	1,052,296	0	0	0	1,052,296	1,048,061	0	4,235	4,235	1,052,296
Revaluation surplus - Infrastructure - roads	21,696,026	0	0	0	21,696,026	21,696,026	0	0	0	21,696,026
Revaluation surplus - Other Infrastructure - Footpaths	52,807	0	0	0	52,807	52,807	0	0	0	52,807
Revaluation surplus - Other Infrastructure - Parks & Ovals	167,732	0	(30,055)	(30,055)	137,677	167,732	0	0	0	167,732
Revaluation surplus - Other Infrastructure - Sewerage	1,407,329	311,997	0	311,997	1,719,326	1,407,329	0	0	0	1,407,329
Revaluation surplus - Other Infrastructure - Airfields	311,142	267,802	0	267,802	578,944	311,142	0	0	0	311,142
Revaluation surplus - Other Infrastructure - Dams	664,870	272,162	0	272,162	937,032	664,870	0	0	0	664,870
Revaluation surplus - Other Infrastructure - Playground Equipment	86,870	27,893	0	27,893	114,763	86,870	0	0	0	86,870
Revaluation surplus - Other Infrastructure - Other	811,838	1,598,158	0	1,598,158	2,409,996	811,838	0	0	0	811,838
	36,303,533	5,019,557	(374,557)	4,645,000	40,948,533	36,305,398	(7,400)	5,535	(1,865)	36,303,533

14. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued salaries and wages
ATO liabilities
Bonds and deposits held
Accrued Expenditure
Accrued Interest on Loans

2021	2020
\$	\$
179,328	409,983
49,736	48,305
28,990	25,841
52,225	43,043
19,653	20,013
72,450	2,232
3,166	1,517
405,548	550,934

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.

15. OTHER LIABILITIES

Current

Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity

Performance obligations for each type of liability are expected to be recognised as revenue in accordance with the following time bands:

Less than 1 year

2021	2020
\$	\$
203,224	62,324
203,224	62,324
	Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
Contract liabilities	
\$	\$
0	203,224

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.

With respect to transfers for recognisable non-financial assets, contract liabilities represent performance obligations which are not yet satisfied.

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

Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity

Grant liabilities represent the the Shire's performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied.

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

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

16. LEASE LIABILITIES

(a) Lease Liabilities	2021	2020
	\$	\$
	57,413	0
	28,922	0
Current		
Non-current		
	86,335	0

(b) Movements in Carrying Amounts

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Actual	30 June 2021	30 June 2021	30 June 2021	30 June 2021	Budget	30 June 2021	30 June 2021	30 June 2021	Actual	30 June 2020	30 June 2020	30 June 2020
					Lease Principal 1 July 2020 \$	Actual New Leases \$	Lease Principal Repayments \$	Lease Principal Outstanding \$	Lease Interest Repayments \$		Lease Principal 1 July 2020 \$	Budget Lease Principal Repayments \$	Budget Lease Principal Outstanding \$		Budget Lease Interest Repayments \$	Lease Principal 1 July 2019 \$	Actual Lease Principal Repayments \$
Recreation and culture																	
Gymnasium Equipment			MAIA Financial	2.00%	24 months												
						0	114,827	(28,492)	86,335	(2,808)	0	0	0	0	0	0	0
						0	114,827	(28,492)	86,335	(2,808)	0	0	0	0	0	0	0

SHIRE OF MORAWA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

17. INFORMATION ON BORROWINGS

(a) Borrowings

	2021	2020
	\$	\$
Current	26,580	14,049
Non-current	446,584	279,078
	473,164	293,127

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2021					30 June 2021					30 June 2020				
				Actual Principal	Actual New Loans	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding	Budget Principal	Budget New Loans	Budget Principal repayments	Budget Interest repayments	Budget Principal outstanding	Actual Principal	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding	
				1 July 2020					1 July 2020					1 July 2019				
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Housing																		
24 Harley Street	136	WATC*	3.93%	293,127	0	(14,049)	(11,307)	279,078	293,127	0	(14,049)	(11,383)	279,078	306,640	(13,513)	(11,808)	293,127	
Recreation and culture																		
Netball Courts Redevelopment	139	WATC	2.15%	0	200,000	(5,914)	(3,350)	194,086	0	200,000	0	0	200,000	0	0	0	0	
				293,127	200,000	(19,963)	(14,657)	473,164	293,127	200,000	(14,049)	(11,383)	479,078	306,640	(13,513)	(11,808)	293,127	
				293,127	200,000	(19,963)	(14,657)	473,164	293,127	200,000	(14,049)	(11,383)	479,078	306,640	(13,513)	(11,808)	293,127	

* WA Treasury Corporation

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

17. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2020/21

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2021 Actual	2021 Budget	2021 Actual	2021 Budget		
Netball Courts Redevelopment	WATC	Annuity	15	2.15%	\$ 200,000	\$ 200,000	\$ (74,027)	\$ (200,000)	\$ 3,350	\$ 125,973
* WA Treasury Corporation					200,000	200,000	(74,027)	(200,000)	3,350	125,973

(d) Unspent Borrowings

Particulars	Date Borrowed	Unspent Balance 1 July 2020	Borrowed During Year	Expended During Year	Unspent Balance 30 June 2021
Netball Courts Redevelopment		\$ 0	\$ 200,000	\$ (74,027)	\$ 125,973
* WA Treasury Corporation		0	200,000	(74,027)	125,973

(e) Undrawn Borrowing Facilities

Credit Standby Arrangements

	2021	2020
Credit card limit	\$ 15,000	\$ 15,000
Credit card balance at balance date	(379)	(1,040)
Total amount of credit unused	14,621	13,960

Loan facilities

Loan facilities - current	26,580	14,049
Loan facilities - non-current	446,584	279,078
Lease liabilities - current	57,413	0
Lease liabilities - non-current	28,922	0
Total facilities in use at balance date	559,499	293,127

Unused loan facilities at balance date	125,973	NIL
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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 27.

18. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Opening balance at 1 July 2020

Current provisions
Non-current provisions

Additional provision

Balance at 30 June 2021

Comprises

Current
Non-current

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2020			
Current provisions	189,262	181,292	370,554
Non-current provisions	0	76,363	76,363
	189,262	257,655	446,917
Additional provision	43,420	(26,570)	16,850
Balance at 30 June 2021	232,682	231,085	463,767
Comprises			
Current	232,682	93,129	325,811
Non-current	0	137,956	137,956
	232,682	231,085	463,767

Amounts are expected to be settled on the following basis:

More than 12 months from reporting date
Expected reimbursements from other WA local governments

	2021	2020
	\$	\$
More than 12 months from reporting date	430,860	406,954
Expected reimbursements from other WA local governments	32,907	39,963
	463,767	446,917

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.

19. 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	7,568,204	5,418,348	7,114,588
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	668,612	(1,088,691)	(554,198)
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(1,939)	0	(865)
Depreciation on non-current assets	2,009,922	1,930,501	1,917,260
(Profit)/loss on sale of asset	17,396	95,544	85,184
Changes in assets and liabilities:			
(Increase)/decrease in receivables		0	139,356
(Increase)/decrease in other assets	(980)	0	(410)
(Increase)/decrease in inventories	(1,573)	0	(2,139)
(Increase)/decrease in contract assets	0	0	170,201
Increase/(decrease) in payables	(145,386)	0	101,857
Increase/(decrease) in employee provisions	16,850	0	79,537
Increase/(decrease) in other liabilities	140,900	0	62,324
Non-operating grants, subsidies and contributions	(1,610,748)	(1,553,037)	(868,767)
Net cash from operating activities	1,093,054	(615,683)	1,129,340

20. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	2,496,679	2,226,568
General purpose funding	850,759	596,252
Law, order, public safety	270,200	275,883
Health	719,700	808,117
Education and welfare	543,000	512,696
Housing	4,007,269	3,768,463
Community amenities	3,516,624	2,970,730
Recreation and culture	14,452,990	13,054,687
Transport	42,201,825	40,545,627
Economic services	10,162,646	9,518,431
Other property and services	3,889,832	2,772,187
Unallocated	0	469,532
	83,111,524	77,519,173

21. CONTINGENT LIABILITIES

The Shire of Morawa has, in compliance with the Contaminated Sites Act 2003 s11, listed sites to be possible sources of contamination:

- The Shire of Morawa Works Depot
- The Shire of Morawa Landfill site - Jones Lake Road
- The Shire of Morawa Waste Water Treatment Plant
- The Old Hospital located on Caulfield Road

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk and agree with the DWER the need and criteria for remediation, the Shire is unable to accurately quantify its clean-up liabilities for potentially contaminated sites. The Shire is continuing to monitor the sites and will progressively undertake site investigations and remediation on a risk based approach. This approach is consistent with the DWER guidelines.

Old Morawa Hospital

The Shire was granted a management order over Reserve 52057 on 22 April 2015 (the Old Hospital Site). The buildings on the site are in a state of disrepair, and it is assumed, include asbestos containing materials (ACM's) within the building's fabric.

The Shire has the intention to further investigate its options by assessing the asbestos levels in collaboration with expert parties.

The Shire has been working with the Department of Planning Lands and Heritage (the department) regarding the future ownership of the old hospital. The Department will first need to consider whether native title rights and interest have been extinguished over the whole or portion of the subject reserve.

Upon confirming the native title status for Reserve 52057, both the Shire and the Department will consider their options which may include (but are not limited to):

- The subject reserve remains with the Shire with an undertaking that building is demolished; or
- Sold via a divestment with the Department's Land Asset program for divestment.

Other than the matters noted above, the Shire is not aware of any potential contingent liabilities as at 30 June 2021.

22. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
President			
President's annual allowance	17,000	17,000	17,000
Meeting attendance fees	16,000	16,000	16,000
Other expenses	300	2,200	76
Travel and accommodation expenses	0	3,500	
	33,300	38,700	33,076
Deputy President			
Deputy President's annual allowance	4,250	4,250	4,250
Meeting attendance fees	8,000	8,000	8,000
Other expenses	300	1,800	
Travel and accommodation expenses	0	2,200	0
	12,550	16,250	12,250
Elected member 1			
Meeting attendance fees	8,000	8,000	8,000
Other expenses	497	1,500	
Travel and accommodation expenses	0	2,100	0
	8,497	11,600	8,000
Elected member 2			
Meeting attendance fees	8,000	8,000	8,000
Other expenses	497	1,500	
Travel and accommodation expenses	0	2,100	0
	8,497	11,600	8,000
Elected member 3			
Meeting attendance fees	8,000	8,000	8,000
Other expenses	300	1,500	
Travel and accommodation expenses	0	2,100	0
	8,300	11,600	8,000
Elected member 4			
Meeting attendance fees	8,000	8,000	8,000
Other expenses	300	1,500	
Travel and accommodation expenses	0	2,100	0
	8,300	11,600	8,000
Elected member 5			
Meeting attendance fees	8,000	8,000	8,000
Other expenses	300	1,500	
Travel and accommodation expenses	0	2,100	0
	8,300	11,600	8,000
	87,744	112,950	85,326
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	17,000	17,000	17,000
Deputy President's allowance	4,250	4,250	4,250
Meeting attendance fees	64,000	64,000	64,000
Other expenses	2,494	11,500	76
Travel and accommodation expenses	0	16,200	0
	87,744	112,950	85,326

23. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

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

	2021 Actual	2020 Actual
	\$	\$
Short-term employee benefits	486,786	424,601
Post-employment benefits	47,756	45,793
Other long-term benefits	25,551	6,468
Termination benefits	18,500	3,391
	578,593	480,253

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 annual leave and long service benefits accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP.

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 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
	\$	\$
Purchase of goods and services	245,153	301,580
Amounts outstanding from related parties:		
Trade and other receivables	170	109
Amounts payable to related parties:		
Trade and other payables	0	166

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.

iv. Joint venture entities accounted for under the proportionate consolidation method

The Shire has 2% interest in the supply of single person accommodation with Homewest. The interest in this joint venture (JV) is accounted for in these financial statement using the proportionate consolidation method of accounting. For details please refer to Note 24.

24 INVESTMENT IN ASSOCIATE AND JOINT ARRANGEMENTS
Share of joint operations

The Shire of Morawa has entered into a joint arrangement, based on a Deed of Trust, with Homeswest for the construction of 2 x 1 bedroom unit and 1 x 2 bedroom units in Dregghorn Street, Morawa. The provision of this housing aims to provide accommodation to single persons. The Shire of Morawa has a 2% interest in the assets of this joint arrangement. All revenue and expenditure, as well as liabilities, of the joint arrangement are recognised in the relevant financial statements of Council.

Land and Buildings
Less accumulated depreciation
Total assets

2021	2020
\$	\$
3,120	3,260
0	(229)
3,120	3,031
0	0

Total comprehensive income for the period

SIGNIFICANT ACCOUNTING POLICIES

Interests in joint arrangements

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

Separate joint arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method. The equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

Interests in joint arrangements (Continued)

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

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

25 RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2020/21 Actual Rateable Value \$	2020/21 Actual Rate Revenue \$	2020/21 Actual Interim Rates \$	2020/21 Actual Back Rates \$	2020/21 Actual Total Revenue \$	2020/21 Budget Rate Revenue \$	2020/21 Budget Interim Rate \$	2020/21 Budget Back Rate \$	2020/21 Budget Total Revenue \$	2019/20 Actual Total Revenue \$
Differential general rate / general rate												
Gross rental valuations												
GRV Residential /Commercial	7.8919	267	2,790,744	220,243	(606)	(205)	219,432	220,243	0	0	220,243	220,269
Unimproved valuations												
UV Rural	2.2815	205	69,308,000	1,581,262	75	203	1,581,540	1,581,262	0	0	1,581,262	1,520,779
UV Mining	30.1974	16	561,434	169,538	20,683	112	190,333	169,538	0	0	169,538	161,279
Sub-Total		488	72,660,178	1,971,043	20,152	110	1,991,305	1,971,043	0	0	1,971,043	1,902,327
Minimum payment												
Gross rental valuations												
GRV Residential /Commercial	303	44	27,053	13,332	0	0	13,332	13,332	0	0	13,332	13,381
Unimproved valuations												
UV Rural	303	8	71,800	2,424	0	0	2,424	2,424	0	0	2,424	2,424
UV Mining	683	9	9,663	6,147	0	0	6,147	6,147	0	0	6,147	5,464
Sub-Total		61	108,516	21,903	0	0	21,903	21,903	0	0	21,903	21,269
		549	72,768,694	1,992,946	20,152	110	2,013,208	1,992,946	0	0	1,992,946	1,923,596
Discounts/concessions (Note 25(b))							(37,662)				(38,000)	(37,117)
Total amount raised from general rate							1,975,546				1,954,946	1,886,479
Ex-gratia rates							6,165				6,165	6,165
Totals							1,981,711				1,961,111	1,892,644

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.

25 RATING INFORMATION (Continued)

(b) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment				5.5%
Option Two				
First instalment				5.5%
Second instalment		5.00	5.5%	5.5%
Third instalment		5.00	5.5%	5.5%
Fourth instalment		5.00	5.5%	5.5%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	27,697	25,000	25,221
Interest on instalment plan	3,339	5,000	3,148
Charges on instalment plan	860	1,000	1,035
	31,896	31,000	29,404

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

26. RATE SETTING STATEMENT INFORMATION

		2020/21 Budget	2019/20
	2020/21 (30 June 2021 Carried Forward)	(30 June 2021 Carried Forward)	(30 June 2020 Carried Forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	11(a) 0	(1,400)	0
Less: Movement in liabilities associated with restricted cash	5,498	7,360	6,404
Less: Fair value adjustments to financial assets at fair value through profit and loss	(1,939)	0	(865)
Movement in pensioner deferred rates (non-current)	2,081	0	804
Movement in employee benefit provisions (non-current)	61,593	0	40,876
Add: Loss on disposal of assets	11(a) 17,396	96,944	85,184
Add: Depreciation on non-current assets	11(b) 2,009,922	1,930,501	1,917,260
Non cash amounts excluded from operating activities	2,094,551	2,033,405	2,049,663
(b) Surplus/(deficit) after imposition of general rates			
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 (5,536,472)	(5,414,143)	(5,202,521)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	17(a) 26,580	197,870	14,049
- Current portion of lease liabilities	57,413	0	0
- Employee benefit provisions	230,502	232,364	225,004
Total adjustments to net current assets	(5,221,977)	(4,983,909)	(4,963,468)
Net current assets used in the Rate Setting Statement			
Total current assets	8,351,410	5,897,690	7,654,270
Less: Total current liabilities	(1,018,576)	(879,427)	(997,861)
Less: Total adjustments to net current assets	(5,221,977)	(4,983,909)	(4,963,468)
Net current assets used in the Rate Setting Statement	2,110,857	34,354	1,692,941

27. 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	0.10%	7,568,204	2,100,000	5,463,862	4,342
2020					
Cash and cash equivalents	0.39%	7,114,588	2,100,000	4,993,925	20,663

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*	54,638	49,939

* 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 17(b).

27. 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 for rates receivable was determined as follows:

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	2.00%	2.07%	5.20%	9.00%	
Gross carrying amount	164,467	109,121	101,279	152,334	527,201
Loss allowance	3,289	2,259	5,267	13,710	24,525
30 June 2020					
Rates receivable					
Expected credit loss	1.25%	1.25%	1.25%	1.25%	
Gross carrying amount	177,411	142,210	112,715	110,500	542,836
Loss allowance	2,218	1,778	1,409	1,381	6,786

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
30 June 2021					
Trade and other receivables					
Expected credit loss	0.05%	0.06%	0.50%	2.00%	
Gross carrying amount	31,268	92,680	67,130	4,106	195,184
Loss allowance	16	54	335	82	487
30 June 2020					
Trade and other receivables					
Expected credit loss	0.05%	0.05%	0.05%	0.05%	
Gross carrying amount	4,264	10,372	0	10,272	24,908
Loss allowance	2	5	0	5	12

27. 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 17(e).

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
	\$	\$	\$	\$	\$
2021					
Payables	234,131	0	0	234,131	405,548
Borrowings	26,580	114,336	332,248	473,164	473,164
Lease liabilities	57,413	28,922	0	86,335	86,335
	318,124	143,258	332,248	793,630	965,047
2020					
Payables	550,934	0	0	550,934	550,934
Borrowings	25,432	101,729	267,038	394,199	293,127
	576,366	101,729	267,038	945,133	844,061

28. TRUST FUNDS

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

	1 July 2020	Amounts Received	Amounts Paid	30 June 2021
	\$	\$	\$	\$
Housing Bonds	1,000	0	(1,000)	0
Drug Action Group	660	0	0	660
Excess Rent - Daphne Little	1,704	0	0	1,704
Youth Fund Raising	865	0	0	865
BRB/BCITF	113	0	0	113
	4,342	0	(1,000)	3,342

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

29. 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 MORAWA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

30. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES

ACTIVITIES

GOVERNANCE

To manage Councils' Elected Members

Includes Members of Council, Civic Functions and Public Relations, Council Elections, Training/Education of members.

GENERAL PURPOSE FUNDING

To manage Councils' finances

Includes Rates, Loans Investment and Grants

LAW, ORDER, PUBLIC SAFETY

To provide, develop & manage services in response to community needs.

Includes Emergency Services, Fire Services and Animal Control

HEALTH

To provide, develop & manage services in response to community needs.

Includes Environmental Health, Medical and Health facilities and providers

EDUCATION AND WELFARE

To provide, develop & manage services in response to community needs

Includes Education, Welfare & Children's Services, Youth Development

HOUSING

To ensure quality housing and appropriate infrastructure is maintained.

Includes Staff and other housing, including aged care units and Dregghorn Street units.

COMMUNITY AMENITIES

To provide, develop & manage services in response to community needs

Includes Refuse Collection, Sewerage, Cemetery, Building Control and Town Planning

RECREATION AND CULTURE

To ensure the recreational & cultural needs of the community are met.

Includes the Swimming Pool, Halls, Library, Oval, Parks and Gardens and Recreational Facilities

TRANSPORT

To effectively manage transport infrastructure within the shire.

Includes Roads, Footpaths, Private Works, Plant Operating Costs, Outside Crew wages and maintenance of the Airstrip.

ECONOMIC SERVICES

To foster economic development, tourism & rural services in the district

Includes Tourism, Rural Services, Economic Development & Caravan Park

OTHER PROPERTY AND SERVICES

To provide control accounts and reporting facilities for all other operations.

Includes Private Works, Public Works Overheads, Plant Operating Costs, Administrative Overheads and Unclassified items.

31. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	4.59	3.43	4.29
Asset consumption ratio	0.46	0.50	0.62
Asset renewal funding ratio	0.94	0.92	0.84
Asset sustainability ratio	1.08	0.72	0.77
Debt service cover ratio	18.60	19.99	10.47
Operating surplus ratio	(0.28)	(0.51)	(0.32)
Own source revenue coverage ratio	0.48	0.45	0.35

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	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

**INDEPENDENT AUDITOR'S REPORT
2021
Shire of Morawa**

To the Councillors of the Shire of Morawa

Report on the audit of the annual financial report

Opinion

I have audited the financial report of the Shire of Morawa (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 Morawa:

- 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.

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 31 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries basic standard for all 3 years reported in the annual financial report.
- (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) A review of the appropriateness and effectiveness of the Shire's financial management systems and procedures was not completed by the CEO at least once every three financial years, as required by section 5(2)(c) of the Local Government (Financial Management) Regulations 1996. The last review took place for the financial year ended 30 June 2016.
 - b) Bank reconciliations for the municipal account was not reconciled until 17 August 2021, which resulted in 32 backdated payments totalling \$158,301 not being identified in a timely manner. These were subsequently corrected during the audit.
- (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 Morawa 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.

