

**SHIRE OF NUNGARIN**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**TABLE OF CONTENTS**

Statement by Chief Executive Officer	2
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Statement of Financial Activity	7
Index of Notes to the Financial Report	8
Independent Auditor's Report	39

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

A great place to live with a well-connected, strong, healthy and friendly community

Principal place of business:  
21 Railway Avenue  
Nungarin WA 6490

**SHIRE OF NUNGARIN  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

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

**STATEMENT BY CEO**

The accompanying financial report of the Shire of Nungarin has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2023 and the financial position as at 30 June 2023.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the 6th day of December 2023



\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
RIC HALSE

\_\_\_\_\_  
Name of Chief Executive Officer



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

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
<b>Revenue</b>				
Rates	2(a),23	618,833	623,899	606,091
Operating Grants, subsidies and contributions	2(a)	2,145,217	424,852	1,830,486
Fees and charges	2(a)	133,424	135,577	128,048
Interest revenue	2(a)	65,790	14,253	11,302
Other revenue	2(a)	195,038	83,600	302,832
		3,158,302	1,282,181	2,878,759
<b>Expenses</b>				
Employee costs	2(b)	(870,642)	(1,005,289)	(798,456)
Materials and contracts		(718,889)	(873,376)	(725,846)
Utility charges		(153,832)	(159,220)	(143,808)
Depreciation		(1,129,297)	(1,148,590)	(1,156,405)
Finance costs	2(b)	(19,605)	(19,605)	(22,101)
Insurance		(133,077)	(125,627)	(121,936)
Other expenditure	2(b)	(103,417)	(124,172)	(188,611)
		(3,128,759)	(3,455,879)	(3,157,163)
		29,543	(2,173,698)	(278,404)
Capital grants, subsidies and contributions	2(a)	1,151,543	1,531,442	743,002
Profit on asset disposals		76,552	0	62,401
Loss on asset disposals		(21,351)	0	(6,861)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	1,843	0	1,998
Loss on revaluation of Other infrastructure parks & ovals	9(a)	0	0	(48,295)
Loss on revaluation of Other infrastructure refuse	9(a)	0	0	(35,211)
		1,208,587	1,531,442	717,034
<b>Net result for the period</b>		<b>1,238,130</b>	<b>(642,256)</b>	<b>438,630</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	15	0	0	2,796,241
<b>Total other comprehensive income for the period</b>	15	<b>0</b>	<b>0</b>	<b>2,796,241</b>
<b>Total comprehensive income for the period</b>		<b>1,238,130</b>	<b>(642,256)</b>	<b>3,234,871</b>

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



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

	NOTE	2023	2022
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	2,704,377	2,636,084
Trade and other receivables	5	174,744	110,067
Other financial assets	4(a)	1,233	2,382
Inventories	6	3,885	8,077
Other assets	7	100,045	2,104
<b>TOTAL CURRENT ASSETS</b>		<b>2,984,284</b>	<b>2,758,714</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	962	3,512
Other financial assets	4(b)	40,745	40,135
Property, plant and equipment	8(a)	10,838,781	10,212,733
Infrastructure	9(a)	44,841,179	44,617,193
<b>TOTAL NON-CURRENT ASSETS</b>		<b>55,721,667</b>	<b>54,873,573</b>
<b>TOTAL ASSETS</b>		<b>58,705,951</b>	<b>57,632,287</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	311,473	210,013
Other liabilities	12	180,042	380,169
Borrowings	13	47,009	45,247
Employee related provisions	14	50,531	82,661
<b>TOTAL CURRENT LIABILITIES</b>		<b>589,055</b>	<b>718,090</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13	306,734	353,743
Employee related provisions	14	44,255	32,677
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>350,989</b>	<b>386,420</b>
<b>TOTAL LIABILITIES</b>		<b>940,044</b>	<b>1,104,510</b>
<b>NET ASSETS</b>		<b>57,765,907</b>	<b>56,527,777</b>
<b>EQUITY</b>			
Retained surplus		15,237,340	14,138,231
Reserve accounts	26	844,721	705,700
Revaluation surplus	15	41,683,846	41,683,846
<b>TOTAL EQUITY</b>		<b>57,765,907</b>	<b>56,527,777</b>

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



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

	<b>NOTE</b>	<b>RETAINED SURPLUS</b>	<b>RESERVE ACCOUNTS</b>	<b>REVALUATION SURPLUS</b>	<b>TOTAL EQUITY</b>
		\$	\$	\$	\$
<b>Balance as at 1 July 2021</b>		<b>13,758,349</b>	<b>646,952</b>	<b>38,887,605</b>	<b>53,292,906</b>
Comprehensive income for the period					
Net result for the period		438,630	0	0	438,630
Other comprehensive income for the period	15	0	0	2,796,241	2,796,241
Total comprehensive income for the period		438,630	0	2,796,241	3,234,871
Transfers from reserve accounts	26	64,189	(64,189)	0	0
Transfers to reserve accounts	26	(122,937)	122,937	0	0
<b>Balance as at 30 June 2022</b>		<b>14,138,231</b>	<b>705,700</b>	<b>41,683,846</b>	<b>56,527,777</b>
Comprehensive income for the period					
Net result for the period		1,238,130	0	0	1,238,130
Total comprehensive income for the period		1,238,130	0	0	1,238,130
Transfers from reserve accounts	26	338,652	(338,652)	0	0
Transfers to reserve accounts	26	(477,673)	477,673	0	0
<b>Balance as at 30 June 2023</b>		<b>15,237,340</b>	<b>844,721</b>	<b>41,683,846</b>	<b>57,765,907</b>

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

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

	NOTE	2023 Actual \$	2022 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates		627,472	587,938
Operating grants, subsidies and contributions		2,119,596	2,046,540
Fees and charges		117,467	154,049
Interest revenue		65,790	11,302
Goods and services tax received		210,477	-
Other revenue		195,038	302,832
		3,335,840	3,102,661
<b>Payments</b>			
Employee costs		(876,933)	(777,784)
Materials and contracts		(723,353)	(638,703)
Utility charges		(153,832)	(143,808)
Finance costs		(20,108)	(21,623)
Insurance paid		(133,077)	(121,936)
Goods and services tax paid		(241,323)	(16,636)
Other expenditure		(103,342)	(188,509)
		(2,251,968)	(1,908,999)
<b>Net cash provided by (used in) operating activities</b>		1,083,872	1,193,662
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchase of property, plant & equipment	8(a)	(1,245,170)	(781,542)
Payments for construction of infrastructure	9(a)	(912,642)	(650,017)
Capital grants, subsidies and contributions		951,416	743,002
Proceeds from financial assets at amortised cost - self supporting loans	25(a)	2,382	2,275
Proceeds from sale of property, plant & equipment		233,682	156,191
<b>Net cash provided by (used in) investing activities</b>		(970,332)	(530,091)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	25(a)	(45,247)	(42,661)
<b>Net cash provided by (used In) financing activities</b>		(45,247)	(42,661)
<b>Net increase (decrease) in cash held</b>		68,293	620,910
Cash at beginning of year		2,636,084	2,015,174
<b>Cash and cash equivalents at the end of the year</b>	3	2,704,377	2,636,084

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

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

NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
<b>OPERATING ACTIVITIES</b>			
<b>Revenue from operating activities</b>			
General rates	23(a) 618,833	623,899	606,091
Operating grants, subsidies and contributions	2,145,217	424,852	1,830,486
Fees and charges	133,424	135,577	128,048
Interest revenue	65,790	14,253	11,302
Other revenue	195,038	83,600	302,832
Profit on asset disposals	76,552	0	62,401
Fair value adjustments to financial assets at fair value through profit or loss	4(b) 1,843	0	1,998
	3,236,697	1,282,181	2,943,158
<b>Expenditure from operating activities</b>			
Employee costs	(870,642)	(1,005,289)	(798,456)
Materials and contracts	(718,889)	(873,376)	(725,846)
Utility charges	(153,832)	(159,220)	(143,808)
Depreciation	(1,129,297)	(1,148,590)	(1,156,405)
Finance costs	(19,605)	(19,605)	(22,101)
Insurance	(133,077)	(125,627)	(121,936)
Other expenditure	(103,417)	(124,172)	(188,611)
Loss on asset disposals	(21,351)	0	(6,861)
Loss on revaluation of non-current assets	0	0	(83,506)
	(3,150,110)	(3,455,879)	(3,247,530)
Non-cash amounts excluded from operating activities	24(a) 1,088,596	1,148,590	1,195,343
<b>Amount attributable to operating activities</b>	1,175,183	(1,025,108)	890,971
<b>INVESTING ACTIVITIES</b>			
<b>Inflows from investing activities</b>			
Capital grants, subsidies and contributions	1,151,543	1,531,442	743,002
Proceeds from disposal of assets	233,682	100,000	156,191
Proceeds from financial assets at amortised cost - self supporting loans	25(a) 2,382	2382	2,275
	1,387,607	1,633,824	901,468
<b>Outflows from investing activities</b>			
Purchase of property, plant and equipment	8(a) (1,245,170)	(525,671)	(781,542)
Purchase and construction of infrastructure	9(a) (912,642)	(1,384,606)	(650,017)
	(2,157,812)	(1,910,277)	(1,431,559)
<b>Amount attributable to investing activities</b>	(770,205)	(276,453)	(530,091)
<b>FINANCING ACTIVITIES</b>			
<b>Inflows from financing activities</b>			
Transfers from reserve accounts	26 338,652	336,553	64,189
	338,652	336,553	64,189
<b>Outflows from financing activities</b>			
Repayment of borrowings	25(a) (45,247)	(45,247)	(42,661)
Transfers to reserve accounts	26 (477,673)	(466,745)	(122,937)
	(522,920)	(511,992)	(165,598)
<b>Amount attributable to financing activities</b>	(184,268)	(175,439)	(101,409)
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>			
<b>Surplus or deficit at the start of the financial year</b>	24(b) 1,481,973	1,477,000	1,222,502
Amount attributable to operating activities	1,175,183	(1,025,108)	890,971
Amount attributable to investing activities	(770,205)	(276,453)	(530,091)
Amount attributable to financing activities	(184,268)	(175,439)	(101,409)
<b>Surplus or deficit after imposition of general rates</b>	24(b) <b>1,702,683</b>	<b>0</b>	<b>1,481,973</b>

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



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

Note 1	Basis of Preparation	9
Note 2	Revenue and Expenses	10
Note 3	Cash and Cash Equivalents	12
Note 4	Other Financial Assets	12
Note 5	Trade and Other Receivables	13
Note 6	Inventories	14
Note 7	Other Assets	15
Note 8	Property, Plant and Equipment	17
Note 9	Infrastructure	18
Note 10	Fixed Assets	20
Note 11	Trade and Other Payables	22
Note 12	Other Liabilities	23
Note 13	Borrowings	24
Note 14	Employee Related Provisions	25
Note 15	Revaluation Surplus	26
Note 16	Notes to the Statement of Cash Flows	27
Note 17	Contingent Liabilities	28
Note 18	Capital Commitments	28
Note 19	Related Party Transactions	29
Note 20	Joint Arrangements	31
Note 21	Events Occurring After the End of the Reporting Period	32
Note 22	Other Significant Accounting Policies	33
 <b>Information required by legislation</b>		
Note 23	Rating Information	34
Note 24	Determination of Surplus or Deficit	35
Note 25	Borrowing and Lease Liabilities	36
Note 26	Reserve accounts	37
Note 27	Trust Funds	38



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

**1. BASIS OF PREPARATION**

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

**Local Government Act 1995 requirements**

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied except for disclosure requirements of:

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

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

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

**The local government reporting entity**

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 27 of the financial report.

**Judgements and estimates**

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

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

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

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.

**Initial application of accounting standards**

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date
- AASB 2021-7a Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [general editorials]
- AASB 2022-3 Amendments to Australian Accounting Standards - Illustrative Examples for Not-for-Profit Entities accompanying AASB 15

These amendments have no material impact on the current annual financial report

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

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

- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates  
This standard will result in a terminology change for significant accounting policies
- AASB 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
- AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

The amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.

Except as described above these amendments are not expected to have any material impact on the financial report on initial application.

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

**2. REVENUE AND EXPENSES**

**(a) Revenue**

**Contracts with customers**

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	When rates notice is issued
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
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	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	When assets are controlled
Reimbursements	Insurance claims and reimbursable expenses	Single point in time	Payment in arrears for claimable event	None	When claim is agreed or when expense is incurred
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

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

**Revenue Recognition**

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

**For the year ended 30 June 2023**

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	611,695	7,138	618,833
Grants, subsidies and contributions	166,385	0	0	1,978,832	2,145,217
Fees and charges	68,251	0	2,975	62,198	133,424
Interest revenue	0	0	9,939	55,851	65,790
Other revenue	20,300	0	0	174,738	195,038
Capital grants, subsidies and contributions	0	1,151,543	0	0	1,151,543
<b>Total</b>	<b>254,936</b>	<b>1,151,543</b>	<b>624,609</b>	<b>2,278,757</b>	<b>4,309,845</b>

**For the year ended 30 June 2022**

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	599,490	6,601	606,091
Grants, subsidies and contributions	67,082	0	0	1,763,404	1,830,486
Fees and charges	55,983	0	4,311	67,754	128,048
Interest revenue	0	0	9,268	2,034	11,302
Other revenue	21,034	0	0	281,798	302,832
Capital grants, subsidies and contributions	743,002	0	0	0	743,002
<b>Total</b>	<b>887,101</b>	<b>0</b>	<b>613,069</b>	<b>2,121,591</b>	<b>3,621,761</b>

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

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

**(a) Revenue (Continued)**

<b>Note</b>	<b>2023 Actual</b>	<b>2022 Actual</b>
	<b>\$</b>	<b>\$</b>
<b>Interest revenue</b>		
Financial assets at amortised cost - self supporting loans	122	114
Interest on reserve account funds	15,306	1,437
Rates instalment and penalty interest (refer Note 0)	9,939	9,268
Trade and other receivables overdue interest	0	0
Other interest revenue	40,423	483
	<u>65,790</u>	<u>11,302</u>
The 2023 original budget estimate in relation to: Trade and other receivables overdue interest was \$0.		
<b>Fees and charges relating to rates receivable</b>		
Charges on instalment plan	290	325
The 2023 original budget estimate in relation to: Charges on instalment plan was \$325.		
<b>(b) Expenses</b>		
<b>Auditors remuneration</b>		
- Audit of the Annual Financial Report	33,700	35,700
- Other services – grant acquittals	0	1,800
	<u>33,700</u>	<u>37,500</u>
<b>Employee Costs</b>		
Employee benefit costs	867,642	794,211
Other employee costs	3,000	4,245
	<u>870,642</u>	<u>798,456</u>
<b>Finance costs</b>		
Borrowings	27(a) 19,605	22,101
	<u>19,605</u>	<u>22,101</u>
<b>Other expenditure</b>		
Impairment losses on rates and statutory receivables	(15,957)	26,001
Write down of inventories to net realisable value	6 75	102
Sundry expenses	119,299	162,508
	<u>103,417</u>	<u>188,611</u>

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

**3. CASH AND CASH EQUIVALENTS**

Note	2023	2022
	\$	\$
Cash at bank and on hand	2,704,377	2,636,084
<b>Total cash and cash equivalents</b>	<b>2,704,377</b>	<b>2,636,084</b>
Held as		
- Unrestricted cash and cash equivalents	1,661,795	1,532,392
- Restricted cash and cash equivalents	1,042,582	1,103,692
16	<u>2,704,377</u>	<u>2,636,084</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

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

**Restricted financial assets**

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

**4. OTHER FINANCIAL ASSETS**

**(a) Current assets**

	2023	2022
	\$	\$
Financial assets at amortised cost	1,233	2,382
	<u>1,233</u>	<u>2,382</u>

**Other financial assets at amortised cost**

Self supporting loans receivable	25(a) 1,233	2,382
	<u>1,233</u>	<u>2,382</u>

Held as

- Unrestricted other financial assets at amortised cost	1,233	2,382
	<u>1,233</u>	<u>2,382</u>

**(b) Non-current assets**

Financial assets at amortised cost	0	1,233
Financial assets at fair value through profit or loss	40,745	38,902
	<u>40,745</u>	<u>40,135</u>

**Financial assets at amortised cost**

Self supporting loans receivable	(1)	1,233
	<u>0</u>	<u>1,233</u>

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

Units in Local Government House Trust - opening balance	38,902	36,904
Movement attributable to fair value increment	1,843	1,998
Units in Local Government House Trust - closing balance	<u>40,745</u>	<u>38,902</u>

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 25(a) as self supporting loans. Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 22 (i)) due to the observable market rates).

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

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

The Shire has elected to classify the following financial assets at fair value through profit or loss:

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

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

**5. TRADE AND OTHER RECEIVABLES**

Note	2023	2022
	\$	\$
<b>Current</b>		
Rates and statutory receivables	117,161	140,865
Trade receivables	65,848	24,270
GST receivable	82,929	52,083
Allowance for credit losses of rates and statutory receivables	(91,194)	(107,151)
	174,744	110,067
<b>Non-current</b>		
Pensioner rates and ESL deferred	962	3,512
	962	3,512

**Disclosure of opening and closing balances related to contracts with customers**

Note	30 June	30 June	1 July
	2023	2022	2021
	Actual	Actual	Actual
	\$	\$	\$
Contract assets	93,036	0	0
Total trade and other receivables from contracts with customers	93,036	0	0

**SIGNIFICANT ACCOUNTING POLICIES**

**Rates and statutory receivables**

Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

**Trade receivables**

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations as part of the ordinary course of business.

**Other receivables**

Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers including grants for the construction of recognisable non financial assets.

**Measurement**

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

**Classification and subsequent measurement**

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

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

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

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

**6. INVENTORIES**

	Note	2023	2022
Current		\$	\$
Fuel and materials		216	4,333
Other inventories - History Books		3,669	3,744
		3,885	8,077
The following movements in inventories occurred during the year:			
<b>Balance at beginning of year</b>		8,077	4,587
Inventories expensed during the year		(73,098)	(57,162)
Write down of inventories to net realisable value	2(b)	(75)	(102)
Additions to inventory		68,981	60,754
<b>Balance at end of year</b>		3,885	8,077

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

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

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

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

**7. OTHER ASSETS**

	2023	2022
	\$	\$
<b>Other assets - current</b>		
Accrued income	7,009	2,104
Contract assets	93,036	0
	100,045	2,104

**SIGNIFICANT ACCOUNTING POLICIES**

**Other current assets**

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

**Contract assets**

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

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

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

**8. PROPERTY, PLANT AND EQUIPMENT**

**(a) Movements in Balances**

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

	<b>Land</b>	<b>Buildings - non- specialised</b>	<b>Buildings - specialised</b>	<b>Total land and buildings</b>	<b>Furniture and equipment</b>	<b>Plant and equipment</b>	<b>Total property, plant and equipment</b>
	\$	\$	\$		\$	\$	\$
<b>Balance at 1 July 2021</b>	755,517	1,850,269	4,016,573	6,622,359	35,839	983,007	7,641,205
Additions	0	71,354	498,791	570,145	7,041	204,356	781,542
Disposals	0	(3,700)	0	(3,700)	0	(96,951)	(100,651)
Revaluation increments / (decrements) transferred to revaluation surplus	204,483	11,823	2,051,287	2,267,593	0	0	2,267,593
Depreciation	0	(90,246)	(134,692)	(224,938)	(6,972)	(145,046)	(376,956)
<b>Balance at 30 June 2022</b>	960,000	1,839,500	6,431,959	9,231,459	35,908	945,366	10,212,733
<b>Comprises:</b>							
Gross balance amount at 30 June 2022	960,000	1,839,500	6,432,215	9,231,715	75,251	1,339,703	10,646,669
Accumulated depreciation at 30 June 2022	0	0	(256)	(256)	(39,343)	(394,337)	(433,936)
<b>Balance at 30 June 2022</b>	960,000	1,839,500	6,431,959	9,231,459	35,908	945,366	10,212,733
Additions	0	110,627	519,158	629,785	0	615,385	1,245,170
Disposals	(20,000)	(56,363)	0	(76,363)	0	(102,118)	(178,481)
Assets classified as held for sale				0			0
Depreciation	0	(78,394)	(204,771)	(283,165)	(7,285)	(150,191)	(440,641)
<b>Balance at 30 June 2023</b>	940,000	1,815,370	6,746,346	9,501,716	28,623	1,308,442	10,838,781
<b>Comprises:</b>							
Gross balance amount at 30 June 2023	940,000	1,891,627	6,951,372	9,782,999	75,251	1,712,581	11,570,831
Accumulated depreciation at 30 June 2023	0	(76,257)	(205,026)	(281,283)	(46,628)	(404,139)	(732,050)
<b>Balance at 30 June 2023</b>	940,000	1,815,370	6,746,346	9,501,716	28,623	1,308,442	10,838,781



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

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

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
<b>Land and buildings</b>					
Land	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2022	Price per hectare
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2022	Price per square metre
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2022	Construction costs (Level 2), current condition, residual values and remaining useful life assessments (Level 3) inputs
<p>Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.</p> <p>During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.</p>					
<b>(ii) Cost</b>					
<b>Furniture and equipment</b>			Cost	Not applicable	
<b>Plant and equipment</b>			Cost	Not applicable	

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

**9. INFRASTRUCTURE**

**(a) Movements in Balances**

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

	Infrastructure - roads	Other infrastructure footpaths	Other infrastructure drainage	Other infrastructure parks & ovals	Other infrastructure dams	Other infrastructure refuse	Other infrastructure other	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	41,924,989	144,700	229,294	241,333	352,786	48,437	1,359,944	44,301,483
Additions	522,350	0	31,591	0	0	0	96,076	650,017
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	(78,795)	715,328	19,018	(1,532)	(125,371)	528,648
Revaluation (loss) / reversals transferred to profit or loss	0	0	(48,295)	0	0	(35,211)	0	(83,506)
Depreciation	(569,198)	(4,983)	(9,295)	(24,961)	(16,804)	(2,994)	(151,214)	(779,449)
<b>Balance at 30 June 2022</b>	41,878,141	139,717	124,500	931,700	355,000	8,700	1,179,435	44,617,193
<b>Comprises:</b>								
Gross balance at 30 June 2022	53,193,937	375,225	124,500	931,700	355,000	8,700	1,179,435	56,168,497
Accumulated depreciation at 30 June 2022	(11,315,796)	(235,508)	0	0	0	0	0	(11,551,304)
<b>Balance at 30 June 2022</b>	41,878,141	139,717	124,500	931,700	355,000	8,700	1,179,435	44,617,193
Additions	801,419	0	0	23,151	0	0	88,072	912,642
Depreciation	(580,453)	(4,984)	(1,125)	(46,269)	(8,094)	(332)	(47,399)	(688,656)
<b>Balance at 30 June 2023</b>	42,099,107	134,733	123,375	908,582	346,906	8,368	1,220,108	44,841,179
<b>Comprises:</b>								
Gross balance at 30 June 2023	53,995,357	375,225	124,500	954,851	355,000	8,700	1,267,507	57,081,140
Accumulated depreciation at 30 June 2023	(11,896,250)	(240,492)	(1,125)	(46,269)	(8,094)	(332)	(47,399)	(12,239,961)
<b>Balance at 30 June 2023</b>	42,099,107	134,733	123,375	908,582	346,906	8,368	1,220,108	44,841,179

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

**9. INFRASTRUCTURE (Continued)**

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
<b>Infrastructure - roads</b>	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2019	Construction costs (Level 2), current condition, residual values and remaining useful life assessments (Level 3) inputs
<b>Other infrastructure footpaths</b>	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2019	Construction costs (Level 2), current condition, residual values and remaining useful life assessments (Level 3) inputs
<b>Other infrastructure drainage</b>	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2022	Construction costs (Level 2), current condition, residual values and remaining useful life assessments (Level 3) inputs
<b>Other infrastructure parks &amp; ovals</b>	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2022	Construction costs (Level 2), current condition, residual values and remaining useful life assessments (Level 3) inputs
<b>Other infrastructure dams</b>	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2022	Construction costs (Level 2), current condition, residual values and remaining useful life assessments (Level 3) inputs
<b>Other infrastructure refuse</b>	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2022	Construction costs (Level 2), current condition, residual values and remaining useful life assessments (Level 3) inputs
<b>Other infrastructure other</b>	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2022	Construction costs (Level 2), current condition, residual values and remaining useful life assessments (Level 3) inputs

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

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

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

**10. FIXED ASSETS**

**(a) Depreciation**

**Depreciation rates**

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

<b>Asset Class</b>	<b>Useful life</b>
Land	not depreciated
Buildings - non-specialised	30 to 50 years
Buildings - specialised	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
- formation	not depreciated
- pavement	35 to 85 years
- bituminous seals	35 to 85 years
- asphalt surfaces	35 to 85 years
- formation	not depreciated
- pavement	35 to 85 years
Infrastructure - footpaths	20 to 75 years
Infrastructure - drainage	5 to 75 years
Infrastructure - parks & ovals	5 to 75 years
Infrastructure - dams	5 to 75 years
Infrastructure - refuse	5 to 75 years
Infrastructure - other	5 to 75 years

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

**10. FIXED ASSETS (Continued)**

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

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

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

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

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

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

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

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

Individual assets that are land, buildings, infrastructure and investment properties acquired between scheduled revaluation dates of the asset class in accordance with the Shire's revaluation policy, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair. They are subject to subsequent revaluation at the next revaluation date consistent with *Financial Management Regulation 17A(4)*.

**Revaluation**

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

At the end of each period, the carrying amount for each asset class is reviewed and, where appropriate, the fair value is updated to reflect current market conditions consistent with *Financial Management Regulation 17A(2)* which requires land, buildings infrastructure, investment properties and vested improvements to be shown at fair value.

**Revaluation (continued)**

For property, plant and equipment and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

**Depreciation**

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

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

**Depreciation on revaluation**

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

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

**Amortisation**

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

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

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

**Impairment**

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

**Gains or losses on disposal**

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

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

**11. TRADE AND OTHER PAYABLES**

**Current**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Sundry creditors	53,153	116,019
Prepaid rates	925	2,583
Accrued payroll liabilities	16,002	17,146
ATO liabilities	25,638	10,233
Bonds and deposits held	17,819	17,823
Accrued interest on loans	3,715	4,218
Accrued expenses	194,221	41,991
	<b>311,473</b>	<b>210,013</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

**Prepaid rates**

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

**Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

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

**12. OTHER LIABILITIES**

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>Current</b>		
Capital grant/contributions liabilities	180,042	380,169
	180,042	380,169
<b>Reconciliation of changes in capital grant/contribution liabilities</b>		
Opening balance	380,169	247,665
Additions	180,042	380,169
Revenue from capital grant/contributions held as a liability at the start of the period	(380,169)	(247,665)
	180,042	380,169
<b>Expected satisfaction of capital grant/contribution liabilities</b>		
Less than 1 year	180,042	380,169
	180,042	380,169

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or completion of construction or acquisition of the asset.

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract liabilities**

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

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

**Capital grant/contribution liabilities**

Capital grant/contribution liabilities represent the Shire's obligations to construct recognisable non-financial assets to identified specifications to be controlled by the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as income when the obligations in the contract are satisfied.

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 22(i)) due to the unobservable inputs, including own credit risk.

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

**13. BORROWINGS**

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Debentures		47,009	306,734	353,743	45,247	353,743	398,990
<b>Total secured borrowings</b>	25(a)	47,009	306,734	353,743	45,247	353,743	398,990

**Secured liabilities and assets pledged as security**

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing costs**

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 22(i)) due to the unobservable inputs, including own credit risk.



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

**14. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Current provisions</b>		
<b>Employee benefit provisions</b>		
Annual leave	41,782	56,408
Long service leave	1,260	14,370
	<b>43,042</b>	<b>70,778</b>
<b>Employee related other provisions</b>		
Employment on-costs	7,489	11,883
	<b>7,489</b>	<b>11,883</b>
<b>Total current employee related provisions</b>	<b>50,531</b>	<b>82,661</b>
<b>Non-current provisions</b>		
<b>Employee benefit provisions</b>		
Long service leave	38,991	28,664
	<b>38,991</b>	<b>28,664</b>
<b>Employee related other provisions</b>		
Employment on-costs	5,264	4,013
	<b>5,264</b>	<b>4,013</b>
<b>Total non-current employee related provisions</b>	<b>44,255</b>	<b>32,677</b>
<b>Total employee related provisions</b>	<b>94,786</b>	<b>115,338</b>

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

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

The Shire's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

**Short-term employee benefits**

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

**Other long-term employee benefits**

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

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

**15. REVALUATION SURPLUS**

	<b>2023 Opening Balance</b>	<b>2023 Closing Balance</b>	<b>2022 Opening Balance</b>	<b>Total Movement on Revaluation</b>	<b>2022 Closing Balance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revaluation surplus - Land - freehold land	737,189	737,189	532,706	204,483	737,189
Revaluation surplus - Buildings - non-specialised	2,204,976	2,204,976	2,193,153	11,823	2,204,976
Revaluation surplus - Buildings - specialised	2,051,287	2,051,287	0	2,051,287	2,051,287
Revaluation surplus - Infrastructure - roads	34,488,823	34,488,823	34,488,823	0	34,488,823
Revaluation surplus - Other infrastructure footpaths	42,951	42,951	42,951	0	42,951
Revaluation surplus - Other infrastructure drainage	0	0	78,795	(78,795)	0
Revaluation surplus - Other infrastructure parks & ovals	715,328	715,328	0	715,328	715,328
Revaluation surplus - Other infrastructure dams	439,704	439,704	420,686	19,018	439,704
Revaluation surplus - Other infrastructure refuse	0	0	1,532	(1,532)	0
Revaluation surplus - Other infrastructure other	1,003,588	1,003,588	1,128,959	(125,371)	1,003,588
	<b>41,683,846</b>	<b>41,683,846</b>	<b>38,887,605</b>	<b>2,796,241</b>	<b>41,683,846</b>

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

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

**(a) Reconciliation of Cash**

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

	Note	2023 Actual \$	2022 Actual \$
Cash and cash equivalents	3	2,704,377	2,636,084

**Restrictions**

The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents	3	1,042,582	1,103,692
		<u>1,042,582</u>	<u>1,103,692</u>

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

Restricted reserve accounts	26	844,721	705,700
Capital grant liabilities	12	180,042	380,169
Bonds and deposits		17,819	17,823
<b>Total restricted financial assets</b>		<u>1,042,582</u>	<u>1,103,692</u>

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

Net result		1,238,130	438,630
------------	--	-----------	---------

Non-cash items:

Adjustments to fair value of financial assets at fair value through profit or loss		(1,843)	(1,998)
Depreciation/amortisation		1,129,297	1,156,405
(Profit)/loss on sale of asset		(55,201)	(55,540)
Loss on revaluation of fixed assets		0	83,506

Changes in assets and liabilities:

(Increase)/decrease in trade and other receivables		(62,127)	74,009
(Increase)/decrease in other assets		(97,941)	25
(Increase)/decrease in inventories		4,192	(3,490)
Increase/(decrease) in trade and other payables		101,460	88,836
Increase/(decrease) in employee related provisions		(20,552)	23,777
Increase/(decrease) in other liabilities		(200,127)	132,504
Capital grants, subsidies and contributions		(951,416)	(743,002)
Net cash provided by/(used in) operating activities		<u>1,083,872</u>	<u>1,193,662</u>

**(c) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

Credit card limit		7,500	7,500
Credit card balance at balance date		0	(199)
<b>Total amount of credit unused</b>		<u>7,500</u>	<u>7,301</u>

**Loan facilities**

Loan facilities - current		47,009	45,247
Loan facilities - non-current		306,734	353,743
<b>Total facilities in use at balance date</b>		<u>353,743</u>	<u>398,990</u>

<b>Unused loan facilities at balance date</b>		NIL	NIL
---	--	-----	-----

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

**17. CONTINGENT LIABILITIES**

The Shire had no reportable contingent liabilities as at 30 June 2022, and is not aware of any reportable contingent liabilities as at 30 June 2023.

**18. CAPITAL COMMITMENTS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Contracted for:		
- capital expenditure projects	227,596	0
Payable:		
- not later than one year	227,596	0

In 2023, the Shire had uncompleted contracted works for extensions to the Nungarin Community Resource Centre of \$197,518 and construction of the Nungarin Caravan Park ablutions of \$30,078.

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

**19. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

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

Note	2023 Actual	2023 Budget	2022 Actual
	\$	\$	\$
President's annual allowance	5,454	6,000	4,333
Deputy President's annual allowance	1,417	1,500	500
Meeting attendance fees	20,390	20,000	9,603
Annual allowance for ICT expenses	4,200	4,200	4,200
Travel and accommodation expenses	5,272	5,400	3,295
	36,733	37,100	21,931

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

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

Note	2023 Actual	2022 Actual
	\$	\$
Short-term employee benefits	173,955	173,408
Post-employment benefits	20,521	19,500
Employee - other long-term benefits	3,216	3,250
Council member costs	36,733	21,931
	234,425	218,089

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

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

*Council member costs*

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

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

**19. RELATED PARTY TRANSACTIONS**

**Transactions with related parties**

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

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

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

	<b>2023 Actual</b>	<b>2022 Actual</b>
	<b>\$</b>	<b>\$</b>
Sale of goods and services - rental of housing accommodation	9,480	8,365
Purchase of goods and services consisting of hardware and general goods	7,059	11,732
<b>Amounts payable to related parties:</b>		
Trade and other payables - hardware and general goods.	0	639

**Related Parties**

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

*i. Key management personnel*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 19(a) and 19(b)

*ii. Other Related Parties*

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

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

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

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

**20. JOINT ARRANGEMENTS**

**Share of joint operations**

**Medical services**

The Shire of Nungarin is in a joint arrangement with the Shires of Mount Marshall, Mukinbuding and Trayning to provide medical services. The Shire of Nungarin has a 10% interest in this service which provides a doctor in Kununoppin.

In June 2022 the joint arrangement purchased a motor vehicle valued at \$59,710 . The vehicle is registered to the Shire of Trayning.

**Statement of Financial Position**

Cash and cash equivalents

**Total assets**

Reserve accounts

**Total equity**

	<b>2023 Actual</b>	<b>2022 Actual</b>
	\$	\$
Cash and cash equivalents	0	0
<b>Total assets</b>	0	0
Reserve accounts	0	0
<b>Total equity</b>	0	0

**Statement of Comprehensive Income**

Expenses

**Profit/(loss) for the period**

Other comprehensive income

**Total comprehensive income for the period**

	<b>2023 Actual</b>	<b>2022 Actual</b>
	\$	\$
Expenses	(11,579)	(17,532)
<b>Profit/(loss) for the period</b>	(11,579)	(17,532)
Other comprehensive income	0	0
<b>Total comprehensive income for the period</b>	(11,579)	(17,532)

**Statement of Cash Flows**

Other revenue

Other expense

**Net cash provided by (used in) operating activities**

Other revenue	0	0
Other expense	(11,579)	(17,532)
<b>Net cash provided by (used in) operating activities</b>	(11,579)	(17,532)

**SIGNIFICANT ACCOUNTING POLICIES**

**Joint operations**

A joint operation is a joint arrangement where the Shire has joint control with two or more parties to the joint arrangement. All parties to joint arrangement have rights to the assets, and obligations for the liabilities relating to the arrangement.

Assets, liabilities, revenues and expenses relating to the Shire's interest in the joint operation are accounted for in accordance with the relevant Australian Accounting Standard.

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

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

The Shire did not have any events occurring after the reporting date that have a significant effect on the financial statements.



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

**22. OTHER SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

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

**c) Rounding off figures**

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

**d) Comparative figures**

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

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

**e) Budget comparative figures**

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

**f) Superannuation**

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

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

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

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

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

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

**h) Interest revenue**

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

**i) Fair value hierarchy**

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

**Level 1**

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2**

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

**Valuation techniques**

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

**Market approach**

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

**Income approach**

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

**Cost approach**

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

**j) Impairment of assets**

In accordance with Australian Accounting Standards the Shire's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

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

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

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

**23. RATING INFORMATION**

(a) General Rates

<b>RATE TYPE</b>				<b>2022/23</b>	<b>2022/23</b>	<b>2022/23</b>	<b>2022/23</b>	<b>2022/23</b>	<b>2022/23</b>	<b>2022/23</b>	<b>2021/22</b>
<b>Rate Description</b>	<b>Basis of valuation</b>	<b>Rate in</b>	<b>Number</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Actual</b>
		<b>\$</b>	<b>of</b>	<b>Rateable</b>	<b>Rate</b>	<b>Interim</b>	<b>Total</b>	<b>Rate</b>	<b>Interim</b>	<b>Total</b>	<b>Total</b>
			<b>Properties</b>	<b>Value*</b>	<b>Revenue</b>	<b>Rates</b>	<b>Revenue</b>	<b>Revenue</b>	<b>Rate</b>	<b>Revenue</b>	<b>Revenue</b>
				<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
GRV Townsites	Gross rental valuation	0.130602	108	313,924	40,999	0	40,999	40,999	0	40,999	39,805
UV Rural	Unimproved valuation	0.016938	47	32,558,002	551,467	0	551,467	551,467	(434)	551,033	536,097
UV Mining	Unimproved valuation	0.016938	2	74,250	1,258	0	1,258	1,258	0	1,258	1,740
<b>Total general rates</b>			157	32,946,176	593,724	0	593,724	593,724	(434)	593,290	577,642
<b>Minimum Payment</b>											
<b>Minimum payment</b>		<b>\$</b>									
GRV Townsites	Gross rental valuation	453	16	16,930	10,872	0	10,872	10,872	0	10,872	10,560
UV Rural	Unimproved valuation	453	24	202,698	7,248	291	7,539	7,248	0	7,248	6,600
UV Mining	Unimproved valuation	453	13	40,947	5,889	1,059	6,948	5,889	0	5,889	4,844
<b>Total minimum payments</b>			53	260,575	24,009	1,350	25,359	24,009	0	24,009	22,004
<b>Total general rates and minimum payments</b>											
		<b>Rate in</b>	210	33,206,751	617,733	1,350	619,083	617,733	(434)	617,299	599,646
<b>Ex-gratia Rates</b>											
Ex-gratia Rates CBH					7,138	0	7,138	6,600	0	6,600	6,601
<b>Total amount raised from rates (excluding general rates)</b>			0	0	7,138	0	7,138	6,600	0	6,600	6,601
Discounts							0			0	0
Less Rate write-offs							(7,388)			0	(156)
Concessions							0			0	0
<b>Total Rates</b>							618,833			623,899	606,091
Rate instalment interest							508			450	436
Rate overdue interest							9,431			1,875	8,832

The rate revenue was recognised from the rate record as soon as practicable after the Shire resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

\*Rateable Value at time of raising of rate.

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

**24. DETERMINATION OF SURPLUS OR DEFICIT**

Note	2022/23	2022/23	2021/22	
	(30 June 2023 Carried Forward)	Budget (30 June 2023 Carried Forward)	(30 June 2022 Carried Forward)	
	\$	\$	\$	
<b>(a) Non-cash amounts excluded from operating activities</b>				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments to operating activities</b>				
	Less: Profit on asset disposals	(76,552)	0	(62,401)
	Less: Movement in liabilities associated with restricted cash	2,215	0	231
	Less: Fair value adjustments to financial assets at fair value through profit or loss	(1,843)	0	(1,998)
	Add: Loss on disposal of assets	21,351	0	6,861
9(a)	Add: Loss on revaluation of fixed assets	0	0	83,506
	Add: Depreciation	1,129,297	1,148,590	1,156,405
Non-cash movements in non-current assets and liabilities:				
	Pensioner deferred rates	2,550	0	0
	Employee benefit provisions	11,578	0	12,739
	<b>Non-cash amounts excluded from operating activities</b>	<b>1,088,596</b>	<b>1,148,590</b>	<b>1,195,343</b>
<b>(b) Surplus or deficit after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
26	Less: Reserve accounts	(844,721)	(835,892)	(705,700)
4(a)	Less: Financial assets at amortised cost - self supporting loans	(1,233)	(1,233)	(2,382)
	Add: Current liabilities not expected to be cleared at end of year			
	- Current portion of borrowings	47,009	46,739	45,247
13	- Employee benefit provisions	106,399	104,183	104,184
	<b>Total adjustments to net current assets</b>	<b>(692,546)</b>	<b>(686,203)</b>	<b>(558,651)</b>
<b>Net current assets used in the Statement of Financial Activity</b>				
	Total current assets	2,984,284	1,000,202	2,758,714
	Less: Total current liabilities	(589,055)	(313,999)	(718,090)
	Less: Total adjustments to net current assets	(692,546)	(686,203)	(558,651)
	<b>Surplus or deficit after imposition of general rates</b>	<b>1,702,683</b>	<b>0</b>	<b>1,481,973</b>

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

25. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual						Budget				
		Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023
Lot 191 Staff House		\$ 35,889	\$ 0	\$ (9,461)	\$ 26,428	\$ 0	\$ (10,075)	\$ 16,353	\$ 26,428	\$ 0	\$ (10,075)	\$ 16,353
Community Recreation Centre		161,219	0	(18,334)	142,885	0	(19,713)	123,172	142,885	0	(19,713)	123,172
Shire Depot		238,654	0	(12,591)	226,063	0	(13,077)	212,986	226,063	0	(13,077)	212,986
<b>Total</b>		<b>435,762</b>	<b>0</b>	<b>(40,386)</b>	<b>395,376</b>	<b>0</b>	<b>(42,865)</b>	<b>352,511</b>	<b>395,376</b>	<b>0</b>	<b>(42,865)</b>	<b>352,511</b>
<b>Self Supporting Loans</b>												
Nungarin Museum		5,889	0	(2,275)	3,614		(2,382)	1,232	3,614	0	(2,382)	1,232
<b>Total Self Supporting Loans</b>		<b>5,889</b>	<b>0</b>	<b>(2,275)</b>	<b>3,614</b>	<b>0</b>	<b>(2,382)</b>	<b>1,232</b>	<b>3,614</b>	<b>0</b>	<b>(2,382)</b>	<b>1,232</b>
<b>Total Borrowings</b>	13	<b>441,651</b>	<b>0</b>	<b>(42,661)</b>	<b>398,990</b>	<b>0</b>	<b>(45,247)</b>	<b>353,743</b>	<b>398,990</b>	<b>0</b>	<b>(45,247)</b>	<b>353,743</b>

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

Borrowing Finance Cost Payments

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022
Lot 191 Staff House		63	WATC*	6.39%	2/08/2024	\$ (1,265)	\$ (1,530)	\$ (1,896)
Community Recreation Centre		65	WATC*	7.32%	23/06/2028	(9,895)	(9,926)	(11,276)
Shire Depot		68	WATC*	3.82%	14/08/2035	(8,323)	(8,008)	(8,815)
<b>Total</b>						<b>(19,483)</b>	<b>(19,464)</b>	<b>(21,987)</b>
<b>Self Supporting Loans Finance Cost Payments</b>								
Nungarin Museum		67	WATC*	4.64%	1/11/2023	(122)	(141)	(114)
<b>Total Self Supporting Loans Finance Cost Payments</b>						<b>(122)</b>	<b>(141)</b>	<b>(114)</b>
<b>Total Finance Cost Payments</b>						<b>(19,605)</b>	<b>(19,605)</b>	<b>(22,101)</b>

\* WA Treasury Corporation

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

**26. RESERVE ACCOUNTS**

	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance	2023 Budget Opening Balance	2023 Budget Transfer to	2023 Budget Transfer (from)	2023 Budget Closing Balance	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by council</b>												
(a) Leave reserve	104,184	2,215	0	106,399	104,184	1,042	0	105,226	103,953	231	0	104,184
(b) Plant reserve	286,179	242,279	(225,000)	303,458	286,179	237,917	(225,000)	299,096	273,261	77,107	(64,189)	286,179
(c) Office building reserve	42,993	915	0	43,908	42,993	379	0	43,372	37,909	5,084	0	42,993
(d) Swimming pool reserve	50,320	6,082	0	56,402	50,320	5,453	0	55,773	45,220	5,100	0	50,320
(e) Land development reserve	2,090	45	0	2,135	2,090	21	0	2,111	2,085	5	0	2,090
(f) Building reserve	96,513	186,698	0	283,211	96,513	184,914	0	281,427	71,354	25,159	0	96,513
(g) Community bus reserve	111,554	2,098	(113,652)	0	111,554	0	(111,553)	1	111,307	247	0	111,554
(h) Computer equipment/software reserve	6,867	37,235	0	44,102	6,867	37,019	0	43,886	1,863	5,004	0	6,867
(i) Refuse site rehabilitation reserve	5,000	106	0	5,106	5,000	0	0	5,000	0	5,000	0	5,000
	705,700	477,673	(338,652)	844,721	705,700	466,745	(336,553)	835,892	646,952	122,937	(64,189)	705,700

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

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

<b>Name of reserve account</b>	<b>Purpose of the reserve account</b>
<b>Restricted by council</b>	
(a) Leave reserve	to be used to fund annual and long service leave requirements.
(b) Plant reserve	to be used for the purchase of major plant.
(c) Office building reserve	to be used for the construction of a new administration centre.
(d) Swimming pool reserve	to be used for the refurbishment of the swimming pool.
(e) Land development reserve	to be used to fund the development of a light industrial area.
(f) Building reserve	to be used for the future building needs of the Shire.
(g) Community bus reserve	to be used to restrict the excess monies from the Community Bus hire for maintenance.
(h) Computer equipment/software reserve	to be used for major upgrades of Council's computer system.
(i) Refuse site rehabilitation reserve	to be used for rehabilitation costs associated with the refuse site in the Shire.

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

**27. 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:

	<b>1 July 2022</b>	<b>Amounts Received</b>	<b>Amounts Paid</b>	<b>30 June 2023</b>
Nomination & Other Deposits	\$ 221	\$ 5	\$ 0	\$ 226