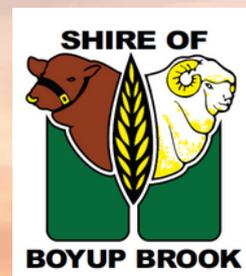


Annual Report & Annual Financial Report for the year ending 30 June 2022



Our Vision
Growing our Community Together

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Appendix

Financial Report for the year ended 30 June 2022

Independent Auditor's Report

STATEMENT OF COMPLIANCE

For the year ended 30 June 2022

Residents and Rate payers of the Shire of Boyup Brook,

In accordance with section 5.53 of the Local Government Act 1995, I hereby submit for your information, the Annual Report for the Shire of Boyup Brook for the financial year ended 30 June 2022.

The Annual Report has been prepared in accordance with the provisions of the Local Government Act 1995 and Local Government (Administration) Regulations 1996.

A handwritten signature in black ink, appearing to read 'Peter Clarke', written in a cursive style.

Peter Clarke
Acting Chief Executive Officer

INTRODUCTION

The Shire of Boyup Brook is pleased to present the Annual Report for the 2021/2022 financial year.

The Annual Report is designed to encourage an understanding of Council's aims, objectives and activities to provide a better environment for residents to live and work in.

The Shire of Boyup Brook is located in the South West regional development area of the State and is 270 kms from the Perth CBD. The Shire adjoins the local government districts of Collie, West Arthur, Kojonup, Cranbrook, Manjimup, Bridgetown-Greenbushes, and Donnybrook-Balingup. The Shire's population is 1,834 (ABS 2021) and the municipal district covers an area of 2,838 sq kms.

Agriculture continues to be the major component of Boyup Brook's economy with a mix of broad acre farming, sheep, cattle, olives, timber plantations and vineyards. The main components are livestock which includes sheep and cattle and cropping which includes canola, barley, oats and lupins.



Authority and Legislation

The Shire of Boyup Brook is a statutory organisation responsible to the Minister for Housing; Lands; Homelessness ; Local Government.

The Shire of Boyup Brook operates under the provision of the Local Government Act 1995 (as amended).

Shire President's Report

We acknowledge and pay our respects to the traditional custodians of the land on which we meet and work.

Annual Report 2021/2022

It is with pleasure that I present the Annual Report to the ratepayers and residents of the district on the activities of the Shire of Boyup Brook for the 2021/2022 financial year in my capacity as Shire President.

Whilst restrictions around COVID-19 slowly eased across the reporting period, which allowed the Shires operations to return to some level of normality, the pandemic still had a significant impact on supply issues, increased costs and personnel availability, which made it for a challenging year for the organisation as a whole. Whilst Australia has now returned to some level of normality, living with COVID-19 in the community is the new normal. The learnings from managing COVID-19 have prepared Council and staff to proactively support and protect the community, should an event of this nature occur in the future.

In the year under review, I am pleased to report that the relocation of the Boyup Brook Library to the local Community Resource Centre (CRC) was achieved.

Council will work closely with the CRC Committee to ensure that a quality library service is maintained for the community via ongoing annual funding for this service.



Shire President's Report cont...

The Australian Government's Local Roads and Community Infrastructure (LRCI) Program funding was again a huge boost to Council to achieve some of those projects that had been earmarked for a number of years but had failed to secure funding under Council's own financial resources.

Election

A Local Government Election was held on Saturday 16th October 2021 to fill vacancies in the Boyup Brook Ward and Dinninup Ward. Cr Philippe Kaltenrieder and Cr Sarah Alexander was elected for the Boyup Brook Ward and Cr Charles Caldwell was elected for the Dinninup Ward.

Strategic Community Plan

Our Strategic Community Plan was adopted at a Special Council Meeting held 7th October 2021. This is the culmination of many months of community consultation and hard work by all Council members, and in particular the Shire staff led by the then CEO, Dale Putland.

I would like to thank everybody for their perseverance, patience and dedication in achieving this milestone. The Strategic Community Plan is the foundation document for future planning and successful grant applications to support progress in Boyup Brook.

Rylington Park

The Shire of Boyup Brook and Edith Cowan University held an event on 1 June 2022 at Rylington Park to officially launch a new partnership, following the signing of a Memorandum of Understanding on the 29th October 2021.

Rylington Park was gifted to the Shire of Boyup Brook by Mr Eric Farleigh in 1985 to be used for agricultural training and research to benefit the town and district as a whole. The Shire, through the Edith Cowan University, is engaged in agricultural trials and research, industry-based training, and events such as field days, expositions and the much-loved annual 'Storm in a Teacup' Women's Day.



Cr Richard Walker
Shire President

Elected Members

The President and Elected Members are elected by the local community to represent interests and needs of the community.

Elected Members provide community leadership and guidance and facilitate communication between the community and the Council.

Elected Members play a very important policy-making role, requiring the identification of community needs, setting objectives to meet those needs, establishing priorities between competing demands and allocated resources.

The role of the Shire President and the Elected Members is specified within the Local Government Act 1995.

The Shire of Boyup Brook comprises of four Wards as follows: Benjinup to the North West (two representatives); Boyup Brook Townsite (three representatives); Dinninup to the North East (two representatives); and Scotts Brook to the South (two representatives). At the commencement of a term of Council, Council elects the Shire President and Deputy President. As at 30 June 2022, Council's structure is as follows:



**Shire President
Richard Walker**
Benjinup Ward
Term Expires: 2025



**Deputy Shire President
Cr Helen O'Connell**
Scotts Brook Ward
Term Expires: 2025

Elected Members cont...



Cr Sarah Alexander

Boyup Brook Ward
Term Expires: 2025



Cr Steele Alexander

Dinninup Ward
Term Expires: 2023



Cr Charles Caldwell

Dinninup Ward
Term Expires: 2025



Cr Philippe Kaltenrieder

Boyup Brook Ward
Term Expires: 2025

Elected Members cont...



Cr Darren King
Scotts Brook Ward
Term Expires: 2023



Cr Kevin Moir
Benjinup Ward
Term Expires: 2023



Cr Adrian Price
Boyup Brook Ward
Term Expires: 2023

Elected Members Cont....

Councillor Attendance at Meetings - 1 July 2021 to 30 June 2022

Councillor	Ordinary & Special Council Meetings During Term	No. Attended
Cr Richard Walker (Shire President)	17	17
Cr Helen O'Connell (Deputy Shire President)	17	17
Cr Sarah Alexander	17	17
Cr Steele Alexander	17	17
Cr Charles Caldwell (Commenced on 21 October 2021)	11	11
Cr Philippe Kaltenrieder	17	17
Cr Adrian Price	17	16
Cr Darren King	17	17
Cr Kevin Moir	17	15

Chief Executive Officer's Report

It is with pleasure that I present this report on the 2021/2022 financial year.

Strategic Community Plan

In July 2021, the Shire held six community workshops encouraging the community to participate in and contribute their ideas for the Strategic Community Plan and Phase 3 funding of the Local Roads and Community Infrastructure (LRCI) Program. These workshops were well attended, and we are continuing to gain valuable feedback from the community.

Rates

Council adopted a 4.5% increase in rates to continue to provide the ongoing annual services expected by the residents and ratepayers and to allow the Shire to increase its building maintenance and equipment reserves which are a valuable financial resource to maintain the Shire's infrastructure in the years going forward.

Funding

During the year under review, stimulus funding from the state government, allowed Council to improve community facilities, including new lighting at the sports oval, with funding also coming from community groups and the Shire.

Swimming Pool upgrades were funded by LRCI funding along with improvements and upgrades at the Flax Mill Caravan Park.

The Shire also secured additional grant funding for:

- Minor repairs to our Community Housing units through the Department of Communities.
- A new 1.8m high vermin proof fence at the airstrip funding through the Department of Industries, Science, Energy and Resources.
- Technology and Digital Inclusion grant through the State Library of Western Australia.
- Installation of water storage tanks at the Flax Mill precinct.

The budget also includes building and equipment upgrades at Rylington Park.

Some changes to fees and charges were made to better reflect community benefit and encourage utilisation of facilities such as the Town Hall and Lesser Hall with these being now free to use.

The number of rural tip passes has been increased from 20 to 40.

Chief Executive Officer's Report cont...

Development/Subdivision

In this financial year, the Shire of Boyup Brook approved 3 Subdivision Applications, 12 Development Applications and 59 Building Applications.

St John Ambulance Boyup Brook

Huge congratulations go to St John Ambulance for being awarded Sub Centre of the Year for 2021. Our local volunteers are a dedicated group of people who provide an invaluable service to our community.

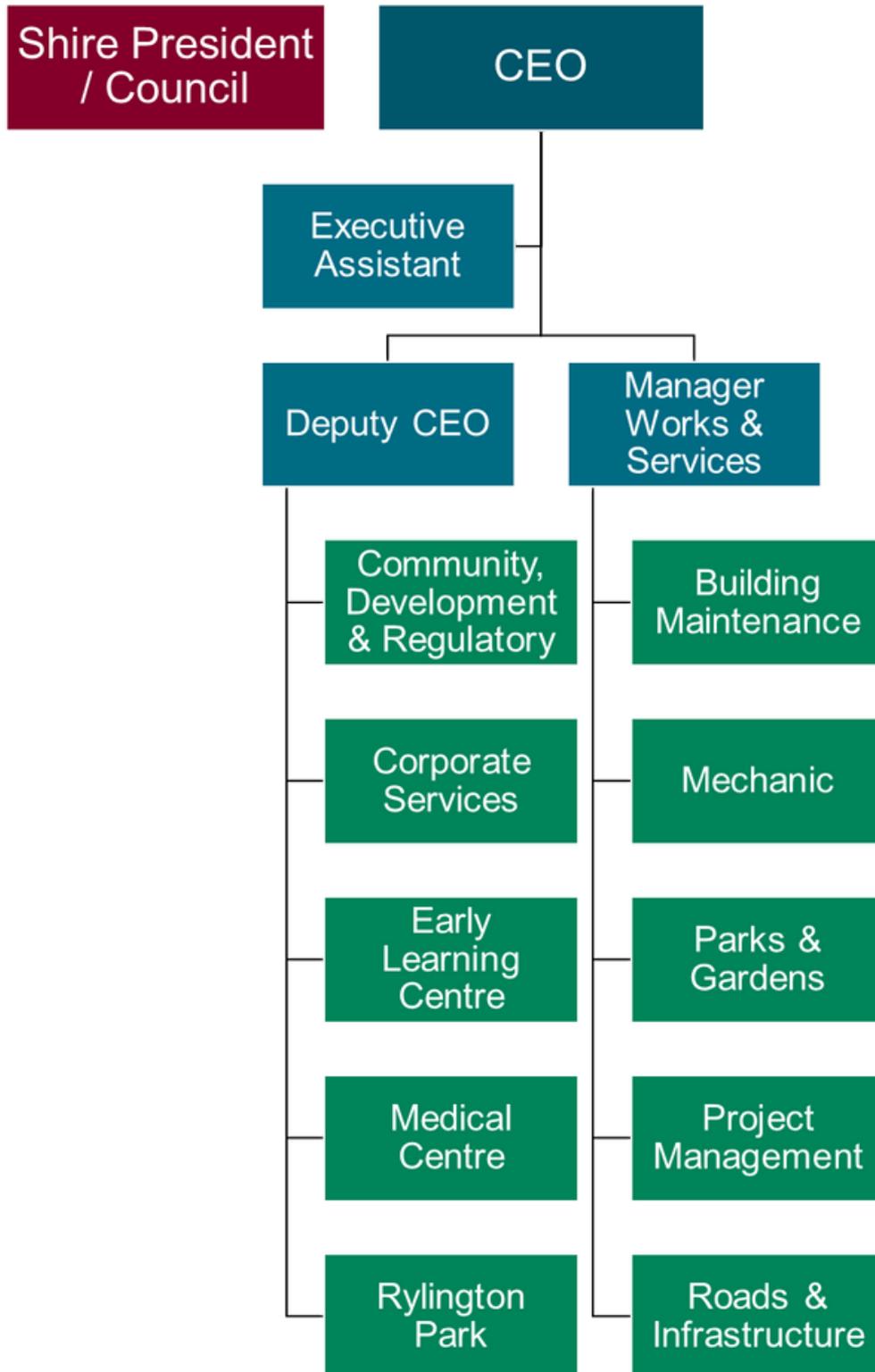
I would like to thank the Shire President, Deputy Shire President and Councillors for their hard work and dedication to serving the community of Boyup Brook.

Lastly but not least, all employees of the Shire should be thanked for the dedication to their respective roles throughout the course of the year. Many go beyond their roles to achieve the goals and directions set by Council and the Management Team and this does not go unnoticed.



Peter Clarke
Acting Chief Executive Officer

Organisational Structure



Statutory Compliance

Record Keep Plan (State Records Act 2000)

The State Records Act 2000 (the Records Act) provides for the keeping of State records and related items, and Section 19 of the Records Act requires each government agency/authority to have a Record Keeping Plan (RKP) that has been approved by the State Records Commission.

The RKP dictates which records are created by an organisation, how they are stored and maintained, and whether they are ultimately destroyed. The RKP is the primary means of providing evidence of compliance with the Records Act and that best practices have been implemented throughout the organisation. In accordance with Section 17 of the Records Act, the Shire of Boyup Brook and all its employees are legally required to comply with the contents of the plan.

The State Records Office (SRO) requires organisations to update their plans every five (5) years, and the Shire of Boyup Brook's RKP was reviewed during 2014-15 and 2016-2017 and subsequently approved and validated by the SRO in September 2016. A draft review of the Shire's RKP is due in December 2022 with the final review and amendments to be submitted to the SRO by March 2023.

Freedom of Information Statement

In accordance with Section 96 (1) of the Freedom of Information Act 1992, residents have the right to access records (which are not otherwise exempt) held by State and Local Government Agencies. Applications may be made to the Shire to access such information upon payment of a standard fee. In the financial year ending 2021/2022 the Shire received nil applications.

Register of Complaints and Minor Breach

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

For the year 2021-2022 the Shire of Boyup Brook received no complaints of Minor Breach.

Disability Access and Inclusion Plan

The Shire of Boyup Brook is committed to ensuring that the community is accessible and inclusive for people with disabilities, their families, and carers. Capital upgrades were undertaken at the Boyup Brook Swimming Pool Precinct which includes a disability access chair lift, improved safety with a chlorine safety system and improved toddler pool access, increased visual amenity with new floor coverings and reticulation, additional shade and new publicly accessible gym.

Statutory Compliance cont...

Employee Remuneration

Employee Remuneration Section 5.53(2)(g) of the Local Government Act 1995 requires the Annual Report to contain details of the number of employees of the Shire entitled to an annual salary of \$100,000 or more and within each \$10,000 band over \$100,000. The following salaries include wages, superannuation, personal benefit value of vehicle, and other allowances:

\$120,000 – \$130,000 – 1 person

\$260,000 – \$270,000 - 1 person

\$500,000 – \$510,000 – 1 person

The two latter salary ranges apply to the Medical General Practitioners.

National Competition Policy

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

Competitive Neutrality

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

Public Interest Disclosures

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

Strategic Community Plan

Our Strategic Community Plan was adopted at a Special Council Meeting held 7th October 2021. The Plan is the Shire's key Strategic Planning document.

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

Statutory Compliance cont...

Financial Management Review

As per the Local Government (Financial Management) Regulations 1996, the Chief Executive Officer is to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government the results of those reviews.

The next review will be undertaken in 2022-2023.

Audit Regulation 17 Review

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

The next review will be undertaken in 2022-2023.

Council and Committee Meetings

Public Agenda Briefing forum for 2021/2022

The public agenda briefing forum is open to the public and the briefing agenda can be accessed on the Shire website.

Ordinary Council Meeting

At an Ordinary Council meeting held on 29 October 2020, Council adopted the 2021 meeting to be held the last Thursday of the month and the open Agenda briefing be held 1 week before Council meetings.

The Briefing forum and Council meetings are open to the public and there is public question time at the beginning of both meetings at which time the general public may ask questions on any Local Government matter.

Meeting dates and times are subject to change and if this does occur, notice of such changes are advertised as per the requirements of the *Local Government Act 1995*.

Ordinary Council Meeting

29 July 2021
26 August 2021
31 August 2021
30 September 2021
7 October 2021
25 November 2021
16 December 2021
10 February 2022
31 March 2022
28 April 2022
26 May 2022
30 June 2022

Special Council Meeting

21 October 2021
27 October 2021
24 March 2022



Committee Meetings

Committees

A local government may establish Committees pursuant to Section 5.8 of the Local Government Act 195 to directly assist the Council in a function, project or issue(s). In 2020/2021 six (6) Advisory Committees functioned, these being:

Audit and Finance Committee	Annual Awards Committee
Bush Fire Advisory Committee	Community Grants Committee
Local Emergency Management Committee	Rylington Park Committee

Audit and Finance Committee

To provide guidance and assistance to the local government in carrying out-

- Its functions under Part 6 of the Local Government Act 1995 (Financial Management); and
- Its functions relating to other audits and other matters related to financial management; and
- The local government's functions in relation to audits carried out under Part 7 of the Local Government Act 1995 (Audit).

To review a report given to it by the CEO under regulation 17(3) of the Local Government (Audit) Regulations 1996 (CEO to review certain systems and procedures), and to-

- report to Council the results of that review; and
- give a copy of the CEO's report to Council.

To monitor and advise the CEO when the CEO is carrying out functions in relation to a review-

- of systems and procedures in relation to risk management, internal control and legislative compliance in accordance with regulation 17(1) of the Local Government (Audit) Regulations 1996; and
- of the local governments financial management systems in accordance with the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c).

To support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government.

To oversee the implementation of any action that the local government -

- is required to take by section 7.12A(3) of the Act (Audit report); and
- has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a) of the Act; and
- has accepted it should be taken following receipt of a report of a review conducted under regulation 17(1) of the Local Government (Audit) Regulations; and
- has accepted it should be taken following receipt of a report of a review conducted under the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c)

Committee Meetings Cont....

Annual Award Committee

Each year the Shire coordinates the Australia Day Community Citizen of the Year Awards to recognise the significant and positive contributions of individuals and groups within the Boyup Brook community.

Under Section 44(2)(a) of the Act, Council delegates its authority to determine the recipients of the Australia Day Awards under the following categories

Citizen of the Year	Kevin Henderson Memorial Award
Young Achiever of the Year	Sports Person of the Year

Bush Fire Advisory Committee

To provide advice to Council in regard to all matters relating to bush fire control, prevention and management including recommendations on the annual firebreak requirements, capital (equipment) purchase, review of firefighting/prevention practices, firefighting training, etc.

Community Grants Committee

Each year Council calls for community grants. The Community Grants Committee was formed to assess applications and make recommendations. The final decision will be made by Council at budget adoption time.

Local Emergency Management Committee

The Shire of Boyup Brook Local Emergency Management Committee (LEMC) is established under the WA Emergency Management Act 2005, to prepare and manage local community emergencies.

The LEMC consists of representatives from essential services including the Shire of Boyup Brook, Boyup Brook Police, Bush Fire Control Officer including the X-Ray team, Department of Fire and Emergency Service (DFES), WA Country Health, St John Ambulance, Department of Communities, Water Corporation and other government agencies.

The Committee meets on a regular basis to plan strategies to prevent emergencies occurring and to be prepared when they do occur. Part of the preparation is the holding of emergency exercises to test the efficiency of the operational procedures of agencies responding to an emergency and to make improvements where necessary.

The LEMC has a proactive approach to emergency management that is abbreviated to PPRR – Prevention, Preparedness, Response and Recovery.

Committee Meetings Cont...

Rylington Park Committee

The Rylington Park Committee was formed to ensure that Rylington Park operates effectively and derives sufficient income to meet its commitments and obligations.

The Rylington Park Institute for Agricultural Training and Research (Rylington Park) is located 27km from Boyup Brook town site on the Boyup Brook – Cranbrook Road in Mayanup.

The 650 hectare property was gifted to the Shire of Boyup Brook in 1985 by the late Mr Eric Farleigh for Research and Training in Agriculture and the betterment of Boyup Brook.

The property is managed by the Shire of Boyup, who employ staff to operate the farm, host shearing schools and coordinate fertiliser and seed trials on the property.

Rylington Park host field days each year, which include the 'Storm in a Teacup' Women's Day in March and the Annual Field Day in September.

Supporting youth in the district who are considering a future in agriculture, Rylington Park provides financial support by granting scholarships to students attending Agriculture Schools in Year 11 and 12.

With the financial support of Australian Wool Innovation (AWI), Rylington Park hosts 8 shearing, and wool classing schools each year. These training schools attract youth to take up the shearing or sheep handling profession, which is important for the sustainability of the Sheep industry.

Rylington Park has a *Memorandum of Understanding (MOU)* with Edith Cowan University (ECU). Signed on 29th October 2021, the MOU established an agreement for ECU to utilise Rylington Park for agriculture and regional development related research and allied education programs. The MOU endorses a high level, strategic relationship with ECU, which has potential to expand research and training opportunities for Rylington Park. It is intended that results of any research will be shared with farmers in Boyup Brook to the betterment of farmers and related businesses in the area. The MOU is a 20 year agreement.

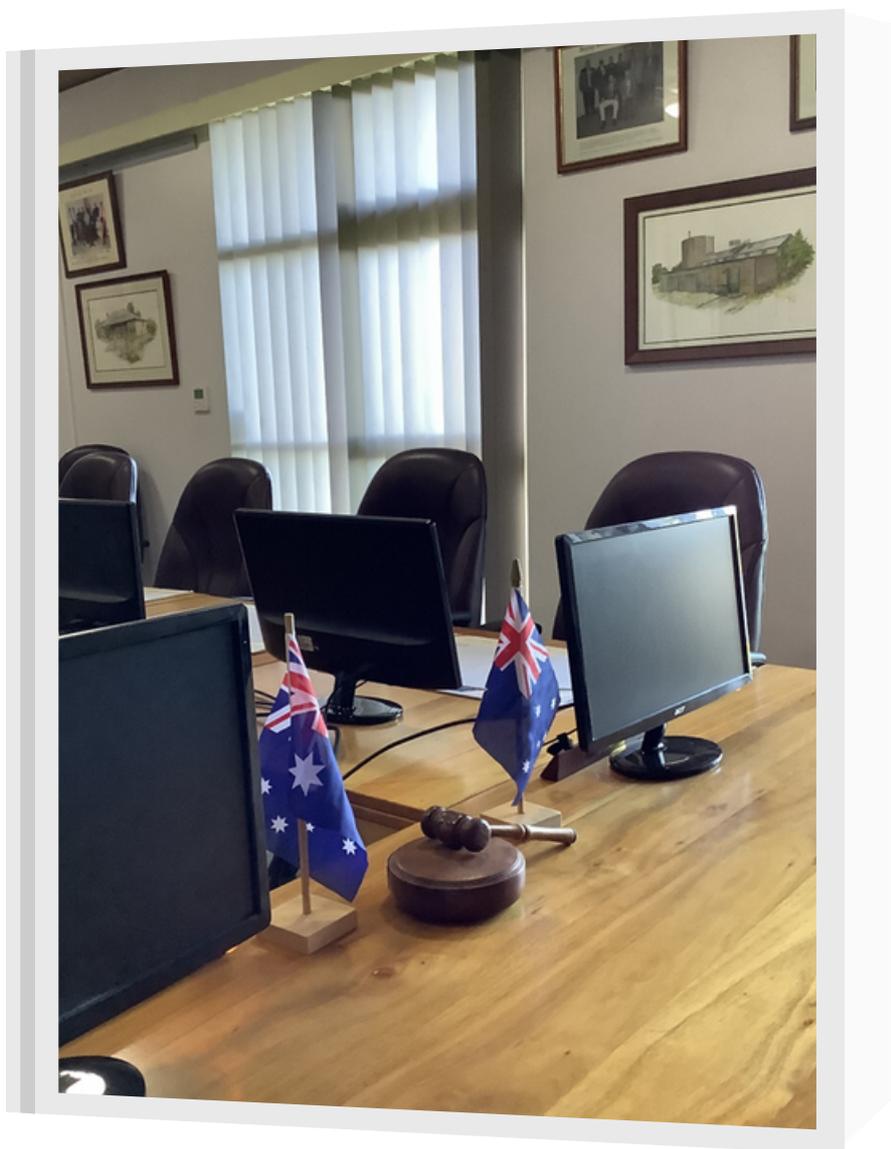
The *Charter of The Rylington Park Institute for Agricultural Training and Research* was adopted by Council in November 2021 to confirm that the Rylington Park farming property, home of The Rylington Park Institute for Agricultural Training and Research, will be held in trust by the Boyup Brook Shire to benefit the Boyup Brook community and for the use of agricultural training and research.

Committee Meetings Cont...

Electors Meetings

In accordance with Section 5.27 of the Local Government Act 1995, an Annual General Meeting of Electors is to be held once every financial year. The Act and associated legislation prescribe the matters that are to be discussed.

Special Electors Meetings can also be held upon petition from electors in accordance with the Local Government Act. An Electors' Special Meeting can be requested for any purpose, provided the issues to be considered are within the local government's power to deal with.



Community Grants



In 2021/22 the Shire of Boyup Brook supported a significant level of financial assistance to the community, being the sum of \$41,340.00 and \$8,750.00 in-kind.

Community Group	Donation	Approved in-kind
Blackwood River Art Trail	\$1000.00	
Boyup Brook Club Inc		\$2750.00
Boyup Brook Cricket Club	\$1000.00	
Boyup Brook Tourism Association	\$1000.00	
CoMHAT	\$5,500.00	
Country Music Club of WA	\$15000.00	\$6000.00
Dinninup Volunteer Bushfire Brigade	\$7670.00	
Tonebridge Country Club	\$1000.00	
Upper Blackwood Agricultural Society	\$5,770.00	
On-going funding arrangements		
Boyup Brook District High School	\$200.00	
Boyup Brook Playgroup	\$1000.00	
Rylington Park	Determined annully through the budget	
Extraordinary Grants Requests	\$1000.00	

Works Program

Road Projects and Car Parks

The following road projects were undertaken and completed:

Regional Road Group Funding:

- Boyup Brook Arthur River Road - Sealing
- Winnejup Road - Sealing
- Boyup Brook Cranbrook Road - Sealing and widening
- Boyup Brook Arthur River Road - Sealing

Roads to Recovery Funding:

- Scotts Brook Road - Gravel re-sheet
- Kulikup Road South - Gravel re-sheet
- Westbourne Road - Gravel re-sheet and widening

Bridge Maintenance

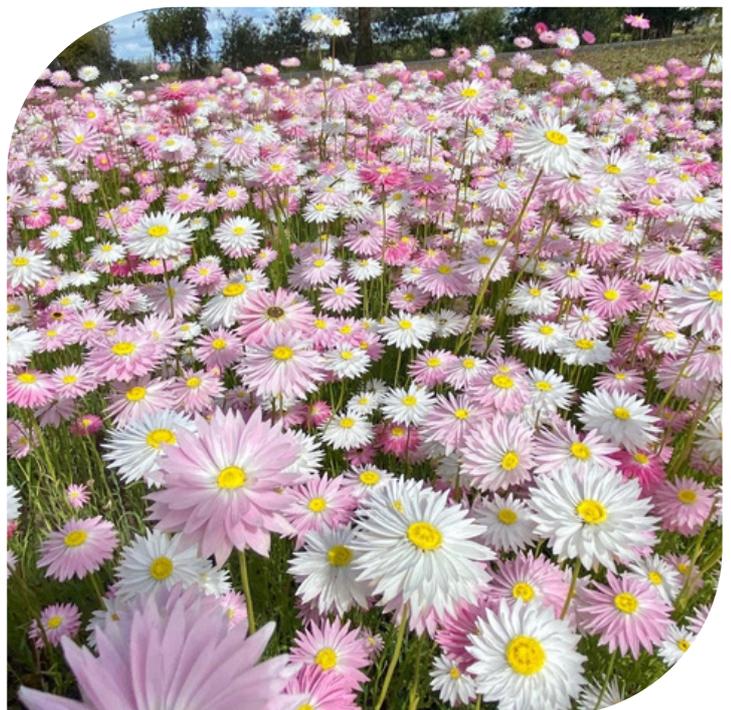
Inspections were completed for 15 bridges.

Total funds expended on the following bridges totalled over \$10,000 per bridge in the financial year:

- Bridge 3306 - Jayes Bridgetown Road
- Bridge 3311A - Dwalganup Road
- Bridge 0743 - Boyup Brook Arthur River Road
- Bridge 3310 - Westcliffe Road
- Bridge 0740 - Boyup Brook Arthur River Road

New Plant Purchases

- Howard Porter drop deck semi trailer
- Bomag Multi-Tyre Roller



Shire Contact Information



55 Abel Street, Boyup Brook WA 6244
PO Box 2, Boyup Brook WA 6244



Ph: 9765 1200



Email: shire@boyupbrook.wa.gov.au



Opening hours: Monday - Friday
8.30am - 4.30pm



www.boyupbrook.wa.gov.au



Annual Financial Report for the Year Ended 30 June 2022

2021 – 2022 Financial Statements

The Shire of Boyup Brook's Annual Financial Statements and the (independent) auditor's report of Office of the Auditor General are included in the attached documents.



Photo taken at Rylington Park

SHIRE OF BOYUP BROOK
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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

A place for people, with a sense of community, one that is active, vibrant, engaged and connected.

A place that is safe and secure.

A place that nurtures its youth and aging population; and retains its health and medical services.

A place that grows and has employment opportunities, through commercial diversity, which is based on our competitive advantage.

Principal place of business:
55 Abel Street
BOYUP BROOK WA 6244

SHIRE OF BOYUP BROOK
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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

Signed on the 6th day of APRIL 2023



Acting Chief Executive Officer

Athanasios (Arthur) Kyron

Name of Acting Chief Executive Officer

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

	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
Revenue				
Rates	26(c),2(a)	3,114,206	3,142,969	2,977,389
Operating grants, subsidies and contributions	2(a)	2,308,733	1,032,368	1,937,011
Fees and charges	25(c),2(a)	1,721,455	1,736,814	1,808,312
Interest earnings	2(a)	35,814	32,100	32,364
Other revenue	2(a)	1,133,023	794,810	963,409
		8,313,231	6,739,061	7,718,485
Expenses				
Employee costs		(3,656,437)	(3,136,286)	(3,352,845)
Materials and contracts		(1,785,858)	(2,352,591)	(1,188,352)
Utility charges		(186,430)	(221,024)	(191,781)
Depreciation	11(a)	(3,658,415)	(3,586,939)	(3,504,032)
Finance costs	2(b)	(6,395)	(8,525)	(73,914)
Insurance		(243,284)	(244,831)	(203,291)
Other expenditure	2(b)	(467,264)	(345,259)	(163,538)
		(10,004,083)	(9,895,455)	(8,677,753)
		(1,690,852)	(3,156,394)	(959,268)
Non-operating grants, subsidies and contributions	2(a)	1,216,168	2,659,206	2,231,363
Profit on asset disposals	11(b)	-	-	75,543
Loss on asset disposals	11(b)	(33,589)	-	(50,590)
Fair value adjustments to financial assets at fair value through profit or loss		3,997	-	2,586
		1,186,576	2,659,206	2,258,902
Net result for the period	25(b)	(504,276)	(497,188)	1,299,634
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	17	10,230,481	-	-
Total other comprehensive income for the period	17	10,230,481	-	-
Total comprehensive income for the period		9,726,205	(497,188)	1,299,634

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

SHIRE OF BOYUP BROOK
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	NOTE	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	3	6,272,070	5,369,634
Trade and other receivables	5	584,704	595,777
Inventories	6	37,439	94,263
Biological assets	7	412,050	608,422
Other assets	8	34,402	28,294
TOTAL CURRENT ASSETS		7,340,665	6,696,390
NON-CURRENT ASSETS			
Trade and other receivables	5	27,589	23,574
Other financial assets	4	77,804	73,807
Property, plant and equipment	9	25,651,470	15,165,268
Infrastructure	10	108,954,567	109,791,500
Right-of-use assets	12(a)	57,518	-
TOTAL NON-CURRENT ASSETS		134,768,948	125,054,149
TOTAL ASSETS		142,109,613	131,750,539
CURRENT LIABILITIES			
Trade and other payables	13	971,768	461,329
Other liabilities	14	683,001	685,660
Lease liabilities	12(b)	19,224	-
Borrowings	15	21,383	20,178
Employee related provisions	16	385,815	338,207
TOTAL CURRENT LIABILITIES		2,081,191	1,505,374
NON-CURRENT LIABILITIES			
Lease liabilities	12(b)	35,042	-
Borrowings	15	72,119	93,502
Employee related provisions	16	60,243	16,850
TOTAL NON-CURRENT LIABILITIES		167,404	110,352
TOTAL LIABILITIES		2,248,595	1,615,726
NET ASSETS		139,861,018	130,134,813
EQUITY			
Retained surplus		58,724,889	59,469,830
Reserve accounts	29	2,629,994	2,389,329
Revaluation surplus	17	78,506,135	68,275,654
TOTAL EQUITY		139,861,018	130,134,813

SHIRE OF BOYUP BROOK
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022



	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2020		57,972,427	2,587,098	68,275,654	128,835,179
Comprehensive income for the period					
Net result for the period		1,299,634	-	-	1,299,634
Total comprehensive income for the period		1,299,634	-	-	1,299,634
Transfers from reserves	29	354,161	(354,161)	-	-
Transfers to reserves	29	(156,392)	156,392	-	-
Balance as at 30 June 2021		59,469,830	2,389,329	68,275,654	130,134,813
Comprehensive income for the period					
Net result for the period		(504,276)	-	-	(504,276)
Other comprehensive income for the period	17	-	-	10,230,481	10,230,481
Total comprehensive income for the period		(504,276)	-	10,230,481	9,726,205
Transfers to reserves	29	(240,665)	240,665	-	-
Balance as at 30 June 2022		58,724,889	2,629,994	78,506,135	139,861,018

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

SHIRE OF BOYUP BROOK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		3,153,998	3,142,969	2,916,452
Operating grants, subsidies and contributions		2,265,222	1,004,774	1,889,464
Fees and charges		1,721,455	1,836,814	1,803,024
Interest received		35,814	32,100	32,364
Goods and services tax received		458,938	359,700	425,693
Other revenue		1,133,023	801,352	962,732
		8,768,450	7,177,709	8,029,729
Payments				
Employee costs		(3,577,642)	(3,458,423)	(3,506,718)
Materials and contracts		(1,025,676)	(2,336,056)	(1,411,004)
Utility charges		(186,430)	(221,024)	(191,781)
Finance costs		(6,395)	(8,525)	(73,914)
Insurance paid		(243,284)	(244,831)	(203,291)
Goods and services tax paid		(435,951)	-	(400,725)
Other expenditure		(467,264)	(345,259)	(166,258)
		(5,942,642)	(6,614,118)	(5,953,691)
Net cash provided by (used in) operating activities	18(b)	2,825,808	563,591	2,076,038
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	9(a)	(993,241)	(1,413,044)	(416,661)
Payments for construction of infrastructure	10(a)	(2,146,352)	(4,036,835)	(2,723,066)
Non-operating grants, subsidies and contributions		1,210,850	2,000,869	2,067,291
Proceeds from sale of property, plant & equipment	11(b)	30,272	62,500	192,727
Net cash provided by (used in) investing activities		(1,898,471)	(3,386,510)	(879,709)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	28(a)	(20,178)	(27,711)	(319,487)
Payments for principal portion of lease liabilities	28(c)	(4,723)	-	-
Proceeds from new borrowings	28(a)	-	170,000	-
Net cash provided by (used in) financing activities		(24,901)	142,289	(319,487)
Net increase (decrease) in cash held		902,436	(2,680,630)	876,842
Cash at beginning of year		5,369,634	5,276,581	4,492,792
Cash and cash equivalents at the end of the year	3,18.(a)	6,272,070	2,595,951	5,369,634

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

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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	27(b)	2,248,459	2,118,000	1,012,961
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Rates (excluding general rate)	26(b)	1,312	1,255	1,255
Operating grants, subsidies and contributions		2,308,733	1,032,368	1,937,011
Fees and charges		1,721,455	1,736,814	1,808,312
Interest earnings		35,814	32,100	32,364
Other revenue		1,133,023	794,810	963,409
Profit on asset disposals	11(b)	-	-	75,543
Fair value adjustments to financial assets at fair value through profit or loss		3,997	-	2,586
		5,204,334	3,597,347	4,820,480
Expenditure from operating activities				
Employee costs		(3,656,437)	(3,136,286)	(3,352,845)
Materials and contracts		(1,785,858)	(2,352,591)	(1,188,352)
Utility charges		(186,430)	(221,024)	(191,781)
Depreciation		(3,658,415)	(3,586,939)	(3,504,032)
Finance costs		(6,395)	(8,525)	(73,914)
Insurance		(243,284)	(244,831)	(203,291)
Other expenditure		(467,264)	(345,259)	(163,538)
Loss on asset disposals	11(b)	(33,589)	-	(50,590)
		(10,037,672)	(9,895,455)	(8,728,343)
Non-cash amounts excluded from operating activities	27(a)	4,006,097	3,626,984	3,004,582
Amount attributable to operating activities		(827,241)	(2,671,124)	(903,281)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	1,216,168	2,659,206	2,231,363
Proceeds from disposal of assets	11(b)	30,272	62,500	192,727
Purchase of property, plant and equipment	9(a)	(993,241)	(1,413,044)	(416,661)
Purchase and construction of infrastructure	10(a)	(2,146,352)	(4,036,835)	(2,723,066)
		(1,893,153)	(2,728,173)	(715,637)
Amount attributable to investing activities		(1,893,153)	(2,728,173)	(715,637)
FINANCING ACTIVITIES				
Repayment of borrowings	28(a)	(20,178)	(27,711)	(319,487)
Proceeds from borrowings	28(a)	-	170,000	-
Payments for principal portion of lease liabilities	28(c)	(4,723)	-	-
Transfers to reserves (restricted assets)	29	(240,665)	(138,703)	(156,392)
Transfers from reserves (restricted assets)	29	-	135,997	354,161
Amount attributable to financing activities		(265,566)	139,583	(121,718)
Surplus/(deficit) before imposition of general rates		(737,501)	(3,141,714)	(727,675)
Total amount raised from general rates	26(a)	3,112,894	3,141,714	2,976,134
Surplus/(deficit) after imposition of general rates	27(b)	2,375,393	-	2,248,459

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

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

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with the 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, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

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

The local government reporting entity

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

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

Judgements and estimates

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

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

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	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	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	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	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	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	When assets are controlled
Fees and charges	Building services, caravan and camping services, cemetery services, childcare services, library services, medical services, property rental and hire, private works, refuse and recycling services, swimming pool entry, planning, development, animal management, or a service having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Output method based on provision of service or completion of works, or on payment and issue of the licence, registration or approval
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	Sheep and wool sales, shearing school income at Rylington Park	Over time	Payment in arrears	None	When assets are controlled

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (continued)

Revenue Recognition

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

For the year ended 30 June 2022

Nature or type	Contracts with	Capital	Statutory	Other	Total
	customers	grant/contributions	Requirements		
	\$	\$	\$	\$	\$
Rates	-	-	3,114,206	-	3,114,206
Operating grants, subsidies and contributions	377,603	-	-	1,931,130	2,308,733
Fees and charges	1,666,354	-	55,101	-	1,721,455
Interest earnings	-	-	24,399	11,415	35,814
Other revenue	1,026,581	-	-	106,442	1,133,023
Non-operating grants, subsidies and contributions	-	1,216,168	-	-	1,216,168
Total	3,070,538	1,216,168	3,193,706	2,048,987	9,529,399

For the year ended 30 June 2021

Nature or type	Contracts with	Capital	Statutory	Other	Total
	customers	grant/contributions	Requirements		
	\$	\$	\$	\$	\$
Rates	-	-	2,977,389	-	2,977,389
Operating grants, subsidies and contributions	316,129	-	-	1,620,882	1,937,011
Fees and charges	1,752,718	-	55,594	-	1,808,312
Interest earnings	-	-	25,590	6,774	32,364
Other revenue	914,651	-	-	48,758	963,409
Non-operating grants, subsidies and contributions	-	2,231,363	-	-	2,231,363
Total	2,983,498	2,231,363	3,058,573	1,676,414	9,949,848

Note	2022	2022	2021
	Actual	Budget	Actual
Interest earnings			
Interest on reserve funds	3,926	5,000	3,824
Rates instalment and penalty interest (refer Note 26(e))	24,399	24,400	25,590
Other interest earnings	7,489	2,700	2,950
	35,814	32,100	32,364
(b) Expenses			
Auditors remuneration			
- Audit of the Annual Financial Report	41,000	35,000	30,000
- Other services	2,000	-	2,000
	43,000	35,000	32,000
Finance costs			
Borrowings 28(a)	5,975	8,525	73,914
Lease liabilities 28(c)	420	-	-
	6,395	8,525	73,914
Other expenditure			
Loss on fair value of biological assets 7(a)	189,334	-	-
Sundry expenses	277,930	345,259	163,538
	467,264	345,259	163,538

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

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand
Total cash and cash equivalents

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

Note	2022	2021
	\$	\$
	6,272,070	5,369,634
18(a)	6,272,070	5,369,634
	2,916,041	2,250,594
18(a)	3,356,029	3,119,040
	6,272,070	5,369,634

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.

Restricted financial assets

Restricted financial asset balances are not available for general use by the Shire due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

Details of restrictions on financial assets can be found at Note 18. and 29.

4. 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

2022	2021
\$	\$
77,804	73,807
77,804	73,807
77,804	73,807
77,804	73,807

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 24 (i)) due to the observable market rates.

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

Financial assets at fair value through profit and loss

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

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

Impairment and risk

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

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

5. TRADE AND OTHER RECEIVABLES

Current

	Note	2022 \$	2021 \$
Rates receivable		205,834	240,090
Trade and other receivables		225,818	188,414
GST receivable		119,116	142,103
Allowance for credit losses of trade and other receivables	22(b)	(10,248)	(10,248)
Pensioner rate rebates		44,184	35,418
		584,704	595,777
Non-current			
Pensioner's rates and ESL deferred		27,589	23,574
		27,589	23,574

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

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

Classification and subsequent measurement

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

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

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

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

6. INVENTORIES

Note	2022	2021
Current	\$	\$
Fuel and materials	8,464	4,769
Rylington seed stock	25,631	27,800
Rylington fuel	936	1,108
Rylington wool stock	-	50,712
Rylington hay stock	2,408	9,874
	37,439	94,263

The following movements in inventories occurred during the year:

Balance at beginning of year	94,263	22,760
Inventories expensed during the year	(252,581)	(142,104)
Additions to inventory	195,757	213,607
Balance at end of year	37,439	94,263

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

8. OTHER ASSETS

Other assets - current

Prepayments
Accrued income
Private tenancy bonds

	2022	2021
	\$	\$
Prepayments	25,574	25,574
Accrued income	6,108	-
Private tenancy bonds	2,720	2,720
	34,402	28,294

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.

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

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.

	Note	Land	Buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
		\$	\$	\$	\$	\$	\$
Balance at 1 July 2020		2,347,691	10,191,460	12,539,151	67,692	2,944,512	15,551,355
Additions		-	216,335	216,335	16,750	183,576	416,661
Disposals		(45,225)	(74,333)	(119,558)	-	(48,216)	(167,774)
Depreciation	11(a)	-	(255,999)	(255,999)	(30,008)	(348,967)	(634,974)
Balance at 30 June 2021		2,302,466	10,077,463	12,379,929	54,434	2,730,905	15,165,268
Comprises:							
Gross balance amount at 30 June 2021		2,302,466	11,080,640	13,383,106	90,458	3,344,164	16,817,728
Accumulated depreciation at 30 June 2021		-	(1,003,177)	(1,003,177)	(36,024)	(613,259)	(1,652,460)
Balance at 30 June 2021		2,302,466	10,077,463	12,379,929	54,434	2,730,905	15,165,268
Additions		219,627	339,893	559,520	-	433,721	993,241
Disposals		-	-	-	-	(63,861)	(63,861)
Revaluation increments / (decrements) transferred to revaluation surplus	17	2,174,907	8,055,574	10,230,481	-	-	10,230,481
Depreciation	11(a)	-	(269,130)	(269,130)	(30,008)	(374,521)	(673,659)
Balance at 30 June 2022		4,697,000	18,203,800	22,900,800	24,426	2,726,244	25,651,470
Comprises:							
Gross balance amount at 30 June 2022		4,697,000	18,203,800	22,900,800	90,458	3,698,885	26,690,143
Accumulated depreciation at 30 June 2022		-	-	-	(66,032)	(972,641)	(1,038,673)
Balance at 30 June 2022		4,697,000	18,203,800	22,900,800	24,426	2,726,244	25,651,470

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

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	2	Market approach using observable or estimated open market values of similar assets adjusted for condition and comparability at their highest and best use.	Independent registered valuer	June 2022	Price per square metre/hectare.
Land	3	Cost approach using current replacement costs	Independent registered valuer	June 2022	Purchase costs and current condition, residual values and remaining useful life assessment inputs.
Buildings - Non specialised	2	Market approach using observable or estimated open market values of similar assets adjusted for condition and comparability at their highest and best use.	Independent registered valuer	June 2022	Price per square metre/market borrowing rate.
Buildings - Specialised	3	Cost approach using current replacement costs	Independent registered valuer	June 2022	Construction costs and current condition, residual values and remaining useful life assessment inputs.

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

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

(ii) Cost					
Furniture and equipment		Cost approach	Cost		Purchase cost
Plant and equipment		Cost approach	Cost		Purchase cost

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

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.

Note	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - parks & ovals	Infrastructure - bridges	Infrastructure - other	Infrastructure - recreation	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	75,200,644	1,165,553	10,541,125	465,163	17,567,918	3,336,129	1,660,960	109,937,492
Additions	1,680,846	-	85,356	2,435	722,000	100,808	131,621	2,723,066
Depreciation	11(a) (1,582,968)	(18,037)	(277,454)	(50,033)	(648,762)	(114,008)	(177,796)	(2,869,058)
Balance at 30 June 2021	75,298,522	1,147,516	10,349,027	417,565	17,641,156	3,322,929	1,614,785	109,791,500
Comprises:								
Gross balance at 30 June 2021	94,862,901	1,431,547	18,510,025	1,340,035	50,407,156	7,148,891	4,286,492	177,987,047
Accumulated depreciation at 30 June 2021	(19,564,379)	(284,031)	(8,160,998)	(922,470)	(32,766,000)	(3,825,962)	(2,671,707)	(68,195,547)
Balance at 30 June 2021	75,298,522	1,147,516	10,349,027	417,565	17,641,156	3,322,929	1,614,785	109,791,500
Additions	1,713,555	-	11,410	6,374	-	147,928	267,085	2,146,352
Depreciation	11(a) (1,670,816)	(18,038)	(279,069)	(50,127)	(658,388)	(117,472)	(189,375)	(2,983,285)
Balance at 30 June 2022	75,341,261	1,129,478	10,081,368	373,812	16,982,768	3,353,385	1,692,495	108,954,567
Comprises:								
Gross balance at 30 June 2022	96,576,456	1,431,547	18,521,436	1,346,409	50,407,156	7,296,818	4,553,577	180,133,399
Accumulated depreciation at 30 June 2022	(21,235,195)	(302,069)	(8,440,068)	(972,597)	(33,424,388)	(3,943,433)	(2,861,082)	(71,178,832)
Balance at 30 June 2022	75,341,261	1,129,478	10,081,368	373,812	16,982,768	3,353,385	1,692,495	108,954,567

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

10. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Fair Value					
Infrastructure - roads	Level 3	Cost approach using depreciated replacement cost	Independent valuer	June 2018	Current replacement costs, condition assessments, depreciated values, residual values and remaining estimated useful life
Infrastructure - footpaths	Level 3	Cost approach using depreciated replacement cost	Independent valuer	June 2018	Current replacement costs, condition assessments, depreciated values, residual values and remaining estimated useful life
Infrastructure - drainage	Level 3	Cost approach using depreciated replacement cost	Independent valuer	June 2018	Current replacement costs, condition assessments, depreciated values, residual values and remaining estimated useful life
Infrastructure - parks & ovals	Level 3	Cost approach using depreciated replacement cost	Independent valuer	June 2018	Current replacement costs, condition assessments, depreciated values, residual values and remaining estimated useful life
Infrastructure - bridges	Level 3	Cost approach using depreciated replacement cost	Independent valuer	June 2018	Current replacement costs, condition assessments, depreciated values, residual values and remaining estimated useful life
Infrastructure - other	Level 3	Cost approach using depreciated replacement cost	Independent valuer	June 2018	Current replacement costs, condition assessments, depreciated values, residual values and remaining estimated useful life
Infrastructure - recreation	Level 3	Cost approach using depreciated replacement cost	Independent valuer	June 2018	Current replacement costs, condition assessments, depreciated values, residual values and remaining estimated useful life

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 BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

11. FIXED ASSETS

(a) Depreciation

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings	9(a)	269,130	250,604	255,999
Furniture and equipment	9(a)	30,008	8,975	30,008
Plant and equipment	9(a)	374,521	303,550	348,967
Infrastructure - roads	10(a)	1,670,816	1,647,515	1,582,968
Infrastructure - footpaths	10(a)	18,038	17,255	18,037
Infrastructure - drainage	10(a)	279,069	271,780	277,454
Infrastructure - parks & ovals	10(a)	50,127	50,030	50,033
Infrastructure - bridges	10(a)	658,388	645,550	648,762
Infrastructure - other	10(a)	117,472	225,440	114,008
Infrastructure - recreation	10(a)	189,375	166,240	177,796
Right-of-use assets - plant and equipment	12(a)	1,471	-	-
		3,658,415	3,586,939	3,504,032

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	15 to 85 years
Furniture and equipment	2 to 20 years
Plant and equipment	5 to 25 years
Sealed roads and streets formation pavement seal	not depreciated
- bituminous seals	77 years
- asphalt surfaces	20 years
Gravel roads formation pavement	20 years
Infrastructure - Footpaths	not depreciated
Infrastructure - Drainage	77 years
Infrastructure - Parks and ovals	75 - 85 Years
Infrastructure - Other	40 - 80 Years
Infrastructure - Recreation	10 - 85 Years
Infrastructure - Bridges	10 - 85 Years
Right-of-use assets - plant & equipment	60 - 90 Years
	3 to 10 Years

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

11. FIXED ASSETS (Continued)

(b) Disposals of assets

	2022 Actual Net Book Value \$	2022 Actual Sale Proceeds \$	2022 Actual Profit \$	2022 Actual Loss \$	2022 Budget Net Book Value \$	2022 Budget Sale Proceeds \$	2022 Budget Profit \$	2022 Budget Loss \$	2021 Actual Net Book Value \$	2021 Actual Sale Proceeds \$	2021 Actual Profit \$	2021 Actual Loss \$
Land - freehold land	-	-	-	-	-	-	-	-	45,225	-	-	(45,225)
Buildings	-	-	-	-	-	-	-	-	74,333	140,000	65,667	-
Plant and equipment	63,861	30,272	-	(33,589)	62,500	62,500	-	-	48,216	52,727	9,876	(5,365)
	63,861	30,272	-	(33,589)	62,500	62,500	-	-	167,774	192,727	75,543	(50,590)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
Plant and Equipment				
Transport				
Low Loader - P133	38,924	27,272	-	(11,652)
Ammann Roller - P226	24,937	3,000	-	(21,937)
	63,861	30,272	-	(33,589)

11. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

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

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

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of 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 mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next revaluation date in accordance with the mandatory measurement framework.

Revaluation

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

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

Revaluation (continued)

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

Depreciation

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

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

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

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

Depreciation on revaluation

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

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

Amortisation

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

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

Amortisation is included within depreciation in the Statement of Comprehensive Income and in Note 11(a).

SHIRE OF BOYUP BROOK
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FOR THE YEAR ENDED 30 JUNE 2022

12. LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Note	Right-of-use assets - plant and equipment \$	Right-of-use assets Total \$
Balance at 30 June 2021		-	-
Additions		58,989	58,989
Depreciation	11(a)	(1,471)	(1,471)
Balance at 30 June 2022		57,518	57,518

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

		2022 Actual \$	2021 Actual \$
Depreciation on right-of-use assets	11(a)	(1,471)	-
Interest expense on lease liabilities	28(c)	(420)	-
Total amount recognised in the statement of comprehensive income		(1,891)	-
Total cash outflow from leases		(5,143)	-
(b) Lease Liabilities			
Current		19,224	-
Non-current	28(c)	35,042	-
		54,266	-

The Shire has one lease relating to plant and equipment. The lease term is for 3 years. Refer to Note 28.(c) for details of lease liabilities.

Secured liabilities and assets pledged as security

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

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 28(c).

Right-of-use assets - valuation measurement

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

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

Right-of-use assets - depreciation

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

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

13. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued payroll liabilities
ATO liabilities
Bonds and deposits held
Accrued expenses

2022	2021
\$	\$
652,409	145,541
31,550	21,999
92,930	64,569
79,892	120,459
43,034	44,051
71,953	64,710
971,768	461,329

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services.

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

Prepaid rates

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

SHIRE OF BOYUP BROOK
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FOR THE YEAR ENDED 30 JUNE 2022

14. OTHER LIABILITIES

Current

Capital grant/contributions liabilities

	2022	2021
	\$	\$
	683,001	685,660
	683,001	685,660

Reconciliation of changes in capital grant/contribution liabilities

Opening balance

Additions

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

	685,660	822,137
	683,001	685,660
	(685,660)	(822,137)
	683,001	685,660

Expected satisfaction of capital grant/contribution liabilities

Less than 1 year

	683,001	685,660
	683,001	685,660

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

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

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

15. BORROWINGS

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Loans		21,383	72,119	93,502	20,178	93,502	113,680
Total secured borrowings	28(a)	21,383	72,119	93,502	20,178	93,502	113,680

Secured liabilities and assets pledged as security

Loans are secured by a floating charge over the assets of the Shire of Boyup Brook.

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

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

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

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

Risk

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

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

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

16. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual Leave

Long Service Leave

Non-current provisions

Long Service Leave

	2022	2021
	\$	\$
	273,484	221,198
	112,331	117,009
	<u>385,815</u>	<u>338,207</u>
	60,243	16,850
	<u>60,243</u>	<u>16,850</u>
	<u>446,058</u>	<u>355,057</u>

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

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

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date

More than 12 months from reporting date

	2022	2021
	\$	\$
	186,030	235,866
	260,028	119,191
	<u>446,058</u>	<u>355,057</u>

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 BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

17. REVALUATION SURPLUS

	2022 Opening Balance	2022 Revaluation Increment	Total Movement on Revaluation	2022 Closing Balance	2021 Opening Balance	2021 Closing Balance
	\$	\$	\$	\$	\$	\$
Land - freehold land	1,033,468	2,174,907	2,174,907	3,208,375	1,033,468	1,033,468
Buildings	8,024,559	8,055,574	8,055,574	16,080,133	8,024,559	8,024,559
Furniture and equipment	28,470	-	-	28,470	28,470	28,470
Plant and equipment	781,483	-	-	781,483	781,483	781,483
Infrastructure - roads	32,616,706	-	-	32,616,706	32,616,706	32,616,706
Infrastructure - footpaths	978,382	-	-	978,382	978,382	978,382
Infrastructure - drainage	11,178,719	-	-	11,178,719	11,178,719	11,178,719
Infrastructure - parks & ovals	532,216	-	-	532,216	532,216	532,216
Infrastructure - bridges	8,373,274	-	-	8,373,274	8,373,274	8,373,274
Infrastructure - other	3,293,989	-	-	3,293,989	3,293,989	3,293,989
Infrastructure - recreation	1,434,388	-	-	1,434,388	1,434,388	1,434,388
	68,275,654	10,230,481	10,230,481	78,506,135	68,275,654	68,275,654

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

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

18. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
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Cash and cash equivalents	3	6,272,070	2,595,951	5,369,634
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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	3,356,029	2,373,035	3,119,040
		<u>3,356,029</u>	<u>2,373,035</u>	<u>3,119,040</u>

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

Restricted reserve accounts	29	2,629,994	2,373,035	2,389,329
Capital grant/contributions liabilities	14	683,001	-	685,660
Bonds and deposits	13	43,034	-	44,051
Total restricted financial assets		<u>3,356,029</u>	<u>2,373,035</u>	<u>3,119,040</u>

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

Net result		(504,276)	(497,188)	1,299,634
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(3,997)	-	(2,586)
Depreciation/amortisation	11(a)	3,658,415	3,586,939	3,504,032
(Profit)/loss on sale of asset		33,589	-	(24,953)
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		7,058	482,777	(99,636)
(Increase)/decrease in other assets		(6,108)	-	(5,217)
(Increase)/decrease in inventories		56,824	-	(71,503)
(Increase)/decrease in biological assets		196,372	-	(127,528)
Increase/(decrease) in trade and other payables		510,439	(362,182)	(118,653)
Increase/(decrease) in employee related provisions		91,001	40,045	(73,784)
Increase/(decrease) in other liabilities		(2,659)	(685,931)	(136,477)
Non-operating grants, subsidies and contributions		<u>(1,210,850)</u>	<u>(2,000,869)</u>	<u>(2,067,291)</u>
Net cash provided by/(used in) operating activities		<u>2,825,808</u>	<u>563,591</u>	<u>2,076,038</u>

**(c) Undrawn Borrowing Facilities
Credit Standby Arrangements**

Bank overdraft limit		50,000		50,000
Bank overdraft at balance date		-		-
Credit card limit		10,000		10,000
Credit card balance at balance date		<u>(1,225)</u>		<u>(318)</u>
Total amount of credit unused		<u>58,775</u>		<u>59,682</u>

Loan facilities

Loan facilities - current	15	21,383		20,178
Loan facilities - non-current	15	<u>72,119</u>		<u>93,502</u>
Total facilities in use at balance date		<u>93,502</u>		<u>113,680</u>

Unused loan facilities at balance date

NIL

NIL

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

19. CONTINGENT LIABILITIES

The Shire of Boyup Brook has identified the following sites, in relation to land owned, vested or leased, that is known to be, or suspected of being contaminated.

- Lot 46 Walshaws Road, Kulikup - Previous landfill site, possibly contaminated, investigation required
- Lot 147 Jayes Road - Transfer station site, possibly contaminated, investigation required
- Lot 12972 Boyup-Kojonup Road - Previous landfill site, possibly contaminated, investigation required
- 57 Charteriss Road, Wilga - Previous landfill site, possibly contaminated, investigation required
- Lot 13180 Condinup Road, Dinninup - Previous landfill site, possibly contaminated, investigation required
- Lot 5616 Boyup Brook North Road - Landfill site
- Lot 201 Stanton Road - Liquid waste disposal site, contaminated
- Lot 40 Boyup-Cranbrook Road - Previous landfill site, possibly contaminated, investigation required
- 169 Railway Parade, Boyup Brook - Liquid waste site, possibly contaminated, investigation required
- Lot 377 Connolly Street, Boyup Brook - Shire depot, possibly contaminated, investigation required

The Shire has completed a post closure management plan for the landfill site situated on Lot 5616 Boyup Brook North Road. The Shire employs a progressive capping approach, where each trench is capped once filled, with revegetation of the filled area taking place once the trench area is exhausted. Revegetation is funded from operating budgets. It is anticipated no major rehabilitation works will be required at this site.

With all other identified sites, the Shire will make provision in the 2023/2024 budget to commence planning, investigation and evaluation of each site. The investigation and evaluation assessments will identify any contamination, and assist in evaluating the potential costs associated with remediation of these sites.

20. CAPITAL COMMITMENTS

	2022	2021
	\$	\$
Contracted for:		
- plant & equipment purchases	45,504	-
	45,504	-
Payable:		
- not later than one year	45,504	-

In 2022 the Shire had \$45,504 contracted for the supply of a Mitsubishi utility.

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

21. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Elected member Cr R Walker			
President's annual allowance	10,280	10,280	10,280
Meeting attendance fees	14,640	16,795	14,640
Annual allowance for ICT expenses	1,280	1,440	1,280
	26,200	28,515	26,200
Elected member Cr H O'Connell			
Deputy President's annual allowance	2,570	2,570	2,570
Meeting attendance fees	7,615	8,395	7,615
Annual allowance for ICT expenses	1,280	1,440	1,280
Travel and accommodation expenses	1,561	3,574	2,925
	13,026	15,979	14,390
Councillor Sarah Alexander			
Meeting attendance fees	7,615	8,395	7,615
Annual allowance for ICT expenses	1,280	1,440	1,280
Travel and accommodation expenses	451	549	449
	9,346	10,384	9,344
Councillor Steele Alexander			
Meeting attendance fees	7,615	8,395	5,159
Annual allowance for ICT expenses	1,280	1,440	867
Travel and accommodation expenses	-	507	-
	8,895	10,342	6,026
Councillor P Kaltenrieder			
Meeting attendance fees	7,615	8,395	7,615
Annual allowance for ICT expenses	1,280	1,440	1,280
Travel and accommodation expenses	406	585	479
	9,301	10,420	9,374
Councillor D King			
Meeting attendance fees	7,615	8,395	5,159
Annual allowance for ICT expenses	1,280	1,440	867
Travel and accommodation expenses	616	929	415
	9,511	10,764	6,441
Councillor K Moir			
Meeting attendance fees	7,615	8,395	7,615
Annual allowance for ICT expenses	1,280	1,440	1,280
Travel and accommodation expenses	42	566	463
	8,937	10,401	9,358
Councillor A Price			
Meeting attendance fees	7,615	8,395	7,615
Annual allowance for ICT expenses	1,280	1,440	1,280
Travel and accommodation expenses	177	90	73
	9,072	9,925	8,968
Councillor C Caldwell			
Meeting attendance fees	5,304	-	-
Annual allowance for ICT expenses	891	-	-
	6,195	-	-
Elected member Cr E Rear			
Meeting attendance fees	-	-	165
Annual allowance for ICT expenses	-	-	28
	-	-	193

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

21. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration (continued)

Elected member Cr T Oversby

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Meeting attendance fees	-	-	4,506
Annual allowance for ICT expenses	-	-	757
Travel and accommodation expenses	-	-	761
	-	-	6,024
	100,483	106,730	96,318

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

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
President's annual allowance	10,280	10,280	10,280
Deputy President's annual allowance	2,570	2,570	2,570
Meeting attendance fees	73,249	75,560	67,704
Annual allowance for ICT expenses	11,131	11,520	10,199
Travel and accommodation expenses	3,253	6,800	5,565
	100,483	106,730	96,318

(b) Key Management Personnel (KMP) Compensation

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

	2022 Actual	2021 Actual
	\$	\$
Short-term employee benefits	426,568	1,005,651
Post-employment benefits	52,674	106,477
Employee - other long-term benefits	11,926	8,811
Employee - termination benefits	10,609	75,173
Council member costs	100,483	96,318
	602,260	1,292,430

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

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

Council member costs

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

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

21. RELATED PARTY TRANSACTIONS

(c) Transactions with related parties

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

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

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

	2022 Actual	2021 Actual
	\$	\$
Sale of goods and services	26	485
Purchase of goods and services	80,697	33,556

(d) Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

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

iii. Entities subject to significant influence by the Shire

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

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

22. FINANCIAL RISK MANAGEMENT

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

Risk	Exposure arising from	Measurement	Management
Market risk - interest rates	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, term deposits, and Treasury bonds 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
	%	\$	\$	\$	\$
2022					
Cash and cash equivalents	0.18%	6,272,070	-	6,266,170	5,900
2021					
Cash and cash equivalents	0.13%	5,369,634	-	5,363,684	5,950

Sensitivity

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

Impact of a 1% movement in interest rates on profit and loss and equity*

* Holding all other variables constant

	2022	2021
	\$	\$
	62,662	53,637

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 28(a).

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

22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

Credit risk 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. The Shire is able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2021 or 1 July 2022 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 2022 and 30 June 2021 for rates receivable was determined as follows:

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
30 June 2022						
Rates receivable						
Expected credit loss	-	-	-	-		
Gross carrying amount	2,177	186,727	41,469	47,234	277,607	
Loss allowance	-	-	-	-	-	
30 June 2021						
Rates receivable						
Expected credit loss	-	-	-	-		
Gross carrying amount	2,975	196,362	61,824	37,921	299,082	
Loss allowance	-	-	-	-	-	

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

	Less than 30 days past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
30 June 2022						
Trade and other receivables						
Expected credit loss	-	-	-	53.30%		
Gross carrying amount	94,717	60,545	51,329	19,227	225,818	
Loss allowance	-	-	-	10,248	10,248	5
30 June 2021						
Trade and other receivables						
Expected credit loss	-	-	-	93.64%		
Gross carrying amount	65,698	110,671	1,101	10,944	188,414	
Loss allowance	-	-	-	10,248	10,248	5

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

22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

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

	Rates receivable		Trade and other receivables	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual
Opening loss allowance as at 1 July	\$ -	\$ -	\$ 10,248	\$ 10,248
Closing loss allowance at 30 June	-	-	10,248	10,248

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

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

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

22. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<u>2022</u>					
Trade and other payables	971,768	-	-	971,768	971,768
Borrowings	26,577	79,731	-	106,308	93,502
Contract liabilities	683,001	-	-	683,001	683,001
Lease liabilities	20,576	36,008	-	56,584	54,266
	<u>1,701,922</u>	<u>115,739</u>	-	<u>1,817,661</u>	<u>1,802,537</u>
<u>2021</u>					
Trade and other payables	461,329	-	-	461,329	461,329
Borrowings	26,577	106,308	-	132,885	113,680
Contract liabilities	685,660	-	-	685,660	685,660
	<u>1,173,566</u>	<u>106,308</u>	-	<u>1,279,874</u>	<u>1,260,669</u>

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

23. 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.

24. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest earnings

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

k) Initial application of accounting standards

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

New accounting standards for application in future years

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

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

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

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

25. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

Objective	Description
<p>Governance To provide a decision making process for the efficient allocation of scarce resources.</p>	Administration and operation of facilities and services to members of Council, and other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services.
<p>General purpose funding To collect revenue to allow for the provision of services.</p>	Rates, general purpose government grants and interest revenue.
<p>Law, order, public safety To provide services to help ensure a safer and environmentally conscious community.</p>	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
<p>Health To provide an operational framework for environmental and community health.</p>	Environmental health, food control, pest control, immunisation and provision of medical services.
<p>Education and welfare To provide services to disadvantaged persons, the elderly, children and youth.</p>	Pre-schools and other education, aged and disabled services, senior citizen services and youth welfare.
<p>Housing To provide and maintain staff and elderly residents housing.</p>	Control and maintenance of staff and other rental housing, including aged accommodation units.
<p>Community amenities To provide services required by the community.</p>	Refuse collection services, operation of landfill sites, landcare programs, administration of the town planning scheme, cemetery and memorials maintenance, and other community amenities.
<p>Recreation and culture To establish and effectively manage infrastructure and resource which will help the social well being of the community.</p>	Control and maintenance of public halls, swimming pool, recreation facilities and the library, and other culture.
<p>Transport To provide safe, effective and efficient transport services to the community.</p>	Construction and maintenance of streets, roads, bridges and footpaths; cleaning and lighting of streets; depot maintenance; vehicle licensing; traffic management and parking; maintenance of airstrip.
<p>Economic services To help promote the shire and its economic wellbeing.</p>	Weed control; Tourism and area promotion, and caravan park and flax mill; regulation of buildings and swimming pool inspections; saleyards and standpipes.
<p>Other property and services To monitor and control council's overheads operating accounts.</p>	Private works; public works overheads; plant repair and operation costs; engineering operation costs; salaries and wages control; administration services and other unclassified activities.

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

25. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Income excluding grants, subsidies and contributions			
Governance	250	-	-
General purpose funding	3,187,320	3,194,069	3,024,020
Law, order, public safety	14,173	6,900	7,621
Health	995,054	1,108,380	1,144,671
Education and welfare	217,037	165,000	165,665
Housing	63,623	67,512	139,679
Community amenities	236,102	223,600	227,835
Recreation and culture	61,255	41,478	46,974
Transport	31,852	28,400	38,693
Economic services	125,379	93,977	118,312
Other property and services	1,076,450	777,377	946,133
	6,008,495	5,706,693	5,859,603
Grants, subsidies and contributions			
Governance	-	-	23,600
General purpose funding	1,931,130	673,620	1,620,882
Law, order, public safety	158,621	151,789	128,499
Housing	7,662	8,662	-
Recreation and culture	90,091	201,437	4,000
Transport	1,326,828	2,119,746	2,391,393
Economic services	10,569	534,920	-
Other property and services	-	1,400	-
	3,524,901	3,691,574	4,168,374
Total Income	9,533,396	9,398,267	10,027,977
Expenses			
Governance	(410,569)	(403,128)	(341,346)
General purpose funding	(148,992)	(137,370)	(103,392)
Law, order, public safety	(445,745)	(400,084)	(364,450)
Health	(1,231,733)	(1,569,527)	(1,358,379)
Education and welfare	(363,827)	(319,914)	(311,453)
Housing	(116,131)	(155,175)	(183,041)
Community amenities	(472,110)	(469,520)	(409,491)
Recreation and culture	(1,191,415)	(1,121,560)	(1,070,861)
Transport	(4,166,781)	(3,976,680)	(3,693,209)
Economic services	(357,027)	(651,458)	(315,552)
Other property and services	(1,133,342)	(691,039)	(577,169)
Total expenses	(10,037,672)	(9,895,455)	(8,728,343)
Net result for the period	(504,276)	(497,188)	1,299,634

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

25. FUNCTION AND ACTIVITY (Continued)

	2022 Actual	2022 Budget	2021 Actual
(c) Fees and Charges	\$	\$	\$
General purpose funding	37,299	19,000	14,268
Law, order, public safety	13,266	6,900	7,621
Health	981,148	1,108,380	1,144,671
Education and welfare	217,036	165,000	165,665
Housing	63,467	67,512	72,996
Community amenities	223,703	219,400	222,445
Recreation and culture	58,408	41,478	46,227
Transport	1,620	1,000	1,353
Economic services	119,173	93,977	104,687
Other property and services	6,335	14,167	28,379
	1,721,455	1,736,814	1,808,312
(d) Total Assets	\$	\$	
General purpose funding	1,345,766	1,627,788	
Law, order, public safety	370,669	395,286	
Health	1,337,637	1,232,764	
Education and welfare	4,054,370	2,260,080	
Housing	4,789,378	2,439,500	
Community amenities	263,942	255,592	
Recreation and culture	12,316,456	8,295,761	
Transport	107,367,805	107,743,447	
Economic services	3,294,376	2,110,527	
Other property and services	6,969,214	5,389,794	
	142,109,613	131,750,539	

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

26. RATING INFORMATION

(a) General Rates

RATE TYPE	Basis of valuation	Rate in \$	Number of Properties	2021/22 Actual Rateable Value *	2021/22 Actual Rate Revenue	2021/22 Actual Interim Rates	2021/22 Actual Back Rates	2021/22 Actual Total Revenue	2021/22 Budget Rate Revenue	2021/22 Budget Interim Rate	2021/22 Budget Back Rate	2021/22 Budget Total Revenue	2020/21 Actual Total Revenue
General Rate - GRV	Gross rental valuation	0.139717	290	3,444,870	457,729	1,307	-	459,036	481,306	-	-	481,306	432,031
General Rate - UV	Unimproved valuation	0.007182	545	309,489,000	2,215,618	6,600	-	2,222,218	2,222,749	1,350	-	2,224,099	2,173,754
Sub-Total			835	312,933,870	2,673,347	7,907	-	2,681,254	2,704,055	1,350	-	2,705,405	2,605,785
Minimum payment													
General Rate - GRV	Gross rental valuation	1,041	51	236,247	53,091	-	-	53,091	53,040	-	-	53,040	48,755
General Rate - UV	Unimproved valuation	941	407	34,636,832	382,987	-	-	382,987	384,869	-	-	384,869	323,100
Sub-Total			458	34,873,079	436,078	-	-	436,078	437,909	-	-	437,909	371,855
			1,293	347,806,949	3,109,425	7,907	-	3,117,332	3,141,964	1,350	-	3,143,314	2,977,640
Concessions on general rates (Refer note 26(d))								(4,438)				(1,600)	(1,506)
Total amount raised from general rates								3,112,894				3,141,714	2,976,134
* Rateable value is based on the value of properties at the time the rate is raised.													
(b) Rates (excluding general rates)													
Ex-gratia Rates													
CBH ex-gratia			1	-	1,312	-	-	1,312	1,255	-	-	1,255	1,255
Sub-Total			1	-	1,312	-	-	1,312	1,255	-	-	1,255	1,255
Total amount raised from rates (excluding general rates)								1,312				1,255	1,255
(c) Total Rates								3,114,206				3,142,969	2,977,389

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

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

26. RATING INFORMATION (Continued)

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

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Waiver/Concession	Discount %	Discount \$	2022 Actual \$	2022 Budget \$	2021 Actual \$
General Rate	Rate	Concession	0.00%	up to \$3	(3,237)	(250)	(310)
General Rate	Rate	Concession	50.00%		(1,201)	(1,350)	(1,196)
					(4,438)	(1,600)	(1,506)
Total discounts/concessions (Note 26(a))					(4,438)	(1,600)	(1,506)

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
General Rate	Writing off of rates small balances <\$3 is a concession which is available to all ratepayers.	Remove rates small balances less than \$3 in value.	Remove rates small balances less than \$3 in value as the amounts are uneconomical to recover.
General Rate	Three (3) Boyup Brook properties straddle the Shire of Donnybrook-Balingup (SD-B) Boundary.	So as not to require the property owners to pay two sets of full rates.	To ensure there is equity in the rating system for properties that straddle two local government boundaries.

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

26. RATING INFORMATION (Continued)

(e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	11/10/2021	-	0%	7%
Option Two				
First instalment	11/10/2021	-	3%	7%
Second instalment	11/12/2021	-	3%	7%
Third instalment	11/02/2022	-	3%	7%
Fourth instalment	11/04/2022	-	3%	7%

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Interest on unpaid rates	21,023	21,400	20,715
Interest on instalment plan	3,376	3,000	4,875
	24,399	24,400	25,590

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

27. RATE SETTING STATEMENT INFORMATION

		2021/22 Budget	2020/21
	2021/22 (30 June 2022 Carried Forward)	(30 June 2022 Carried Forward)	(30 June 2021 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(b) -	-	(75,543)
Less: Fair value adjustments to financial assets at fair value through profit and loss	(3,997)	-	(2,586)
Add: Loss on disposal of assets	11(b) 33,589	-	50,590
Add: Depreciation	11(a) 3,658,415	3,586,939	3,504,032
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	(4,015)	-	(8,216)
Employee benefit provisions	43,393	40,045	(252,953)
Accrued wages	28,361	-	(69,516)
Accrued expenses	-	-	57,805
Accrued interest expense	(425)	-	-
Accrued interest income	(2,419)	-	-
Inventory (current)	56,824	-	(71,503)
Biological assets	196,371	-	(127,528)
Non-cash amounts excluded from operating activities	4,006,097	3,626,984	3,004,582
(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: Reserve accounts	29 (2,629,994)	(2,373,035)	(2,389,329)
- Inventories	(37,439)	(17,056)	(94,263)
- Biological assets	(412,050)	(480,894)	(608,422)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	15 21,383	56,914	20,178
- Accrued expenses and accrued salaries and wages	154,795	64,392	129,279
- Current portion of lease liabilities	12(b) 19,224	-	-
Total adjustments to net current assets	(2,884,081)	(2,749,679)	(2,942,557)
Net current assets used in the Rate Setting Statement			
Total current assets	7,340,665	3,472,691	6,696,390
Less: Total current liabilities	(2,081,191)	(723,012)	(1,505,374)
Less: Total adjustments to net current assets	(2,884,081)	(2,749,679)	(2,942,557)
Net current assets used in the Rate Setting Statement	2,375,393	-	2,248,459

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

28. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual							Budget			
		Principal at 1 July 2020	New Loans During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Aged accommodation		300,446	-	(300,446)	-	-	-	-	-	-	-	-
Staff Housing		47,079	-	(6,755)	40,324	-	(7,158)	33,166	40,324	-	(7,158)	33,166
Swimming pool		85,642	-	(12,286)	73,356	-	(13,020)	60,336	73,357	-	(13,019)	60,338
Land acquisition		-	-	-	-	-	-	-	-	170,000	(7,534)	162,466
Total Borrowings	15	433,167	-	(319,487)	113,680	-	(20,178)	93,502	113,681	170,000	(27,711)	255,970

* WA Treasury Corporation

Borrowing Interest Repayments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending	Budget for year ending	Actual for year ending
						30 June 2022	30 June 2022	30 June 2021
Aged accommodation		Education and welfare	118	WATC*	4.80%	\$ -	\$ -	(66,781)
Staff Housing		Housing	115	WATC*	5.88%	(2,142)	(2,268)	(2,552)
Swimming pool		Recreation and culture	114	WATC*	5.89%	(3,833)	(4,132)	(4,581)
Land acquisition		Other property and services				-	(2,125)	-
Total Interest Repayments	2(b)					(5,975)	(8,525)	(73,914)

(b) New Borrowings - 2021/22

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate %	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2022 Actual	2022 Budget	2022 Actual	2022 Budget		
					\$	\$	\$	\$		
Land acquisition					-	170,000	-	(170,000)	-	-
					-	170,000	-	(170,000)	-	-

* WA Treasury Corporation

(c) Lease Liabilities

Purpose	Note	Actual							Budget			
		Principal at 1 July 2020	New Leases During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Gymnasium equipment		-	-	-	-	58,989	(4,723)	54,266	-	-	-	-
Total Lease Liabilities	12(b)	-	-	-	-	58,989	(4,723)	54,266	-	-	-	-

Lease Interest Repayments

Purpose	Note	Function and activity	Lease Number	Institution	Interest Rate	Actual for year ending	Budget for year ending	Actual for year ending	Lease Term
						30 June 2022	30 June 2022	30 June 2021	
Gymnasium equipment		Recreation and culture	L001	MAIA Financial	3.01%	(420)	-	-	3 Yrs
Total Interest Repayments	2(b)					(420)	-	-	

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

29. RESERVE ACCOUNTS

	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave reserve	123	33,363	-	33,486	122	33,363	-	33,485	122	1	-	123
(b) Plant reserve	149,961	75,409	-	225,370	148,497	75,483	-	223,980	148,275	1,686	-	149,961
(c) Building reserve	714,025	26,301	-	740,326	707,055	26,661	-	733,716	705,999	8,026	-	714,025
(d) Community housing reserve	214,517	340	-	214,857	213,727	451	-	214,178	79,999	134,518	-	214,517
(e) Emergency reserve	12,479	20	-	12,499	12,358	26	-	12,384	12,339	140	-	12,479
(f) Insurance claim reserve	15,207	24	-	15,231	15,059	32	-	15,091	15,037	170	-	15,207
(g) Other recreation reserve	50,557	80	-	50,637	50,063	106	-	50,169	49,989	568	-	50,557
(h) Commercial reserve	451,591	716	-	452,307	447,183	944	-	448,127	446,515	5,076	-	451,591
(i) Bridges reserve	156	-	-	156	154	-	-	154	153	3	-	156
(j) Aged accommodation reserve	31,608	50	-	31,658	27,841	59	-	27,900	381,518	4,251	(354,161)	31,608
(k) Road contributions reserve	28,609	45	-	28,654	28,330	60	-	28,390	28,288	321	-	28,609
(l) IT/Office equipment reserve	39,917	63	-	39,980	39,527	83	-	39,610	39,468	449	-	39,917
(m) Civic receptions reserve	16,776	27	-	16,803	16,612	35	-	16,647	16,587	189	-	16,776
(n) Unspent grants reserve	79	-	-	79	78	-	-	78	78	1	-	79
(o) Unspent community grants reserve	122	-	-	122	121	-	-	121	121	1	-	122
(p) Rylington park working capital reserve	250,774	103,573	-	354,347	250,774	529	(85,997)	165,306	250,399	375	-	250,774
(q) Rylington park community projects reserve	412,828	654	-	413,482	412,828	871	(50,000)	363,699	412,211	617	-	412,828
	2,389,329	240,665	-	2,629,994	2,370,329	138,703	(135,997)	2,373,035	2,587,098	156,392	(354,161)	2,389,329

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave reserve	Ongoing	- to be used to fund annual, long service leave and redundancy requirements.
(b) Plant reserve	Ongoing	- to be used for the purchase of plant items, including graders, trucks, utes, sedans, rollers etc.
(c) Building reserve	Ongoing	- to be used to fund future maintenance of shire owned buildings, including heritage buildings.
(d) Community housing reserve	Ongoing	- to be used to fund maintenance of the Homeswest Housing Units in Forrest & Proctor Streets.
(e) Emergency reserve	Ongoing	- to be used to fund emergency situations outside working hours for example trees on roads, minor flooding, car accidents and supply of services and materials deemed necessary in an emergency.
(f) Insurance claim reserve	Ongoing	- to be used to fund the excess on certain insurance claims.
(g) Other recreation reserve	Ongoing	- to be used to fund improvements to the recreation facilities and grounds.
(h) Commercial reserve	Ongoing	- to be used to fund future economic development, enhancement & promotion of the district.
(i) Bridges reserve	Ongoing	- to be used to fund future requirements of bridge works.
(j) Aged accommodation reserve	Ongoing	- to be used to fund future requirements of aged accommodation.
(k) Road contributions reserve	Ongoing	- to set aside contributions from developers.
(l) IT/Office equipment reserve	Ongoing	- to be used to fund future IT requirements.
(m) Civic receptions reserve	Ongoing	- to quarantine unspent 'Refreshments and Receptions' budgets to fund future receptions needs.
(n) Unspent grants reserve	Ongoing	- to quarantine forward grant payments e.g. Federal Assistance Grants, to fund expenses incurred in the intended year.
(o) Unspent community grants reserve	Ongoing	- for the purpose of holding unallocated/spent community donation/MOU budgets (2% of annual rates), to fund extraordinary community donations or MOU's.
(p) Rylington park working capital reserve	Ongoing	- to be used to as working capital for the running and maintenance of the Rylington Park farm.
(q) Rylington park community projects reserve	Ongoing	- to be used for the community contribution only towards major community projects.

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

30. TRUST FUNDS

There were no funds held at 30 June 2022 or 30 June 2021, which were required to be held in trust.



Auditor General

INDEPENDENT AUDITOR'S REPORT 2022 Shire of Boyup Brook

To the Councillors of the Shire of Boyup Brook

Report on the audit of the annual financial report

Opinion

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

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

In my opinion except for the effects of the matter described in the basis for Qualified Opinion section of my report, the financial report of the Shire of Boyup Brook:

- is based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2022 and its financial position at the end of that period
- is 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 qualified opinion

Biological assets

During 2020-21, I was unable to obtain sufficient appropriate audit evidence to verify the opening balance of biological assets nor was I able to confirm it by alternative means. Since the opening balance of biological assets for the year ended 30 June 2021 affects the determination of operations, I was unable to determine whether any adjustments to the Net result for the year ended 30 June 2021 was necessary. My opinion on the financial report for the period ended 30 June 2021 was modified accordingly.

My opinion on the current year financial report is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

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

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

Other information

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

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

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

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

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

The Chief Executive Officer of the Shire is responsible for:

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

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

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

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

Matters relating to the electronic publication of the audited financial report

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

Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
17 April 2023