



ANNUAL REPORT

2022/2023



VISION STATEMENT

To assist our community towards a prosperous future by providing a positive environment in which to work and live.

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OUR ANNUAL REPORT

The Shire of Mukinbudin would like to welcome you to the 2022/23 Annual Report. This report provides an account of the Shire's performance from 1 July 2022 to 30 June 2023, measuring against the Shire' vision and key priorities.

Under the Local Government Act 1995 all local governments are required to prepare an Annual Report at the end of each financial year. The Annual Report is one of our key reporting devices, which provides information to the community on the work completed in the past financial year. It identifies Council priorities and major projects being undertaken or planned and includes community Indicators based on the goals and strategies outlined in the Strategic Community Plan.

The report also details the Shire of Mukinbudin's operational performance and achievements and challenges that were experienced throughout the year. For the Shire of Mukinbudin, our community always comes first, so we like to provide financial and in-kind support to a number of community groups.

Where to find this report

Copies of this report can be obtained in the following ways:

- In person" Collect a hard copy from the Shire Administration Office.
- Online: <https://www.mukinbudin.wa.gov.au/documents/>
- Email: admin@mukinbudin.wa.gov.au



THE COUNCIL

Council meets on the third Tuesday of every month, except January, to discuss local and regional issues of importance to the Community.

The Council is made up of nine Councillors representing the District, the outdated Local Government ward structure was abolished in 2007.

Council elections are held on the first Saturday in October every two years with the next Local Government election to be held in October 2023.

Shire President

Cr Gary Shadbolt

Deputy Shire President

Cr Romina Nicoletti

Commenced	Elected Members	Years of Service	Term Expires
2019	Cr Geoff BENT	4	2025
2021	Cr Abigail FARINA	2	2025
2019	Cr Callum MCGLASHAN	4	2023
2017	Cr Romina NICOLETTI	6	2025
2015	Cr Steve PATERSON	8	2023
2013	Cr Jeff SEABY	10	2025
2003	Cr Gary SHADBOLT	20	2023
2011	Cr Sandra VENTRIS	12	2025
2019	Cr Ashley WALKER	4	2023

Councillor Attendance

Shire of Mukinbudin Councillor Attendance 1 July 2022 – 30 June 2023	Ordinary Council Meeting <small>Eleven Meetings</small>	Special Council Meeting <small>One Meeting</small>	Audit Committee Meeting <small>Two Meetings</small>	Annual Electors Meeting <small>One Meeting</small>
Cr Geoff BENT	9	1	2	1
Cr Abigail FARINA	9	1	2	1
Cr Callum MCGLASHAN	10	1	2	1
Cr Romina NICOLETTI	10	1	2	1
Cr Steve PATERSON	6	-	1	-
Cr Jeff SEABY	9	1	2	1
Cr Gary SHADBOLT	9	1	2	1
Cr Sandra VENTRIS	8	-	2	-
Cr Ashley WALKER	10	-	2	1

SHIRE OF MUKINBUDIN STAFF

Administration Staff

Chief Executive Officer	Dirk Sellenger
Finance Manager	Ed Nind
Senior Finance Officer	Lucia Scari
Manager of Corporate & Community Services	Renee Jenkin
Customer Liaison Officer	Hilda Scrivener
Customer Service Officer	Kerry Walker

Works Staff - Roads

Acting Manager of Works	Bob Edwards
Works Leading Hand	Steven Jones
Plant Operator	Tim Smith
Plant Operator	Coraline Jones

Works Staff - Other

Technical Officer	Dave Waters
Gardener	Daniel Mori
Building Maintenance Officer	Denis Heffernan

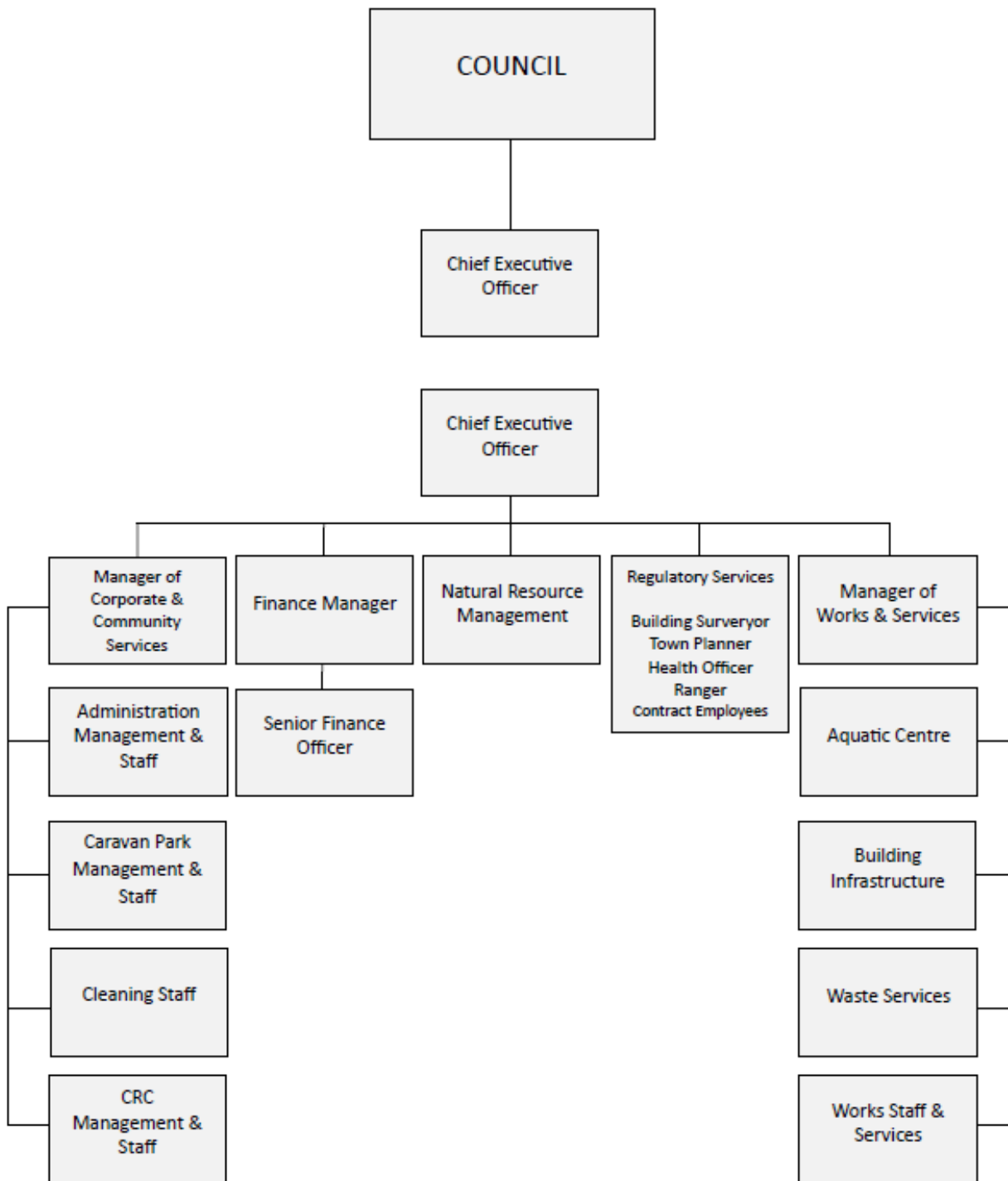
CRC Staff

Coordinator	Jessica McCartney
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Other Staff

Swimming Pool Manager	Simon Comerford
Caravan Park Manager	Tania Sprigg
Cleaner	Rory Mori
Cleaner	Ross Parker
Cleaner	Amy Curnow
Cleaner	Benedicta Inkoom

ORGANISATIONAL STRUCTURE



SHIRE PROFILE

The Shire of Mukinbudin is a local government area in the North Eastern Wheatbelt of Western Australia.

Situated approximately 296 kilometers north east of Perth (the capital city of WA), and 85 kilometers north of Merredin and 3,414 square kilometers in area. The Shire includes the localities of Bonnie Rock, Dandanning, Karloning, Lake Brown, Mukinbudin and Wilgoyne.

Mukinbudin is the only developed townsite within the Shire with a population of 274. The town is located at the southern end of the Shire and is the service centre for a farming population of 281.



Shire Statistics

Length of Sealed Roads	203km
Length of Unsealed Roads	732km
Population (2016)	555
Number of Electors	363
Number of Dwellings	320
Total Rates Levied	\$1,489,000
Total Revenue	\$5,468,700
MRWA Direct Grant	\$154,008
Roads to Recovery Grant	\$338,937
Financial Assistance Grant Scheme (FAGS)	\$1,183,000
Road Grant	\$630,000
Local Roads & Community Infrastructure (Phase 3)	\$751,508

SHIRE PRESIDENT AND CHIEF EXECUTIVE OFFICER'S REPORT

Introduction

This Annual Report provides an overview of the accomplishments and financial status of the Shire of Mukinbudin during the 2022/23 financial year, covering the period from July 1, 2022, to June 30, 2023. Throughout this fiscal year, the Shire experienced a dynamic and industrious phase marked by a diverse range of projects.

A considerable portion of our efforts was directed towards enhancing the infrastructure of the Sporting Complex Facilities, organizing memorable Centenary Celebrations, and executing vital Capital Town Roadworks and Road Reconstructions. These endeavours aimed not only to elevate the quality of life for our residents but also to fortify the foundation of our community for the future.

A notable development in the management landscape unfolded during the 2022/2023 period with the Shire assuming control of the Community Resource Centre (CRC). Previously under Committee-led management, this transition occurred on April 1, 2023. We express our sincere gratitude to the outgoing committee and all former committee members for their unwavering dedication and service throughout the years.

This shift in management signifies a new chapter for the CRC, aligning its operations more closely with the Shire's overall vision and strategic goals. The integration of the CRC into the Shire's administrative framework aims to streamline operations, enhance efficiency, and better serve the needs of the community.

As we reflect on the achievements of the past fiscal year, we look forward to continued collaboration and progress in the coming years. The Shire of Mukinbudin remains committed to fostering a thriving and resilient community, and this Annual Report serves as a testament to our collective efforts in achieving that objective.

Highlights

The year 2022/2023 marked a monumental moment for Mukinbudin as it commemorated its Centenary, a historic milestone in the town's legacy. The Centenary celebrations brought together both former and current residents in a vibrant tapestry of events and festivities to honour this significant occasion.

The festivities spanned an entire weekend and garnered tremendous community participation, with an impressive total of 983 tickets sold. Among the highlights were engaging activities such as 'Yarns by Campfire,' where tales and anecdotes were shared, fostering a sense of nostalgia and camaraderie among attendees. Additionally, the 'Long Table Breakfast' offered a communal gathering that symbolized unity and togetherness within the Mukinbudin community. The celebrations culminated in the spirited 'Old School Dance,' reminiscent of bygone eras, uniting generations through music and dance.

This momentous occasion not only celebrated a hundred years of Mukinbudin's existence but also served as a testament to the resilience, spirit, and enduring sense of community that defines this town. The overwhelming turnout and enthusiastic participation in the Centenary festivities underscored the deep connection and pride that residents, both past and present, hold for Mukinbudin's rich heritage and promising future.



SHIRE PRESIDENT AND CHIEF EXECUTIVE OFFICER'S REPORT (CONT)

Federal COVID Funding – Local Roads and Community Infrastructure

The continuation of the Local Roads and Community Infrastructure Program (Phase 3) was met with enthusiasm by the Council, leading to a resolution to undertake several exciting projects on behalf of the Community, including:

- Various Improvements at the Sporting Complex
 - Instillation of an Industrial Fan in the Indoor Court
 - Instillation of new lighting at the Hockey Field
 - Shade Structure at the Southern end of the Indoor Court
 - Upgrades to the Kitchen
 - New Air Conditioners in the Function Room
 - New outdoor Public Toilet
 - Digital Football Scoreboard
- Barbalin Pipeline Project
- Various townsite Murals



SHIRE PRESIDENT AND CHIEF EXECUTIVE OFFICER'S REPORT (CONT)



SHIRE PRESIDENT AND CHIEF EXECUTIVE OFFICER'S REPORT (CONT)

Council again reaffirmed its dedication to enhancing the extensive road network during the 2022/23 Financial Year by successfully concluding the Reconstruction and Sealing works on the Kununoppin Mukinbudin Road. This vital project covered the stretch between Nungarin North road and the Mukinbudin town site, encompassing approximately 4.5 kilometers in total.



SHIRE PRESIDENT AND CHIEF EXECUTIVE OFFICER'S REPORT (CONT)

The completion of capital roadworks along Ferguson and White Streets, spanning from Maddock to Shadbolt Street, marked a significant achievement. This comprehensive project encompassed various enhancements, including 2x 2.5-meter edge reconstructions, kerb replacements, and a full 7mm single coat reseal covering the entire road surface from kerb to kerb.

Similar to the annual concrete footpath program, which the Council diligently upholds year after year, these latest improvements within the town streets required a systematic rollout. The deliberate and consistent efforts of the Council in delivering these upgrades reflect a commitment that demands a phased approach for effective implementation.

The recent town street works serve as a promising glimpse into the future trajectory of ongoing enhancements. As the Council remains steadfast in its commitment to these capital improvements, the hope is that these completed projects offer a preview of the high-quality transformations expected in the upcoming years, aligning with the available funding to ensure continuous progress and development within the community.



Tourism and Visitor Servicing

The upward trajectory of tourism remains a remarkable journey, showcasing the growing allure of inland travel among Western Australian residents. It's truly exhilarating to witness an increasing number of individuals opting to explore the charm and offerings of the Wheatbelt and Mukinbudin.

This surge in interest has led to consistently high occupancy rates throughout the year, particularly in sought-after accommodation options like 3-bedroom houses and self-contained units. These spaces have become perennial favourites among visitors, reflecting the enduring appeal of the region and its offerings.

The Shire remains deeply committed to fostering these tourism initiatives by actively engaging with the NEWTravel group and the Wheatbelt Way Committee. This steadfast dedication is evident through continued collaboration and support, ensuring sustained visibility and promotion of the area's attractions. The Central Wheatbelt Visitors Centre serves as a vital platform for showcasing the region's unique experiences, amplifying exposure and drawing attention to the diverse offerings available to travellers.

The Shire's unwavering commitment to these partnerships and promotional endeavours underscores its dedication to nurturing and expanding the tourism landscape, positioning Mukinbudin and the Wheatbelt as must-visit destinations for those seeking authentic and enriching travel experiences.

Cr Gary Shadbolt
SHIRE PRESIDENT



Dirk Sellenger
CHIEF EXECUTIVE OFFICER



STATUTORY REPORTS

Disability Access and Inclusion Plan

The Shire of Mukinbudin continues to promote access and inclusion for all community members. The Shire's Disability Access and Inclusion Plan (DAIP) ensures that people with disabilities have equal access to Council services, facilities the Shire has completed the 2019/20 Disability Services Commission Progress Report to identify the Shire's achievements in relation to strategies and tasks consistent with the five (5) identified outcomes listed in the DAIP.

The Shire of Mukinbudin is committed to ensuring that the community is an accessible community for people with disabilities, their families and carers. The Shire of Mukinbudin is committed to consulting with people with disabilities, their families and carers and where required, disability organisations to ensure that barriers to access are addressed appropriately.

The Shire of Mukinbudin is committed to achieving the following six (6) outcomes:

- 1) People with disabilities, their families and carers have the same opportunities as other people to access the services of, and any events organized by, the Shire of Mukinbudin.
- 2) People with disabilities have the same opportunities as other people to access all buildings of a public nature, plus other facilities provided by the Shire of Mukinbudin.
- 3) People with disabilities receive information from the Shire of Mukinbudin in a format that will enable them to access the information as readily as other people are able to access it.
- 4) People with disabilities receive the same level and quality of service from the staff of, and contractors/agents to, the Shire of Mukinbudin.
- 5) People with disabilities have the same opportunities as other people to make complaints to the Shire of Mukinbudin.
- 6) People with disabilities have the same opportunities as other people to participate in any public consultation process with the Shire of Mukinbudin.
- 7) People with disability have the same opportunities as other people to obtain and maintain employment with a public authority.

FREEDOM OF INFORMATION

The Shire of Mukinbudin will provide information to people requesting it from Council. Should a request not be met satisfactorily, then a Freedom of Information Application can be lodged with Council. During the year ended 30 June 2023, no Freedom of Information Applications were received.

Section 96 of the *Freedom of Information Act 1992* requires local governments to publish an Information Statement.

In summary, the Shire of Mukinbudin Statement indicates that the Shire of Mukinbudin is responsible for the good governance of the Shire, and carries out functions as required, including statutory compliance and provision of services and facilities.

All Council meetings are open to the public and meeting dates and venues are advertised on a regular basis. Members of the public are invited to ask questions during Public Question Time, shortly after the commencement of each meeting.

The Shire of Mukinbudin maintains records relating to the function and administration of the Shire, each property within the Shire, and includes such documents as the Minutes of Meetings, Rate Book, Town Planning Scheme, Local Laws, Codes of Conduct, Register of Financial Interests, Register of Delegated Authority, Financial Statements and Electoral Rolls. These documents can be inspected free of charge at the Shire Office, 15 Maddock Street, Mukinbudin, during office hours

RECORD KEEPING PLAN

The Shire of Mukinbudin is committed to accessible and efficient record keeping practices and complies with relevant legislation including the *State Records Act 2000*. The *State Records Act 2000* requires that the Shire maintains and disposes of all records in the prescribed manner.

Principal 6 - Compliance: Government organisations ensure their employees comply with the Record Keeping Plan.

Rationale

An organisation and its employees must comply with the organisation's Record Keeping Plan. Organisations should develop and implement strategies for ensuring that each employee is aware of the compliance responsibilities.

Minimum Compliance Requirements

The Record Keeping Plan is to provide evidence to adduce that:

1. The efficiency and effectiveness of the organisation's record keeping system is evaluated not less than once every 5 years.
2. The organisation conducts a record keeping program.
3. The efficiency and effectiveness of the record keeping training program is reviewed from time to time.
4. The organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's Record Keeping Plan.

The Shire of Mukinbudin has substantially complied with items 1 to 4.

Council has established a Record Keeping Plan which was submitted and approved by the State Records Commission. In addition, Council has produced a Records Management Procedures Manual, which is utilised in Council's Induction Training for all new staff. The Records Keeping Plan looks at the efficiency and effectiveness of the Shire's record keeping systems and includes sections on procedures, risk management and disaster recovery plans, retention and disposal of records, training of staff on record keeping practices and information on the Shire's compliance with the plan.



NATIONAL COMPETITION POLICY STATEMENT

The competition Principles Agreement is an Inter-Government Agreement between the Commonwealth and State/Territory Governments that sets out how government will apply National Competition Policy principles to public sector organisations within their jurisdiction.

The State Government released a Policy Statement effective from July 1996 called the Clause 7 Statement, which forms part of the Competition Principles Agreement. The Clause 7 policy document sets out nominated principles from the Agreement that now apply to Local Government. The provisions of Clause 7 of the Competition Principles Agreement require local government to report annually as to the implementation, application and effects of the Competition Policy.

The Competition principles Agreement, under Clause 7, specifies three broad areas of reporting, they are:

1. Competitive Neutrality
2. Structural Review of Public Monopolies; and
Legislative Review

In accordance with the requirements of the National Competition Policy the Shire of Mukinbudin makes the following disclosure of 2020/2021.

Competitive Neutrality

The object of competitive neutrality is the elimination of resource allocation distortions arising out of local government ownership of significant business activities.

The Shire of Mukinbudin has assessed its operations and considers that it has no business activity that would be classed as significant under the current guidelines. Also, the Shire of Mukinbudin does not operate a business enterprise that has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or Public Financial Enterprise.

The number of activities to which competitive neutrality principles have been considered but not applied in the reporting period is: Zero (0)

During the reporting period the Shire of Mukinbudin did not become aware of any allegations of non-compliance with the competitive neutrality principles made by a private entity against the Shire.



INFORMATION ON PAYMENTS TO EMPLOYEES

For the purpose of Section 5.53(2) (g) the Annual Report of a Local Government for a financial year is to contain the following information:

The number of employees of the Local Government entitled to an annual salary exceeding \$100,000.

Band	Number of Employees
\$150,000-\$160,000	1

COMPLAINTS REGISTER

The Shire, in accordance with s5.120 of the Local Government Act 1995, does not have a designated Complaints Officer and the Chief Executive Officer fulfils this role in terms of subsection (2).

As required in accordance with s5.121 'Register of certain complaints of minor breaches' of the Act, the Shire maintains an electronic register that is managed by the Manager of Corporate Services.

The Shire reports no complaints that have resulted in a finding under section 5.110(2)(a) that a minor breach has occurred, for the period ending 30 June 2023.

PLAN FOR THE FUTURE OF THE DISTRICT

As required by section 5.56 of the *Local Government Act 1995* below is an overview of the Shire of Mukinbudin 'Plan for the Future of the District', including major initiatives that are proposed to commence or to continue in the next financial year.

The changes to the *Local Government Act 1995* have seen the Principal Activities Plan replaced by the Plan for the Future. With the introduction of Integrated Strategic Planning the Shire of Mukinbudin has the following documents making up its plans for the future:

1. Community Strategic Plan 2018-2028
2. Long Term Financial Plan 2013-2023
3. Corporate Business Plan 2017/18-2020/21
4. Mukinbudin Recreation Asset Management Plan
5. Plant & Equipment Asset Management Plan
6. Transport Asset Management Plan
7. Property Asset Management Plan
8. Mukinbudin Workforce Plan

Copies of the Shire of Mukinbudin above Plans for the Future are available from the Shire Office or can be downloaded from the Shire Website at www.mukinbudin.wa.gov.au

Major initiatives that are proposed to commence or to continue in the next financial year

- 10 Year Plant Replacement Program
- Capital Roadwork's Program
- Government Regional Officer Housing Construction Program
- Proposals for New Swimming Pool Kiosk/Changerooms and Redesign of Sports Complex

Strategy	Objective
1. Plant Replacement	To ensure that Council's plant is reliable, to reduce maintenance cost and to minimise the replacement cost as far as possible.
2. Road Asset Management	To maintain and improve the quality and useful economic life of the road infrastructure system in the most efficient manner.
3. Shire Housing	To attract and retain Shire staff through the provision of modern quality housing. To make excess Shire housing available to the business community to assist with employee needs.
4. Joint Venture Housing	To provide aged and low-income residents with high quality community and joint venture housing in Mukinbudin.
5. Residential Land Subdivision	To provide quality blocks and housing options for locals who wish to move to or retire in Mukinbudin.
6. Industrial Units	To provide the opportunity for a new business to establish in town.
7. Aquatic Centre Upgrade	To provide a high quality and recreational aquatic facility for the residents of Mukinbudin Shire.

SHIRE OF MUKINBUDIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

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

The Shire will endeavour to provide the community services and facilities to meet the needs of the members of the community and enable them to enjoy a pleasant and healthy way of life.

Principal place of business:
15 Maddock Street
Mukinbudin WA 6479

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

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

STATEMENT BY CEO

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

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

Signed on the 15th day of December 2023



Chief Executive Officer

Dirk Sellenger

Name of Chief Executive Officer

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

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
Revenue				
Rates	2(a),25	1,486,777	1,489,109	1,325,243
Grants, subsidies and contributions	2(a)	2,891,303	843,999	2,329,641
Fees and charges	2(a)	840,806	717,012	697,703
Interest revenue	2(a)	30,671	19,496	14,295
Other revenue	2(a)	219,143	78,350	153,155
		5,468,700	3,147,966	4,520,037
Expenses				
Employee costs	2(b)	(1,469,395)	(1,543,943)	(1,377,415)
Materials and contracts		(1,267,901)	(1,357,952)	(1,238,622)
Utility charges		(222,341)	(218,144)	(219,125)
Depreciation		(1,926,260)	(1,955,950)	(1,775,162)
Finance costs	2(b)	(38,332)	(38,861)	(40,435)
Insurance		(143,355)	(144,962)	(128,861)
Other expenditure	2(b)	(118,577)	(126,365)	(160,304)
		(5,186,161)	(5,386,177)	(4,939,924)
		282,539	(2,238,211)	(419,887)
Capital grants, subsidies and contributions	2(a)	1,221,523	1,311,232	1,282,312
Profit on asset disposals		30,680	52,527	6,373
Loss on asset disposals		(128,834)	(112,325)	(11,122)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	2,764	0	2,998
		1,126,133	1,251,434	1,280,561
Net result for the period		1,408,672	(986,777)	860,674
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	16	17,322,112	0	1,207,709
Total other comprehensive income for the period		17,322,112	0	1,207,709
Total comprehensive income for the period		18,730,784	(986,777)	2,068,383

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



**SHIRE OF MUKINBUDIN
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	3	3,205,803	1,845,028
Trade and other receivables	5	64,110	65,321
Other financial assets	4(a)	773,413	659,994
Inventories	6	37,792	549
Other assets	7	27,979	15,760
TOTAL CURRENT ASSETS		4,109,097	2,586,652
NON-CURRENT ASSETS			
Trade and other receivables	5	3,303	2,206
Other financial assets	4(b)	61,117	58,353
Inventories	6	243,937	274,000
Property, plant and equipment	8	15,413,803	15,620,886
Infrastructure	9	72,182,512	54,935,579
TOTAL NON-CURRENT ASSETS		87,904,672	70,891,024
TOTAL ASSETS		92,013,769	73,477,676
CURRENT LIABILITIES			
Trade and other payables	12	252,327	210,097
Other liabilities	13	133,188	244,415
Borrowings	14	111,441	171,328
Employee related provisions	15	218,203	166,585
TOTAL CURRENT LIABILITIES		715,159	792,425
NON-CURRENT LIABILITIES			
Borrowings	14	956,508	1,067,949
Employee related provisions	15	46,618	52,602
TOTAL NON-CURRENT LIABILITIES		1,003,126	1,120,551
TOTAL LIABILITIES		1,718,285	1,912,976
NET ASSETS		90,295,484	71,564,700
EQUITY			
Retained surplus		46,862,109	46,021,074
Reserve accounts	28	1,279,259	711,622
Revaluation surplus	16	42,154,116	24,832,004
TOTAL EQUITY		90,295,484	71,564,700

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



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

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2021		45,342,080	529,942	23,624,295	69,496,317
Comprehensive income for the period					
Net result for the period		860,674	0	0	860,674
Other comprehensive income for the period	16	0	0	1,207,709	1,207,709
Total comprehensive income for the period		860,674	0	1,207,709	2,068,383
Transfers from reserve accounts	28	49,509	(49,509)	0	0
Transfers to reserve accounts	28	(231,189)	231,189	0	0
Balance as at 30 June 2022		46,021,074	711,622	24,832,004	71,564,700
Comprehensive income for the period					
Net result for the period		1,408,672	0	0	1,408,672
Other comprehensive income for the period	16	0	0	17,322,112	17,322,112
Total comprehensive income for the period		1,408,672	0	17,322,112	18,730,784
Transfers from reserve accounts	28	86,420	(86,420)	0	0
Transfers to reserve accounts	28	(654,057)	654,057	0	0
Balance as at 30 June 2023		46,862,109	1,279,259	42,154,116	90,295,484

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



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

NOTE	2023 Actual \$	2022 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Rates	1,488,164	1,330,068
Grants, subsidies and contributions	2,932,800	2,333,802
Fees and charges	843,127	697,284
Interest revenue	30,671	14,295
Goods and services tax received	276,281	310,167
Other revenue	219,143	153,155
	5,790,186	4,838,771
Payments		
Employee costs	(1,401,578)	(1,354,010)
Materials and contracts	(1,275,352)	(1,363,591)
Utility charges	(222,341)	(219,125)
Finance costs	(38,332)	(37,116)
Insurance paid	(143,355)	(128,861)
Goods and services tax paid	(270,038)	(306,285)
Other expenditure	(116,501)	(135,977)
	(3,467,497)	(3,544,965)
Net cash provided by (used in) operating activities	2,322,689	1,293,806
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchase of property, plant & equipment	8(a) (440,135)	(309,005)
Payments for construction of infrastructure	9(a) (1,469,838)	(1,785,764)
Capital grants, subsidies and contributions	1,061,922	1,204,483
Proceeds for financial assets at amortised cost	(113,419)	(150,561)
Proceeds from sale of property, plant & equipment	152,702	127,273
Proceeds from sale of inventories	18,182	60,909
Net cash provided by (used in) investing activities	(790,586)	(852,665)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	27(a) (171,328)	(178,141)
Payments for principal portion of lease liabilities	27(c) 0	(3,288)
Net cash provided by (used In) financing activities	(171,328)	(181,429)
Net increase (decrease) in cash held	1,360,775	259,712
Cash at beginning of year	1,845,028	1,585,316
Cash and cash equivalents at the end of the year	3,205,803	1,845,028

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



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

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	25	1,468,797	1,471,113	1,307,247
Rates excluding general rates	25	17,980	17,996	17,996
Grants, subsidies and contributions		2,891,303	843,999	2,329,641
Fees and charges		840,806	717,012	697,703
Interest revenue		30,671	19,496	14,295
Other revenue		219,143	78,350	153,155
Profit on asset disposals		30,680	52,527	6,373
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	2,764	0	2,998
		5,502,144	3,200,493	4,529,408
Expenditure from operating activities				
Employee costs		(1,469,395)	(1,543,943)	(1,377,415)
Materials and contracts		(1,267,901)	(1,357,952)	(1,238,622)
Utility charges		(222,341)	(218,144)	(219,125)
Depreciation		(1,926,260)	(1,955,950)	(1,775,162)
Finance costs		(38,332)	(38,861)	(40,435)
Insurance		(143,355)	(144,962)	(128,861)
Other expenditure		(118,577)	(126,365)	(160,304)
Loss on asset disposals		(128,834)	(112,325)	(11,122)
		(5,314,995)	(5,498,502)	(4,951,046)
Non-cash amounts excluded from operating activities	26(a)	2,016,144	2,017,164	1,817,419
Amount attributable to operating activities		2,203,293	(280,845)	1,395,781
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		1,221,523	1,311,232	1,282,312
Proceeds from disposal of assets		152,702	212,181	127,273
Proceeds from sale of inventories		18,182	0	60,909
		1,392,407	1,523,413	1,470,494
Outflows from investing activities				
Purchase of property, plant and equipment	8(a)	(440,135)	(730,755)	(309,005)
Purchase and construction of infrastructure	9(a)	(1,469,838)	(1,782,179)	(1,785,764)
		(1,909,973)	(2,512,934)	(2,094,769)
Amount attributable to investing activities		(517,566)	(989,521)	(624,275)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	27(a)	0	90,000	0
Transfers from reserve accounts	28	86,420	95,000	49,509
		86,420	185,000	49,509
Outflows from financing activities				
Repayment of borrowings	27(a)	(171,328)	(175,923)	(178,141)
Payments for principal portion of lease liabilities	27(c)	0	0	(3,288)
Transfers to reserve accounts	28	(654,057)	(157,783)	(231,189)
		(825,385)	(333,706)	(412,618)
Amount attributable to financing activities		(738,965)	(148,706)	(363,109)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	26(b)	1,397,667	1,419,072	989,270
Amount attributable to operating activities		2,203,293	(280,845)	1,395,781
Amount attributable to investing activities		(517,566)	(989,521)	(624,275)
Amount attributable to financing activities		(738,965)	(148,706)	(363,109)
Surplus or deficit after imposition of general rates	26(b)	2,344,429	0	1,397,667

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



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

1. BASIS OF PREPARATION

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

Local Government Act 1995 requirements

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

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

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

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

The local government reporting entity

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

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

Judgements and estimates

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

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

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

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

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	When rates notice is issued
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	When rates notice is issued
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Sale of stock	Community Resource Centre and history book stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Output method based on goods

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

Revenue Recognition

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

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,468,797	17,980	1,486,777
Grants, subsidies and contributions	38,508	0	0	2,852,795	2,891,303
Fees and charges	837,376	0	3,430	0	840,806
Interest revenue	0	0	4,720	25,951	30,671
Other revenue	170,261	0	0	48,882	219,143
Capital grants, subsidies and contributions	0	1,221,523	0	0	1,221,523
Total	1,046,145	1,221,523	1,476,947	2,945,608	6,690,223

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,307,247	17,996	1,325,243
Grants, subsidies and contributions	92,562	0	0	2,237,079	2,329,641
Fees and charges	696,108	0	1,595	0	697,703
Interest revenue	0	0	4,928	9,367	14,295
Other revenue	49,490	0	0	103,665	153,155
Capital grants, subsidies and contributions	0	1,282,312	0	0	1,282,312
Total	838,160	1,282,312	1,313,770	2,368,107	5,802,349

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2023 Actual \$	2022 Actual \$
Interest revenue		
Interest on reserve account funds	15,597	2,137
Trade and other receivables overdue interest	4,720	4,928
Other interest revenue	10,354	7,230
	30,671	14,295

The 2023 original budget estimate in relation to:
Trade and other receivables overdue interest was \$5,200.

Fees and charges relating to rates receivable

Charges on instalment plan	1,515	2,370
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The 2023 original budget estimate in relation to:
Charges on instalment plan was \$2,000.

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report	32,000	38,800
- Other services – grant acquittals	0	1,700
	32,000	40,500

Employee Costs

Employee benefit costs	1,161,527	1,077,945
Other employee costs	307,868	299,470
	1,469,395	1,377,415

Finance costs

Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	38,332	40,435
	38,332	40,435

Other expenditure

Impairment losses on rates and statutory receivables	245	504
Impairment losses on trade receivables	2,076	(85)
Write down of inventories to net realisable value	0	20,614
Sundry expenses	116,256	139,271
	118,577	160,304

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

3. CASH AND CASH EQUIVALENTS

Note	2023	2022
	\$	\$
Cash at bank and on hand	3,205,803	1,845,028
Total cash and cash equivalents	3,205,803	1,845,028
Held as		
- Unrestricted cash and cash equivalents	2,551,585	1,529,057
- Restricted cash and cash equivalents	17 654,218	315,971
	3,205,803	1,845,028

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Restricted financial assets

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

4. OTHER FINANCIAL ASSETS

	2023	2022
	\$	\$
(a) Current assets		
Financial assets at amortised cost	773,413	659,994
	773,413	659,994
Other financial assets at amortised cost		
Term deposits	773,413	659,994
	773,413	659,994
Held as		
- Restricted other financial assets at amortised cost	17 773,413	659,994
	773,413	659,994
(b) Non-current assets		
Financial assets at fair value through profit or loss	61,117	58,353
	61,117	58,353
Financial assets at fair value through profit or loss		
Units in Local Government House Trust - opening balance	58,353	55,355
Movement attributable to fair value increment	2,764	2,998
Units in Local Government House Trust - closing balance	61,117	58,353

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 or loss

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

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

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

5. TRADE AND OTHER RECEIVABLES

Note	2023	2022
	\$	\$
Current		
Rates and statutory receivables	34,949	32,397
Trade receivables	17,296	12,495
GST receivable	15,324	21,567
Allowance for credit losses of rates and statutory receivables	(1,284)	(1,039)
Allowance for credit losses of trade receivables	(2,175)	(99)
	64,110	65,321
Non-current		
Rates and statutory receivables	1,810	713
Receivables for employee related provisions	1,493	1,493
	3,303	2,206

Disclosure of opening and closing balances related to contracts with customers

Information about receivables from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

Note	30 June 2023 Actual	30 June 2022 Actual	1 July 2021 Actual
	\$	\$	\$
Allowance for credit losses of trade receivables	5 (2,175)	(99)	(14)
Total trade and other receivables from contracts with customers	(2,175)	(99)	(14)

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

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

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

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

6. INVENTORIES

Note	2023	2022
	\$	\$
Current		
Fuel and materials	602	549
Gravel Stock	10,190	0
Land held for resale		
Cost of acquisition	27,000	0
	<u>37,792</u>	<u>549</u>
Non-current		
Land held for resale		
Cost of acquisition	243,937	274,000
	<u>243,937</u>	<u>274,000</u>

The following movements in inventories occurred during the year:

Balance at beginning of year		274,549	380,556
Inventories expensed during the year		(65,047)	(14,760)
Write down of inventories to net realisable value	2(b)	0	(20,614)
Disposal of land held for resale		(3,063)	(71,000)
Additions to inventory		<u>75,290</u>	<u>367</u>
Balance at end of year		<u>281,729</u>	<u>274,549</u>

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Land held for resale (Continued)

Borrowing costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed onto the buyer at this point.

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

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

7. OTHER ASSETS

	2023	2022
	\$	\$
Other assets - current		
Prepayments	17,912	14,517
Accrued income	10,067	1,243
	27,979	15,760

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land	Buildings - non- specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Work in progress	Total property, plant and equipment
	\$	\$	\$		\$	\$	\$	\$
Balance at 1 July 2021	1,016,666	3,235,972	8,695,473	12,948,111	68,126	1,485,998	2,499	14,504,734
Additions	0	52,848	75,004	127,852	9,794	171,297	62	309,005
Disposals	0	0	0	0	0	(121,931)	0	(121,931)
Revaluation increments / (decrements) transferred to revaluation surplus	94,310	126,955	986,444	1,207,709	0	0	0	1,207,709
Depreciation	0	(41,991)	(109,182)	(151,173)	(13,683)	(113,775)	0	(278,631)
Transfers	0	(170,799)	170,799	0	0	0	0	0
Balance at 30 June 2022	1,110,976	3,202,985	9,818,538	14,132,499	64,237	1,421,589	2,561	15,620,886
Comprises:								
Gross balance amount at 30 June 2022	1,110,976	3,202,985	9,818,538	14,132,499	127,781	2,205,775	2,561	16,468,616
Accumulated depreciation at 30 June 2022	0	0	0	0	(63,544)	(784,186)	0	(847,730)
Balance at 30 June 2022	1,110,976	3,202,985	9,818,538	14,132,499	64,237	1,421,589	2,561	15,620,886
Additions	0	54,293	233,603	287,896	6,406	127,683	18,150	440,135
Disposals	(25,000)	0	(128,334)	(153,334)	0	(112,641)	0	(265,975)
Depreciation	0	(75,411)	(212,812)	(288,223)	(14,431)	(78,589)	0	(381,243)
Transfers	0	0	2,561	2,561	0	0	(2,561)	0
Balance at 30 June 2023	1,085,976	3,181,867	9,713,556	13,981,399	56,212	1,358,042	18,150	15,413,803
Comprises:								
Gross balance amount at 30 June 2023	1,085,976	3,257,278	9,924,882	14,268,136	134,187	2,214,425	18,150	16,634,898
Accumulated depreciation at 30 June 2023	0	(75,411)	(211,326)	(286,737)	(77,975)	(856,383)	0	(1,221,095)
Balance at 30 June 2023	1,085,976	3,181,867	9,713,556	13,981,399	56,212	1,358,042	18,150	15,413,803

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land - freehold land	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2022	Price per hectare
Land - freehold land	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuers	June 2022	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2022	Price per square metre
Buildings - specialised	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuers	June 2022	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<p>Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.</p> <p>During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.</p>					
(ii) Cost					
Furniture and equipment		Cost	Cost		Purchase cost
Plant and equipment		Cost	Cost		Purchase cost

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - parks & oval	Infrastructure - Other	Work in progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	49,337,845	1,011,894	774,758	3,517,530	1,229	54,643,256
Additions	1,142,042	85,573	0	344,613	213,536	1,785,764
Depreciation	(1,323,272)	(35,650)	(31,646)	(102,873)	0	(1,493,441)
Transfers	0	0	166,500	(166,500)	0	0
Balance at 30 June 2022	49,156,615	1,061,817	909,612	3,592,770	214,765	54,935,579
Comprises:						
Gross balance at 30 June 2022	75,455,695	1,858,233	1,518,622	5,123,557	214,765	84,170,872
Accumulated depreciation at 30 June 2022	(26,299,080)	(796,416)	(609,010)	(1,530,787)	0	(29,235,293)
Balance at 30 June 2022	49,156,615	1,061,817	909,612	3,592,770	214,765	54,935,579
Additions	1,200,968	0	51,610	161,728	55,532	1,469,838
Revaluation increments / (decrements) transferred to revaluation surplus	17,959,646	(332,800)	162,706	(467,440)	0	17,322,112
Depreciation	(1,362,767)	(37,370)	(38,268)	(106,612)	0	(1,545,017)
Transfers	0	0	158,235	56,530	(214,765)	0
Balance at 30 June 2023	66,954,462	691,647	1,243,895	3,236,976	55,532	72,182,512
Comprises:						
Gross balance at 30 June 2023	98,092,687	1,309,711	2,121,826	5,271,457	55,532	106,851,213
Accumulated depreciation at 30 June 2023	(31,138,225)	(618,064)	(877,931)	(2,034,481)	0	(34,668,701)
Balance at 30 June 2023	66,954,462	691,647	1,243,895	3,236,976	55,532	72,182,512

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

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Management Valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Management Valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - park & oval	3	Cost approach using depreciated replacement cost	Management Valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - other	3	Cost approach using depreciated replacement cost	Management Valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

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

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset Class	Useful life
Buildings	13 to 71 years
Furniture and equipment	3 to 15 years
Plant and equipment	3 to 34 years
Land	Not depreciated
Road Subgrades/Formation	Not depreciated
Pavement Structure	16 to 120 years
Surface Structure	16 to 50 years
Other Infrastructure	17 to 59 years
Drainage	40 to 100 years
Footpath	30 to 90 years
Signs	10 to 28 years
Surface Water Channels	12 to 100 years
Right of use (furniture and equipment)	Based on the remaining lease

**SHIRE OF MUKINBUDIN
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FOR THE YEAR ENDED 30 JUNE 2023**

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

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

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

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

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

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

Revaluation

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

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

Revaluation (continued)

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

Depreciation

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

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

Depreciation on revaluation

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

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

Amortisation

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

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

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

Impairment

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

Gains or losses on disposal

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

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

11. LEASES

(a) Right-of-Use Assets

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

Note	Right-of-use assets - furniture & Equipment \$	Right-of-use assets Total \$
Balance at 1 July 2021	3,090	3,090
Depreciation	(3,090)	(3,090)
Balance at 30 June 2022	0	0
Gross balance amount at 30 June 2022	21,454	21,454
Accumulated depreciation at 30 June 2022	(21,454)	(21,454)
Balance at 30 June 2022	0	0

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

	2023 Actual \$	2022 Actual \$
Depreciation on right-of-use assets	0	(3,090)
Finance charge on lease liabilities	0	(44)
Total amount recognised in the statement of comprehensive income	0	(3,134)
Total cash outflow from leases	0	(3,332)

The Shire had 1 lease relating to computer equipment which was finalised in 2022. The lease term of the lease was 44 months with fixed lease payments. The measurement of lease liabilities did not include any future cash outflows associated with leases not yet commenced to which the

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 27(c).

Right-of-use assets - measurement

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

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

Right-of-use assets - depreciation

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

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

11. LEASES (Continued)

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

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

Less than 1 year
1 to 2 years
2 to 3 years
3 to 4 years
4 to 5 years
> 5 years

	2023 Actual	2022 Actual
	\$	\$
	161,520	157,230
	151,533	167,782
	159,684	157,296
	154,378	166,390
	147,908	161,625
	271,861	441,845
	1,046,884	1,252,168

The above figures are based on existing lease contracts. No assumptions are made with respect to extensions beyond the signed contract are included in the "Actual" figures. Periodic leases are excluded from the above figures.

Peppercorn Leases

The following Leases are excluded from the above.

- Parts of Lot 204 Bent Street are leased to 3 local businesses for business purposes at \$1 per year for 10 years.
- The majority of 204 Bent St. is leased to a community group on an annual basis for a lease fee to the current minimum rate for the purpose of cropping for fundraising.
- 9 White Street is leased for use as an early learning centre at \$0 per year for 5 years with a further term of 5 years
- The Mens Shed use at no charge a building on land leased from the Public Transport Authority.

The term of the lease quoted is the full term of the current arrangement.

SIGNIFICANT ACCOUNTING POLICIES

The Shire as Lessor

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

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

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

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

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

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued payroll liabilities
ATO liabilities
Bonds and deposits held
Accrued interest
Accrued expenditure
Income received in advance

	2023	2022
	\$	\$
	88,023	60,136
	21,592	16,556
	48,659	29,921
	31,612	28,167
	15,184	19,928
	6,901	8,707
	24,136	10,382
	16,220	36,300
	252,327	210,097

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 any 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 income for the prepaid rates that have not been refunded.

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

13. OTHER LIABILITIES

Current

Contract liabilities
 Capital grant/contributions liabilities

Reconciliation of changes in contract liabilities

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

The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$69,457 (2022: \$21,083)

The Shire expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 12 months.

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

Expected satisfaction of capital grant/contribution liabilities

Less than 1 year

	2023	2022
	\$	\$
Contract liabilities	69,457	21,083
Capital grant/contributions liabilities	63,731	223,332
	133,188	244,415
Opening balance	21,083	9,445
Additions	69,457	21,083
Revenue from contracts with customers included as a contract liability at the start of the period	(21,083)	(9,445)
	69,457	21,083
Opening balance	223,332	301,161
Additions	63,731	223,332
Revenue from capital grant/contributions held as a liability at the start of the period	(223,332)	(301,161)
	63,731	223,332
Less than 1 year	63,731	223,332
	63,731	223,332

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

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

14. BORROWINGS

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Long term Borrowings		111,441	956,508	1,067,949	171,328	1,067,949	1,239,277
Total secured borrowings	27(a)	111,441	956,508	1,067,949	171,328	1,067,949	1,239,277

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Mukinbudin. Other loans relate to transferred receivables. Refer to Note 5.

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

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

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

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

Risk

Details of individual borrowings required by regulations are provided at Note 27(a).

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

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2023	2022
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	118,911	105,039
Long service leave	66,465	42,886
	185,376	147,925
Employee related other provisions		
Employment on-costs	32,827	18,660
	32,827	18,660
Total current employee related provisions	218,203	166,585
Non-current provisions		
Employee benefit provisions		
Long service leave	42,721	46,181
	42,721	46,181
Employee related other provisions		
Employment on-costs	3,897	6,421
	3,897	6,421
Total non-current employee related provisions	46,618	52,602
Total employee related provisions	264,821	219,187

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

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

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

16. REVALUATION SURPLUS

	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance	2022 Opening Balance	Total Movement on Revaluation	2022 Closing Balance
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	600,210	0	600,210	505,900	94,310	600,210
Revaluation surplus - Buildings	6,356,750	0	6,356,750	5,243,351	1,113,399	6,356,750
Revaluation surplus - Plant and equipment	403,380	0	403,380	403,380	0	403,380
Revaluation surplus - Infrastructure - roads	13,795,995	17,959,646	31,755,641	13,795,995	0	13,795,995
Revaluation surplus - Infrastructure - footpaths	424,751	(332,800)	91,951	424,751	0	424,751
Revaluation surplus - Infrastructure - parks & oval	773,737	162,706	936,443	773,737	0	773,737
Revaluation surplus - Infrastructure - Other	2,477,181	(467,440)	2,009,741	2,477,181	0	2,477,181
	24,832,004	17,322,112	42,154,116	23,624,295	1,207,709	24,832,004

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

17. NOTES TO THE STATEMENT OF CASH FLOWS

	Note	2023 Actual \$	2022 Actual \$
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	654,218	315,971
- Financial assets at amortised cost	4	773,413	659,994
		1,427,631	975,965
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	28	1,279,259	711,622
Contract liabilities	13	69,457	21,083
Capital grant liabilities	13	63,731	223,332
Bonds and deposits held	12	15,184	19,928
Total restricted financial assets		1,427,631	975,965
18. UNDRAWN BORROWING FACILITIES AND CREDIT STANDBY ARRANGEMENTS			
Bank overdraft limit		250,000	250,000
Credit card limit		5,000	5,000
Credit card balance at balance date		(3,581)	(1,392)
Total amount of credit unused		251,419	253,608
Loan facilities			
Loan facilities - current		111,441	171,328
Loan facilities - non-current		956,508	1,067,949
Total facilities in use at balance date		1,067,949	1,239,277
Unused loan facilities at balance date		0	0

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

19. CONTINGENT LIABILITIES

In compliance with the Contaminated Sites Act 2003 Section 11, the Shire of Mukinbudin has identified the following sites to be possible sources of contamination:

Memorial M511078 ML, LOT 27057 ON PLAN 15987 4 as shown on certificate of title LR3148/900 in Mukinbudin WA 6479

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

20. CAPITAL COMMITMENTS

	2023	2022
	\$	\$
Contracted for:		
- capital expenditure projects	154,381	180,563
- plant & equipment purchases	319,240	0
	473,621	180,563
Payable:		
- not later than one year	473,621	180,563

The capital expenditure projects and plant and equipment outstanding at the end of the current reporting period represent capital improvements works on community amenities, new and renewal infrastructure roads and the purchase of a new truck.

The major ones being:

Truck purchase	319,240
Main St Public Toilets	85,498
Cemetery niche wall	37,091
Wheatbelt Secondary Freight Network Infrastructure Roads	23,306
Karomin Road Renewal Capital Works	8,486

The capital expenditure projects outstanding at the end of the previous reporting period represent capital improvements works on several buildings and new and renewal Infrastructure Other projects.

The major ones being:

Mukinbudin Sports Complex Building Improvements	64,061
Refurbishing and repainting the Swimming Pool Bowl	39,500
Continued work on the new Barbalin Pipeline installation	34,708

SHIRE OF MUKINBUDIN
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FOR THE YEAR ENDED 30 JUNE 2023

21. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

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

Note	2023 Actual	2023 Budget	2022 Actual
	\$	\$	\$
President's annual allowance	10,455	10,455	10,200
President's meeting attendance fees	3,752	3,752	3,660
President's annual allowance for ICT expenses	523	523	1,000
President's travel and accommodation expenses	200	500	219
	14,930	15,230	15,079
Deputy President's annual allowance	2,614	2,614	2,550
Deputy President's meeting attendance fees	3,752	3,752	5,656
Deputy President's annual allowance for ICT expenses	523	523	1,545
Deputy President's travel and accommodation expenses	1,502	1,450	1,365
	8,391	8,339	11,116
All other council member's meeting attendance fees	26,261	26,264	24,622
All other council member's annual allowance for ICT expenses	3,659	3,661	6,728
All other council member's travel and accommodation expenses	1,685	2,050	1,838
	31,605	31,975	33,188
21(b)	54,926	55,544	59,383

(b) Key Management Personnel (KMP) Compensation

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

Note	2023 Actual	2022 Actual
	\$	\$
Short-term employee benefits	472,817	551,348
Post-employment benefits	60,355	55,731
Employee - other long-term benefits	11,095	12,407
Employee - termination benefits	12,333	0
Council member costs	54,926	59,383
21(a)	611,526	678,869

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

21. RELATED PARTY TRANSACTIONS

Transactions with related parties

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

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

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

	2023 Actual	2022 Actual
	\$	\$
Sale of goods and services	8,166	17,563
Purchase of goods and services	136,242	305,181
Amounts outstanding from related parties:		
Trade and other receivables	400	0
Amounts payable to related parties:		
Trade and other payables	13,366	0

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 21(a) and 21(b)

ii. Other Related Parties

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

iii. Entities subject to significant influence by the Shire

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

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

22. JOINT ARRANGEMENTS

Share of joint operations

Medical Services

The Shire of Mukinbudin is in a joint arrangement with the Shires of Mount Marshall, Nungarin, and Trayning to provide medical services. The Shire of Mukinbudin has a 30% interest in this service which provides a doctor in Mukinbudin 1 day per week.

In May 2017 the joint arrangement purchased a motor vehicle valued at \$54,287 from surplus funds. The vehicle is registered to the Shire of Trayning.

	2023 Actual	2022 Actual
	\$	\$
Statement of Comprehensive Income		
Expenses	(34,737)	(37,119)
Profit/(loss) for the period	(34,737)	(37,119)
Other comprehensive income	0	0
Total comprehensive income for the period	(34,737)	(37,119)

**SHIRE OF MUKINBUDIN
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FOR THE YEAR ENDED 30 JUNE 2023**

22 JOINT ARRANGEMENTS

Share of joint operations (Continued)

Lot 27 (20) Maddock Street Aged Units 1 and 2

The Shire of Mukinbudin has participated in a joint arrangement with the Housing Authority for the construction of two 1 bedroom units on Lot 27 (20) Maddock Street, Mukinbudin. The two units have subsequently been converted to one 2 bedroom unit. The provision of this housing aims to provide accommodation for Seniors. The Shire of Mukinbudin has a 36.35% interest in the assets and liabilities of this joint arrangement. Council manages the operation of the joint arrangement under the auspices of the Housing Authority. All revenue and expenses of the joint arrangement are recognised in the relevant financial statements of Council.

	2023 Actual	2022 Actual
	\$	\$
Statement of Financial Position		
Buildings - Specialised (Level 3)	43,929	43,929
Less: accumulated depreciation	(905)	0
Total assets	43,024	43,929
Reserve funds		
- Opening balance	6,436	4,086
- Transfers to reserves	70	2,350
- Funds utilised	0	0
Total equity	6,506	6,436
Statement of Comprehensive Income		
Revenue	5,968	4,160
Expenses	(2,654)	(2,176)
Profit/(loss) for the period	3,314	1,984
Other comprehensive income	0	5,942
Total comprehensive income for the period	3,314	7,926

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

22 JOINT ARRANGEMENTS

Share of joint operations (Continued)

Lot 28 (18) and Part Lot 29 (16) Maddock Street Aged Units 3,4,5 and 6

The Shire of Mukinbudin has participated in a joint arrangement with the Housing Authority for the construction of two 1 bedroom and two 2 bedroom units on Lot 28 (18) and Part Lot 29 (16) Maddock Street, Mukinbudin. The provision of this housing aims to provide accommodation for Seniors. The Shire of Mukinbudin has a 16.85% interest in the assets and liabilities of this joint arrangement. Council manages the operation of the joint arrangement under the auspices of the Housing Authority . All revenue and expenses of the joint arrangement are recognised in the relevant financial statements of Council.

	2023 Actual	2022 Actual
	\$	\$
Statement of Financial Position		
Land - Freehold (Level 2)	5,476	5,476
Buildings - Specialised (Level 3)	57,684	57,684
Less: accumulated depreciation	(1,191)	0
Total assets	61,969	63,160
Reserve funds		
- Opening balance	7,059	4,482
- Transfers to reserves	78	2,577
- Funds utilised	0	0
Total equity	7,137	7,059
Statement of Comprehensive Income		
Revenue	15,310	16,884
Expenses	(6,825)	(11,811)
Profit/(loss) for the period	8,485	5,073
Other comprehensive income	0	(6,028)
Total comprehensive income for the period	8,485	(955)

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

22 JOINT ARRANGEMENTS

Share of joint operations (Continued)

Part Lot 29 (16) Maddock Street Aged Units 7 and 8

The Shire of Mukinbudin has participated in a joint arrangement with the Housing Authority for the construction of two 1 bedroom units on Part Lot 29 (16) Maddock Street, Mukinbudin. The provision of this housing aims to provide accommodation for Seniors. The Shire of Mukinbudin has a 21.00% interest in the assets and liabilities of this joint arrangement. Council manages the operation of the joint arrangement under the auspices of the Housing Authority . All revenue and expenses of the joint arrangement are recognised in the relevant financial statements of Council.

	2023 Actual	2022 Actual
	\$	\$
Statement of Financial Position		
Land - Freehold (Level 2)	2,205	2,205
Buildings - Specialised (Level 3)	31,273	31,273
Less: accumulated depreciation	(644)	0
Total assets	32,834	33,478
Reserve funds		
- Opening balance	7,294	4,631
- Transfers to reserves	80	2,663
- Funds utilised	0	0
Total equity	7,374	7,294
Statement of Comprehensive Income		
Revenue	11,457	10,388
Expenses	(2,879)	(3,707)
Profit/(loss) for the period	8,578	6,681
Other comprehensive income	0	720
Total comprehensive income for the period	8,578	7,401

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

22 JOINT ARRANGEMENTS

Share of joint operations (Continued)

Lot 25 (24) Maddock Street Aged Units 9 and 10

The Shire of Mukinbudin has participated in a joint arrangement with the Housing Authority for the construction of a two 2 bedroom units on Lot 25 (24) Maddock Street, Mukinbudin. The provision of this housing aims to provide accommodation for Seniors. The Shire of Mukinbudin has a 37.94% interest in the assets and liabilities of this joint arrangement. Council manages the operation of the joint arrangement under the auspices of the Housing Authority . All revenue and expenses of the joint arrangement are recognised in the relevant financial statements of Council.

	2023 Actual	2022 Actual
	\$	\$
Statement of Financial Position		
Land - Freehold (Level 2)	8,347	8,347
Buildings - Specialised (Level 3)	72,352	72,352
Less: accumulated depreciation	(1,490)	0
Total assets	79,209	80,699
Reserve funds		
- Opening balance	12,415	7,883
- Transfers to reserves	136	4,532
- Funds utilised	0	0
Total equity	12,551	12,415
Statement of Comprehensive Income		
Revenue	9,703	9,775
Expenses	(4,707)	(4,771)
Profit/(loss) for the period	4,996	5,004
Other comprehensive income	0	(2,604)
Total comprehensive income for the period	4,996	2,400

**SHIRE OF MUKINBUDIN
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FOR THE YEAR ENDED 30 JUNE 2023**

22 JOINT ARRANGEMENTS

Share of joint operations (Continued)

Lot 64 (12) White St and Lot 69 (6) Lansdell St

The Shire of Mukinbudin has participated in a joint arrangement with the Housing Authority for the construction of two 3 bedroom 1 bathroom houses on Lot 64 (12) White Street and Lot 69 (6) Lansdell Street, Mukinbudin. The provision of this housing aims to provide accommodation for families. The Shire of Mukinbudin has a 22.52% interest in the assets and liabilities of this joint arrangement. Council manages the operation of the joint arrangement under the auspices of the Housing Authority . All revenue and expenses of the joint arrangement are recognised in the relevant financial statements of Council.

	2023 Actual	2022 Actual
	\$	\$
Statement of Financial Position		
Land - Freehold (Level 2)	10,810	10,810
Buildings - Non-Specialised (Level 2)	93,064	73,582
Less: accumulated depreciation	(1,516)	0
Total assets	102,358	84,392
Reserve funds		
- Opening balance	2,685	0
- Transfers to reserves	30	2,685
- Funds utilised	0	0
Total equity	2,715	2,685
Statement of Comprehensive Income		
Revenue	18,560	11,731
Expenses	(19,083)	(15,471)
Profit/(loss) for the period	(523)	(3,740)
Other comprehensive income	0	(24,378)
Total comprehensive income for the period	(523)	(28,118)

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

22 JOINT ARRANGEMENTS

Share of joint operations (Continued)

Lot 8 (42) Cruickshank Road

The Shire of Mukinbudin has participated in a joint arrangement with the Housing Authority for the construction of two 1 bedroom and two 2 bedroom units on Lot 8 (42) Cruickshank Road, Mukinbudin. The provision of this housing aims to provide accommodation for Families & Singles. The Shire of Mukinbudin has a 19.03% interest in the assets and liabilities of this joint arrangement. Council manages the operation of the joint arrangement under the auspices of the Housing Authority . All revenue and expenses of the joint arrangement are recognised in the relevant financial statements of Council.

	2023 Actual	2022 Actual
	\$	\$
Statement of Financial Position		
Land - Freehold (Level 2)	5,138	5,138
Buildings - Non-Specialised (Level 2)	91,156	82,673
Less: accumulated depreciation	(1,706)	0
Total assets	94,588	87,811
Statement of Comprehensive Income		
Revenue	21,943	22,345
Expenses	(29,221)	(16,373)
Profit/(loss) for the period	(7,278)	5,972
Other comprehensive income	0	6,946
Total comprehensive income for the period	(7,278)	12,918

SIGNIFICANT ACCOUNTING POLICIES

Joint operations

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

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

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

23. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Shire does not have any subsequent events after balance sheet date.

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

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 report is presented.

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

Fair value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. 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 revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

25. RATING INFORMATION

(a) General Rates

RATE TYPE		Rate in	Number	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2021/22	
Rate Description	Basis of valuation	\$	of	Actual	Actual	Actual	Actual	Budget	Budget	Actual	
			Properties	Rateable	Rate	Interim	Total	Rate	Total	Total	
				Value*	Revenue	Rates	Revenue	Revenue	Revenue	Revenue	
				\$	\$	\$	\$	\$	\$	\$	
Residential	Gross rental valuation	0.184236	154	1,149,728	211,821	502	212,323	211,821	2,500	214,321	211,243
Vacant	Gross rental valuation	0.184236	1	16,000	2,948	767	3,715	2,948	0	2,948	3,789
Rural	Unimproved valuation	0.022313	214	54,537,000	1,216,884	0	1,216,884	1,216,884	0	1,216,884	1,056,236
Mining	Unimproved valuation	0.022313	0	0	0	0	0	0	0	0	0
Non-Rateable	Gross rental valuation	0.000000	108	147,905	0	(42,435)	(42,435)	0	0	0	0
Total general rates			477	55,850,633	1,431,653	(41,166)	1,390,487	1,431,653	2,500	1,434,153	1,271,268
Minimum payment											
		\$									
Residential	Gross rental valuation	440	18	13,624	7,920	0	7,920	7,920	0	7,920	7,920
Vacant	Gross rental valuation	440	7	2,273	3,080	0	3,080	3,080	0	3,080	2,640
Rural	Unimproved valuation	590	31	297,100	18,290	37,920	56,210	18,290	0	18,290	18,880
Mining	Unimproved valuation	590	13	87,896	7,670	3,430	11,100	7,670	0	7,670	6,539
Total minimum payments			69	400,893	36,960	41,350	78,310	36,960	0	36,960	35,979
Total general rates and minimum payments			546	56,251,526	1,468,613	184	1,468,797	1,468,613	2,500	1,471,113	1,307,247
Ex-gratia Rates											
Co-operative Bulk Handling (CBH) Tonnage		0.063633		282,550	17,980	0	17,980	17,996	0	17,996	17,996
Total amount raised from rates (excluding general rates)			0	282,550	17,980	0	17,980	17,996	0	17,996	17,996
Total Rates							1,486,777			1,489,109	1,325,243
Rate instalment interest							1,965			2,000	2,704
Rate overdue interest							2,755			3,200	2,224

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

*Rateable Value at time of raising of rate.

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

26. DETERMINATION OF SURPLUS OR DEFICIT

		2022/23	2021/22
		Budget	
		(30 June 2023	(30 June 2022
Note	2022/23 (30 June 2023 Carried Forward)	Carried Forward)	Carried Forward)
	\$	\$	\$
(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 Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
	(30,680)	(52,527)	(6,373)
	1,575	1,416	486
	(2,764)	0	(2,998)
	128,834	112,325	11,122
10(a)	1,926,260	1,955,950	1,775,162
Non-cash movements in non-current assets and liabilities:			
	(1,097)	0	0
	(5,984)	0	19,406
	0	0	20,614
Non-cash amounts excluded from operating activities			
	2,016,144	2,017,164	1,817,419
(b) Surplus or deficit after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
28	(1,279,259)	(774,406)	(711,622)
6	(27,000)	0	0
14	111,441	(1)	171,328
	145,309	145,150	143,734
Total adjustments to net current assets			
	(1,049,509)	(629,257)	(396,560)
Net current assets used in the Statement of Financial Activity			
	4,109,097	1,100,261	2,586,652
	(715,159)	(471,004)	(792,425)
	(1,049,509)	(629,257)	(396,560)
Surplus or deficit after imposition of general rates			
	2,344,429	0	1,397,667

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

27. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual							Budget			
		Principal at	New Loans	Principal	Principal at 30	New Loans	Principal	Principal at	Principal at 1	New Loans	Principal	Principal at
		1 July 2021	During 2021-22	Repayments	June 2022	During 2022-23	Repayments	30 June 2023	July 2022	During 2022-23	Repayments	30 June 2023
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Child Care Centre		182,529	0	(11,935)	170,594	0	(12,169)	158,425	170,594	0	(12,170)	158,424
8 Gimlett Way		202,114	0	(24,397)	177,717	0	(25,139)	152,578	177,717	0	(25,139)	152,578
GROH Houses		693,609	0	(45,352)	648,257	0	(46,244)	602,013	648,258	0	(46,245)	602,013
Mukinbudin Café		64,152	0	(9,370)	54,782	0	(9,863)	44,919	54,782	0	(9,863)	44,919
Caravan Park House, 22 Earl Drive		116,430	0	(7,223)	109,207	0	(7,335)	101,872	109,207	0	(7,335)	101,872
Vibe Roller MBL 1677		8,651	0	(8,651)	0	0	0	0	0	0	0	0
Skid Steer MBL 1724		23,363	0	(7,438)	15,925	0	(7,783)	8,142	15,925	0	(7,782)	8,143
Grader MBL 95		76,713	0	(37,827)	38,886	0	(38,886)	0	38,886	0	(38,886)	0
Roller MBL 811		41,741	0	(20,582)	21,159	0	(21,159)	0	21,158	0	(21,158)	0
Tractor MBL 244		8,116	0	(5,366)	2,750	0	(2,750)	0	2,750	0	(2,750)	0
Truck DAF Replacement		0	0	0	0	0	0	0	0	90,000	(4,595)	85,405
Total		1,417,418	0	(178,141)	1,239,277	0	(171,328)	1,067,949	1,239,277	90,000	(175,923)	1,153,354

Borrowing Finance Cost Payments

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year	Budget for	Actual for year
						ending 30 June 2023	year ending 30 June 2023	ending 30 June 2022
						\$	\$	\$
Child Care Centre		125	WATC*	1.96%	20/12/2034	(5,017)	(4,454)	(4,767)
8 Gimlett Way		124	WATC*	3.02%	15/09/2028	(6,649)	(6,327)	(7,025)
GROH Houses		126	WATC*	1.96%	20/12/2034	(19,066)	(16,928)	(18,114)
Mukinbudin Café		119	WATC*	5.19%	13/04/2027	(3,162)	(3,094)	(3,539)
Caravan Park House, 22 Earl Drive		127	WATC*	1.70%	10/09/2035	(2,718)	(2,394)	(2,523)
Vibe Roller MBL 1677		118	WATC*	5.09%	12/09/2021	0	0	(113)
Skid Steer MBL 1724		120	WATC*	4.57%	15/01/2024	(620)	(740)	(973)
Grader MBL 95		121	WATC*	2.78%	25/02/2023	(677)	(2,070)	(1,986)
Roller MBL 811		122	WATC*	2.78%	25/02/2023	(368)	(549)	(1,080)
Tractor MBL 244		123	WATC*	3.32%	2/12/2022	(55)	(62)	(271)
Truck DAF Replacement		128	WATC*	5.30%	Unknown	0	(2,243)	0
Total						(38,332)	(38,861)	(40,391)
Total Finance Cost Payments						(38,332)	(38,861)	(40,391)

* WA Treasury Corporation

SHIRE OF MUKINBUDIN
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FOR THE YEAR ENDED 30 JUNE 2023

27. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2022/23

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate %	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2023 Actual	2023 Budget	2023 Actual	2023 Budget		
Truck DAF Replacement	WATC*	Debenture	8	5.27%	\$ 0	\$ 90,000	\$ 0	\$ (90,000)	\$ 0	\$ 0
					0	90,000	0	(90,000)	0	0

* WA Treasury Corporation

(c) Lease Liabilities

Purpose	Note	Actual						Budget				
		Principal at 1 July 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	New Leases During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2022	New Leases During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023
Computer equipment		\$ 3,288	\$ 0	\$ (3,288)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Lease Liabilities	11(b)	3,288	0	(3,288)	0	0	0	0	0	0	0	0

Lease Finance Cost Payments

Purpose	Note	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022	Lease Term
Computer equipment		1	Wallis Computers	7.25%	25/10/2021	\$ 0	\$ 0	\$ (44)	44 months
Total Finance Cost Payments						0	0	(44)	

**SHIRE OF MUKINBUDIN
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FOR THE YEAR ENDED 30 JUNE 2023**

28. RESERVE ACCOUNTS	2023	2023	2023	2023	2023	2023	2023	2022	2022	2022	2022	
	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Actual	Actual	Actual	Actual	
	Opening	Transfer to	Transfer	Closing	Opening	Transfer to	Transfer	Opening	Transfer to	Transfer	Closing	
	Balance		(from)	Balance	Balance		(from)	Balance		(from)	Balance	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Restricted by council												
(a) Leave reserve	143,734	1,575	0	145,309	143,734	1,416	0	145,150	143,248	486	0	143,734
(b) Plant Reserve	127,500	143,471	0	270,971	127,500	31,280	0	158,780	127,500	0	0	127,500
(c) Building & Residential Land Reserve	212,262	49,239	(46,720)	214,781	212,262	2,130	(50,000)	164,392	85,141	127,121	0	212,262
(d) Senior Housing Reserve	33,203	364	0	33,567	33,204	360	0	33,564	14,519	68,193	(49,509)	33,203
(e) Swimming Pool Reserve	160,002	21,601	(39,700)	141,903	160,002	21,570	(45,000)	136,572	147,880	12,122	0	160,002
(f) Transport Infrastructure Reserve	32,236	175,353	0	207,589	32,236	360	0	32,596	11,763	20,473	0	32,236
(g) White St & Lansdell St JV Reserve	2,685	30	0	2,715	2,685	667	0	3,352	2,576	109	0	2,685
(h) Community Hub Reserve	0	100,773	0	100,773	0	100,000	0	100,000	(2,685)	2,685	0	0
(i) CRC Reserve	0	161,651	0	161,651	0	161,651	0	161,651	0	161,651	0	0
	711,622	654,057	(86,420)	1,279,259	711,623	157,783	(95,000)	774,406	529,942	231,189	(49,509)	711,622
	711,622	654,057	(86,420)	1,279,259	711,623	157,783	(95,000)	774,406	529,942	231,189	(49,509)	711,622

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

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

Name of reserve account	Purpose of the reserve account
Restricted by council	
(a) Leave reserve	To be used to fund annual and long service leave requirements.
(b) Plant Reserve	To be used for the renewal, upgrade or purchase of new or used mobile plant and vehicles.
(c) Building & Residential Land Reserve	To be used for the renewal, upgrade, replacement and new construction of new buildings and associated infrastructure, To assist finance of building loans, future expansion and land development, and proceeds from the sale of subdivision blocks.
(d) Senior Housing Reserve	To be used for the renewal, upgrade, replacement and new construction of additional Aged Units and their maintenance. The surplus/deficit after rent and maintenance has been carried out for the financial year is to be transferred into/from (if required) the reserve.
(e) Swimming Pool Reserve	To be used for the renewal, upgrade, replacement and new construction for the Swimming Pool and associated infrastructure. \$20,000 per year plus interest is to be transferred to this reserve.
(f) Transport Infrastructure Reserve	To fund Transport Infrastructure and associated drainage construction and maintenance works.
(g) White St & Lansdell St JV Reserve	To cover anticipated costs of periodic repairs and maintenance to the land and units.
(h) Community Hub Reserve	To fund the construction of facilities to establish and then operate a Community Hub.
(i) CRC Reserve	To fund Community Resource Centre Operational and Capital expenses.



Auditor General

INDEPENDENT AUDITOR'S REPORT 2023 Shire of Mukinbudin

To the Council of the Shire of Mukinbudin

Opinion

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

- the Statement of Financial Position as at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Statement of Financial Activity for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2023 and its financial position at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Basis for opinion

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

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

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2023, 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 (CEO) of the Shire is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act and, to the extent that they are not inconsistent with the Act, the 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 management 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 ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management 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 Mukinbudin for the year ended 30 June 2023 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.



Tim Sanya
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
18 December 2023



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