



ANNUAL REPORT

2020 - 2021



Shire of Williams

(08) 9885 1005

9 Brooking Street, Williams

www.williams.wa.gov.au

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Contents

About the Shire of Williams	4
Shire Presidents Report	5
Chief Executive's Report	6
Our Council	8
Elected Member Attendance	9
Community Plan Strategies and Outcomes	10
Economic	11
Social & Cultural	12
Land Use & Environment	14
Civic Leadership	16
Statutory Statements	17
Annual Financial Report	19
(Including Independent Auditor's Report - Final Page)	



The Shire of Williams

The Shire of Williams is a small rural community located within the Wheatbelt region of Western Australia. The Shire includes the localities of Boraning, Congelin, Culbin, Dardadine, Narrakine, Quindanning and Tarwonga. The economy is largely driven by the agricultural industry, tourism and agri-businesss related developments. Recent years has seen the diversification of the economy into increasing tourism related businesses and service industries, as well as businesses that support the agricultural endeavours of the region that include cropping, livestock, hay processing and grain pellet production.

Williams is conveniently located along the Albany Highway and is a popular and pleasant stopping place for travelers between Perth and the Great Southern. Boasting various successful café outlets, three service stations and a hotel, Williams is a welcoming rest stop for all who pass through.

Williams welcomes all tourist and visitors as well as new residents to the town.

Statistics



1,015

People living in the Shire of Williams



2295

Area in sq km.



230 km

Length of sealed roads in the Shire of Williams



332 km

Length of unsealed roads in the Shire of Williams



459

Dwellings in the Shire of Williams



\$1,966,778
Revenue from Rates (2020/21)



\$3,792,439
Operating Revenue (2020/21)



9

Councillors



21

Employees (FTE's)



660

Electors

Presidents Report

The last 2 years have been interesting times for Williams. The replacement bridge project and the effects of COVID19, causing many of our businesses to experience financial strain. I'm pleased that in the 2020-2021 year, the community bounced back and was again thriving. The worldwide effects of COVID19 still lingers, however with international travel being restricted, the Williams community reaped the benefits of the additional domestic travel.

The tables started slowly turning with COVID19, and suddenly there was funding available to assist the communities to return back on their feet. In January 2020, Williams received funding from the Australia Day Council to hold an event like never before. Cullen Park was filled with local food stalls with fun activities for the kids including a live band. The Community thoroughly enjoyed the free event and the Shire did it's best to include as many local businesses in the catering / organising process as possible to ensure the funds remained in the community.

During this time, the Shire was thrilled to introduce one of Jordan Sprigg's pieces of art, "the Eagle" to the Shires inventory. With a large donation from a local benefactor, the Shire was able to purchase the Eagle. The Eagle is located in the Lions park for everyone to admire.

Over the years, the Friends of the Medical Centre volunteered their time to operate the Driver Reviver on long weekends. This was both a great initiative to raise funds for equipment for the Medical Centre as well as providing a road safety message at the same time. After several years of service the Friends of the Medical Centre decided to hand over the reigns of the Driver Reviver and the Shire made the decision that it would step in and take over. The continuation of the Driver Reviver allowed for the Shire to apply for funding to upgrade the Lions Park overflow carpark. This Funding application was successful and the upgrade will begin in September.

This report outlines some of the key achievements of the past year as well as highlighting the resilience, togetherness and positivity of the Council and the Community. I would like to extend sincere thanks to my fellow Councillors. Your support and guidance over the year has been appreciated. The Shire staff for their enthusiasm and hard work during the year. Your excellent effort to address all of the challenges, which come our way, continue to make Williams a great place to live, work, play and invest. To the residents and ratepayers, thank you for making our community a great place to live. I would like to acknowledge the efforts of the many individuals and groups who work together as a community, your hard work and dedication does not go unnoticed.

Among those that live here , Williams is known for its passion, its spirit and more than anything its people. As always, it is a great privilege for me to be a part of the Williams community, I am so proud to call our little town home.

Jarrad Wayne Logie

Chief Executive Officer's Report

It is my pleasure to present this report as Chief Executive Officer of the Shire of Williams for the year ending 30 June 2021.

A continued focus for the Shire Administration is implementing the recommendations of Council which closely align with the strategies contained in the Shire of Williams Strategic Community Plan 2017-2032. This document was reviewed internally and is due for a full review in the next financial year. It is pleasing to note that many of the strategies have been completed in the first four years of the life of this document.

Several key initiatives aligned to the Plan were completed during the year, including:

- A new stimulus package was announced by the Commonwealth Government as part of its response to the COVID-19 pandemic. The Local Roads and Community Infrastructure Program directed funding to local government for infrastructure projects. During the year the first allocation of this funding was used to upgrade Marradong Road and support the Brooking Street reconstruction project. Smaller amounts were also allocated to townscape improvements in Brooking Street and the Town Hall Park.



Asphalt installation on Brooking Street



Williams Men's Shed Headquarters Under Construction

- The long-awaited Williams Men's Shed Headquarters project commenced on the corner of Brooking Street and the Narrogin Road. This site is leased from the Public Transport Authority by CBH. These agencies agreed to the excision of a small portion of land to build the new home for the Men's Shed. The project will be completed in the 2021/22 financial year. Funds to construct the shed have come from the Shire, the Williams Men's Shed and the Commonwealth Government's Stronger Community Programme.
- The refurbishing of the single bedroom units on New Street concluded. This had been an ongoing project over several years. All the units now have new kitchens, refurbished bathrooms, and new floorcoverings and window treatments throughout. The units provide an important rental option in Williams at a time when accommodation is scarce.



New Street Unit Refurbishment

- A funding opportunity became available during the year with the Department of Fire & Emergency Services being allocated \$2m by the WA State Government to stimulate economic activity in the regions and provide water tanks to support bush fire response throughout the State as part of the WA Recovery Plan. The Shire was successful with a grant under this programme and used it to engage local businesses to install a water tank and pump infrastructure at the Glenfield Fire Shed.



90kl Water Tank and Pump at Glenfield Fire Shed

The Willi Wag Tails Child Care Service has gone from strength to strength with increasing numbers of families using the service. From a time when hours were limited, due to small numbers, the service is now flat out keeping up with the demand. This high-quality service is being recognised and it is a credit to our Manager of Children's Services, Sharon Palumbo, and her enthusiastic staff for their hard work in looking after the childcare needs of our district. The other childcare service provided by the Shire is the Service Provider for family childcare educators operating in various locations in the Wheatbelt and as far away as Broome. The Shire works closely with the Williams Community Resource Centre, which operates the Shire's library service and more widely offers supports to the residents of Williams, with a focus on our younger and older age groups. Thanks go to Hazel Harris and her team for their dedication in delivering these key services and offering our residents such a welcoming community space.

The total number of full-time equivalent employees remained steady during the year. Kim Walsh left us to further her career in local government administration in Perth. Cassie Barker joined the Administration Team, bringing valuable experience in the industry. Trevor Palframan reduced his hours in the building maintenance role, and we welcomed David Read who has taken on these duties.

In conclusion, I would like to thank the Shire President, Jarrad Logie and the Councillors for their support.

Thank you also to all the employees of the Shire who help me in my role and work hard to maintain a high standard of service to our community.

Finally, I would like to express my appreciation to the residents and ratepayers of Williams, for their keen interest and involvement in the wellbeing of their community.

Geoff McKeown
Chief Executive Officer

Our Council

The Shire of Williams has nine (9) elected councillors including a Council elected President. Councillors serve a 4 year term, with Local Government elections held every 2 years. There were no elections held in 2020-2021



Cr JW (Jarrad) Logie
President
Elected 2009, Retiring 2021
Born in Australia in 1982



Cr NA (Natalie) Major
Deputy President
Elected 2009, Retiring 2023
Born in Australia in 1966



Cr AA (Alex) Watt
Councillor
Elected 2017, Retiring 2021
Born in Australia in 1965



Cr BH (Bernie) Panizza
Councillor
Elected 2020, Retiring 2023
Born in Australia in 1967



Cr GH (Gilbert) Medlen
Councillor
Elected 2007, Retiring 2023
Born in Australia in 1955



Cr M (Moya) Carne
Councillor
Elected 2003, Retiring 2023
Born in Australia in 1945



Cr TA (Tracey) Price
Councillor
Elected 2019, Retiring 2023
Born in Australia in 1981



Cr SG (Simon) Harding
Councillor
Elected 2017, Retiring 2021
Born in Australia in 1968



Cr RD (Bob) Baker
Councillor
Elected 2017, Retiring 2021
Born in Australia in 1942

Elected Member Attendance

2020/2021

Council meets on the third (3rd) Wednesday of each month (with the exception of no meeting in January).

The Electors Annual General Meeting was held on the 18 December 2020, at which all elected members at the time were in attendance.

	Audit Committee Meeting 16/12/20	Jul 20	Aug20	Sep20	Oct20	Nov20	Dec20	Feb21	Mar21	Apr21	May21	Jun21
Cr Jarrad Logie	Apology	●	●	●	●	●	●	●	●	●	●	●
Cr Natalie Major		●	●	●	●	Apology	●	●	●	●	●	●
Cr Alex Watts		●	●	●	●	●	●	●	Apology	●	●	Apology
Cr Bernie Panizza	●	●	●	●	●	●	●	●	●	Apology	●	●
Cr Gilbert Medlen	●	●	●	Apology	●	Apology	Apology	●	●	Apology	●	●
Cr Moya Carne		●	●	●	●	●	●	●	●	●	●	●
Cr Tracey Price		●	●	●	●	●	●	●	●	●	●	●
Cr Simon Harding	●	●	Apology	●	●	●	●	●	●	●	●	●
Cr Bob Baker		●	●	Leave of Absence	Apology	●	●	●	●	●	●	●



Community Plan Strategies and Outcomes

The Shire of Williams completed its comprehensive desktop review of the Strategic Community Plan 2017 to 2032 in April 2020, with a full review scheduled for 2021/2022. The Corporate Business Plan along with its informing Strategies was adopted by Council in June 2020.

The Strategic Community plan reflects a vision for the future and is the principal strategic guide for future planning and activities going forward.

The Strategic Plan is divided into four areas, Economic, Social & Cultural, Land Use & Environment, and Civic Leadership. The Strategic Plan identifies the community's desired goals and outcomes for each area, along with performance measures, it enables the community to have their say in shaping the future of the community and in identifying issues and solutions.

The following pages summarise our progress during the 2020/2021 financial year towards achieving the actions, initiatives and priorities identified in each outcome.

Our Vision

Williams is an independent, growing and vibrant community, achieved by maintaining a balanced and caring approach to its people, economy and environment

Our Values

- *Community connectedness and great lifestyle*
 - *Friendly people*
 - *Safety*
 - *Ideal Location (proximity to regional centres and metropolitan area)*
 - *Relevant and well maintained facilities*
 - *Recognition of the need to care for the environment in a balanced approach*
 - *Effective communication and cooperation*
- 
- A decorative image of yellow flowers on a branch, positioned in the bottom right corner of the page. The flowers are in various stages of bloom, with some fully open and others as buds. The background is a solid blue color.

Economic

To support industry and business development through the development of sustainable infrastructure and investment opportunities.



Outcome 1. Develop infrastructure and investment that is suitable and an ongoing legacy to the Shire

The year 2020/2021 was a year for recovery. With the worldwide impacts of COVID19, the Federal government released LRCI (Local Roads & Community Infrastructure) Funding. This funding was welcomed and the Shire was able to begin projects that were scheduled for future years.

The funding was distributed throughout the Shire and a section of Brooking Street underwent a reconstruction; this included installation of subsurface drainage and stabilising of pavement layers to prevent future pavement damage. A section of Marradong Road also underwent a reconstruction to repair areas damaged by the frequent use of heavy vehicles.

The Shire continues close collaboration with the community, maximising opportunities via the Shire Website, Social Media and Local Community Newspapers.

The Willi Wag Tails Family Daycare expanded its reach and 3 additional Family Day Care Educators were assigned from Wyalkatchem, Bencubbin & Beacon. This is a fantastic support network for families throughout the Wheatbelt.



Outcome 2. To have appropriate levels of housing to cater for population retention and growth.

Current levels of accommodation meet the current demand. All of the Shire housing is occupied. Plans for future community housing is under consideration and is included in the long term financial planning.

The final refurbishment of the single units was completed. The four single persons units are occupied

Social + Cultural

To be a safe and welcoming community where everyone is valued and has the opportunity to contribute and belong.



Outcome 1. To provide community infrastructure and facilities that meet the needs of the population.

The Shire prides themselves in it's community spirit and welcoming nature. The Shire is actively engaged with the community via social media, community surveys and local community newspapers. The Shire welcomes feedback and acts accordingly to ensure that the issues raised are dealt with in a timely manner.

Williams is a very sport oriented town. The Shire takes pride in the sporting facilities that it provides and ensures regular maintenance and upgrades to the sporting areas. The Hockey field underwent works to improve the drainage on the field, this drainage reduced the amount of water that was previously laying on the field, making the ground safer for sporting activities.

Providing support to the Volunteer Bushfire Brigades is a high priority for the Shire of Williams. With the assistance from DFES funding, the Shire was able to build a water tank to the Glenfield Fire Brigade Shed. This is a great addition, with a pump attached, it is another option for water within the community.

The Shire of Williams worked together with the Williams Men's Shed to build a new Men's Shed Facility. This facility will provide opportunities to support Men's health and wellbeing.



Social & Cultural



Outcome 2. To support a safe and healthy community with a strong sense of community pride.

The Shire of Williams continued the support of Local businesses throughout the Covid Pandemic. The Shire provided a one off Covid Relief Payment to local businesses to assist in the recovery of the Covid Effects. The Shire and the Community Resource Centre continued to work together to provide support for the seniors within the community.

The Shire continues to offer events for the community under the "live local love local" initiative. These events raise money, which will then be released back to the community under Community Chest Funding.



Outcome 3. To recognise the vibrant history of the Shire, its rich and varied cultural heritage, and its natural environment is valued, respected, promoted and celebrated.

The Shire of Williams works in partnership with HWEDA. Together with Boddington and Wandering, a Self-Drive Trail was established to showcase the exquisite areas between these three towns. The trail encourages tourists to travel inland and experience adventures around the towns of Williams, Wandering and Boddington.

The Shire encourages and supports any Historical groups or committee and will endeavour to work together to advocate and support initiatives that develop and celebrate the cultural heritage of the Shire.

Land Use & Environment

To have a balanced respect for our natural assets and built environment, retaining our lifestyle values and community spirit.



Outcome 1. To enhance, promote, rehabilitate and leverage the natural environment so it continues to be an asset to the community.

The Shire works closely with DFES on bush fire risk mitigation to maintain areas with high fire risk. In 2019, the Shire received funding to create clear pathways through the reserve around the refuse site and cemetery to minimise bush fire risk. The Shire continues to monitor private property for fire hazards and does a fire inspection each year prior to the summer months. This is to ensure that the Fire Danger risk is minimised in the Williams townsite.

The Shire continues to map flood prone areas and planning to mitigate or address these to ensure that valuable assets, whether public or private, are not adversely impacted. The Shire has been working with PHCC on a Hotham-Williams River restoration action plan. This will ensure the best possible outcome to minimise the spread of weeds and minimise river bank erosion.

Effective, safe and appropriate mosquito management was discussed at a Council Meeting, with the community wanting reassurance that the current mitigation methods are the most effective management tool. During the summer months the mosquitoes are fogged to ensure numbers are kept minimal. There is a mosquito register for those wanting to be notified in advance of the fogging. The Shire of Williams employs contractors to undertake road side spraying to ensure weed management measures are completed.

Outcome 2. Natural assets and public open spaces are accessible, well utilised and managed.

The Shire of Williams values highly both its natural and built environments. The community recognises that there is a need to balance the two.

The Shire ensures that it maintains public open space areas, balancing open space provision with the need to establish recreational areas including playgrounds, BBQs, amenities and family friendly facilities. The Shire's road network is seen as a high priority given the extensive network that the Shire is responsible for maintaining and the high usage of much of the network, particularly seasonally.

Land Use + Environment

Outcome 3. Recognising and implementing sustainability measures.

The Shire of Williams regularly undertakes energy audits and investigates alternative energy solutions for Shire owned facilities. Currently the Shire Office, Recreational Area, CRC and the Childcare Centre all have Solar Power fitted. The Recreational Ground and Hockey Field use treated waste water instead of scheme water and the Shire is investigating programs to reduce reliance on scheme water.

The Shire of Williams supports and advocates for a regional waste approach to waste management including transfer stations, recycling and waste education.



Outcome 4. To have a safe and well maintained transport networks that supports the local economy.

The Shire of Williams strives for high quality, well constructed and maintained local road network. To ensure that this is achieved, the road condition is assessed regularly as part of the Asset Management Plan. The Shire's road network is seen as high priority, given the extensive network that the Shire is responsible for maintaining, and the high usage of much of the network, particularly seasonally

Civic Leadership

Strong civic leadership representing the whole of the Shire which engages in effective partnerships and reflects the aspirations of an engaged community.



Outcome 1. The Shire is efficient in its operation; actively listens to the community and anticipates and responds to community needs.

The Shire prides itself on being community minded. Through active collaboration and networking, a delegate from the Shire attends as many community consultation forums.

The Shire regularly produces newsletters and community surveys to keep up with the communities wants and demands. The Shire values the communities feedback on all matters.

Outcome 2. The revenue needs of the Shire are managed in an equitable, proactive and sustainable manner.

The community want to ensure that their priorities for the development of our town are as high as Council's priorities, and that they are aligned with each other. It is important to recognise that aspirations will almost always be greater than the resources available to implement them. The balance, therefore, is in the delivery of the community's aspirations in a timely manner without placing significant and unnecessary financial pressures on the organisation, and therefore ratepayers.

Outcome 3. Effective collaboration and shared services with other relevant Local, State and Federal Government agencies, industry and community organisations.

The Shire of Williams actively participates in, and collaborates with, the 4WDL VROC organisation of local governments on resource sharing opportunities. This alliance allows the relationship between local governments to develop strategic alliances amongst the members. The Shire strongly encourages community groups, businesses and the wider community to equally contribute to the improvement of the community through strong, well developed and well initiated projects that strive to make a difference in the way we live, work, play and invest.

Outcome 4. A strategically focused, unified Council functioning effectively ensuring compliance within the regulatory framework.

Community service is an area that the Shire strives to excel in. Ensuring that the Shire administration area is inviting, welcoming and addresses the disability access needs where appropriate, is essential.

The implementation of the Integrated Planning and Reporting Framework documentation, including the Corporate Business Plan, Asset Management Plan, Workforce Plan and Forward Capital Works Plan were all completed in 2020.

Statutory Statements

Report on Disability and Access and Inclusion Plan



The Shire of Williams is committed to ensuring that the community is accessible for and inclusive of people with disabilities, their families and carers.

The Shire of Williams interprets an accessible and inclusive community as one in which all council functions, facilities and services (both in-house and contracted) are open, available and accessible to people with disabilities, providing them with the same opportunities, rights and responsibilities as other people in the community.

The 2020-2025 DIAP is available for viewing on the Shire of Williams Website www.williams.wa.gov.au.

The yearly review was completed in May 2020 in accordance with legislation.

Key Disability Access and Inclusion Plan achievements for 2018-2019 include:

- The resurfacing of the Lions Park Carpark, ACROD parking bays were provided where needed and identified.
- Adoption of the Shire of Williams DAIP 2020 – 2025
- Training provided for the newly elected members on Council.
- Review of the Childcare centre policies and handbooks to include interpreter options.
- Completion of pathway on the North end of town to complete circuit to Businesses.



Equal Opportunity

The Shire of Williams is committed to providing a workplace where every individual is treated with respect in an environment free from discrimination and harassment. The Shire recently reviewed its obligations under the Equal Opportunity Act 1984.

National Competition Policy

The Competition Principles Agreement (CPA) is a contractual agreement between Federal Government and all States and Territory Governments. The CPA aims to ensure that all public enterprises operate in a transparent manner in the best interests of the public. Under the CPA, public enterprises are required to review their operations to ensure that they have no competitive advantage or disadvantages as a result of their public status.

Competitive Neutrality (under the CPA)

During the financial year the Shire met its obligations under the National Competition Policy, competitive neutrality addresses potential advantages and disadvantages that public enterprises may have compared to businesses operating within the private sector. Local Government is only required to implement these principles to the extent that the benefits to be realised from implementation far outweigh the costs in respect of individual activities exceeding \$500,000 in income. The Shire of Williams did not have any major undertakings reportable under CPA in the 2020/21 Financial Year.

Complaints of Minor Breaches

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

No. of complaints 2020/21

Nil

Outcome

Action taken

Report on record keeping plan

As required under the State Records Act 2000 the Shire updated the Recordkeeping Plan in December 2016. This was approved by the State Records Commission in October 2017. The Plan is required to be reviewed within five (5) years of its approval date, making it due October 2022.

Freedom of Information

The freedom of information statement was reviewed and is available on the Shire of Williams website www.williams.wa.gov.au

The information statement contains information on the type of documents available to the public and how to access those documents. During the 2019/20 year, there were no requests received.

Employees Remuneration

The Local Government (Administration) Regulation 19B requires the annual report to contain details of the number of employees of the local government entitled to an annual salary of \$100,000 or more in bands of \$10,000 for each such band over \$100,000.

Salary Range	2021	2020	2019
\$100,000 - \$110,000	0	0	0
\$110,000 - \$120,000	0	0	0
\$120,000 - \$130,000	0	0	0
\$130,000 - \$140,000	1	1	1

Annual Financial Report
including Independent Auditor's Report - final page

For the year ending
30 June 2021



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

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Index of Notes to the Financial Report	9
Independent Auditor's Report	49

COMMUNITY VISION

Williams is an independent, growing and vibrant community, achieved by maintaining a balanced and caring approach to its people, economy and environment.

Principal place of business:
9 Brooking Street
Williams WA 6391



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

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the 17TH day of NOVEMBER 2021



GEOFF McKEOWN
Chief Executive Officer

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	21(a)	1,966,778	1,966,047	1,924,117
Operating grants, subsidies and contributions	2(a)	750,270	445,698	794,053
Fees and charges	2(a)	994,228	851,142	852,675
Interest earnings	2(a)	16,010	17,579	34,599
Other revenue	2(a)	65,153	59,100	77,934
		<u>3,792,439</u>	<u>3,339,566</u>	<u>3,683,378</u>
Expenses				
Employee costs		(1,654,940)	(1,638,795)	(1,611,677)
Materials and contracts		(620,087)	(666,565)	(625,548)
Utility charges		(223,364)	(201,800)	(202,921)
Depreciation on non-current assets	10(b)	(1,275,304)	(1,267,984)	(1,274,811)
Interest expenses	2(b)	(28,031)	(28,490)	(31,566)
Insurance expenses		(124,159)	(122,976)	(114,472)
Other expenditure	2(b)	(21,898)	(15,750)	(18,178)
		<u>(3,947,783)</u>	<u>(3,942,360)</u>	<u>(3,879,173)</u>
		(155,344)	(602,794)	(195,795)
Non-operating grants, subsidies and contributions	2(a)	706,323	805,568	519,082
Profit on asset disposals	10(a)	17,273	0	47,200
(Loss) on asset disposals	10(a)	(2,000)	0	(8,803)
Fair value adjustments to financial assets at fair value through profit or loss		1,940	0	865
Reversal of prior year loss on revaluation of furniture and equipment	8(a)	0	0	985
		<u>723,536</u>	<u>805,568</u>	<u>559,329</u>
Net result for the period		<u>568,192</u>	<u>202,774</u>	<u>363,534</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	0	0	(343,146)
Total other comprehensive income for the period		<u>0</u>		<u>(343,146)</u>
Total comprehensive income for the period		<u>568,192</u>	<u>202,774</u>	<u>20,388</u>

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



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
	2(a)			
Governance		20,449	501	1,917
General purpose funding		2,490,633	2,208,618	2,502,997
Law, order, public safety		46,835	30,905	67,214
Health		773	400	300
Education and welfare		399,328	332,801	273,834
Housing		240,583	243,611	242,274
Community amenities		200,184	187,183	192,325
Recreation and culture		50,486	44,473	42,773
Transport		104,990	111,690	96,578
Economic services		152,587	115,154	147,200
Other property and services		85,591	64,230	115,966
		<u>3,792,439</u>	<u>3,339,566</u>	<u>3,683,378</u>
Expenses				
	2(b)			
Governance		(181,598)	(185,921)	(201,659)
General purpose funding		(89,370)	(90,051)	(83,005)
Law, order, public safety		(111,696)	(107,247)	(90,406)
Health		(52,812)	(61,302)	(55,314)
Education and welfare		(374,592)	(353,525)	(303,313)
Housing		(185,345)	(194,893)	(155,572)
Community amenities		(307,592)	(295,076)	(270,933)
Recreation and culture		(807,631)	(766,276)	(766,009)
Transport		(1,477,095)	(1,596,619)	(1,541,517)
Economic services		(169,229)	(165,564)	(137,113)
Other property and services		(162,792)	(97,396)	(242,766)
		<u>(3,919,752)</u>	<u>(3,913,870)</u>	<u>(3,847,607)</u>
Finance Costs				
	2(b)			
Recreation and culture		(3,721)	(3,749)	(4,018)
Transport		(1,545)	(1,748)	(2,887)
Economic services		(11,312)	(11,412)	(12,461)
Other property and services		(11,453)	(11,581)	(12,200)
		<u>(28,031)</u>	<u>(28,490)</u>	<u>(31,566)</u>
		<u>(155,344)</u>	<u>(602,794)</u>	<u>(195,795)</u>
Non-operating grants, subsidies and contributions	2(a)	706,323	805,568	519,082
Profit on disposal of assets	10(a)	17,273	0	47,200
(Loss) on disposal of assets	10(a)	(2,000)	0	(8,803)
Fair value adjustments to financial assets at fair value through profit or loss		1,940	0	865
Reversal of prior year loss on revaluation of furniture and equipment	8(a)	0	0	985
		<u>723,536</u>	<u>805,568</u>	<u>559,329</u>
Net result for the period		<u>568,192</u>	<u>202,774</u>	<u>363,534</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	0	0	(343,146)
Total other comprehensive income for the period		<u>0</u>	<u>0</u>	<u>(343,146)</u>
Total comprehensive income for the period		<u>568,192</u>	<u>202,774</u>	<u>20,388</u>

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



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

	NOTE	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	3	1,609,509	1,618,929
Trade and other receivables	6	189,674	102,688
Other financial assets	5(a)	107,023	15,966
Inventories	7	22,190	27,564
TOTAL CURRENT ASSETS		1,928,396	1,765,147
NON-CURRENT ASSETS			
Other financial assets	5(b)	55,356	160,439
Property, plant and equipment	8	17,239,394	16,959,109
Infrastructure	9	62,658,116	62,318,848
TOTAL NON-CURRENT ASSETS		79,952,866	79,438,396
TOTAL ASSETS		81,881,262	81,203,543
CURRENT LIABILITIES			
Trade and other payables	12	261,121	212,616
Other liabilities	13	122,634	48,870
Borrowings	14(a)	195,514	102,462
Employee related provisions	15	341,041	356,517
TOTAL CURRENT LIABILITIES		920,310	720,465
NON-CURRENT LIABILITIES			
Borrowings	14(a)	504,908	600,422
Employee related provisions	15	16,306	11,109
TOTAL NON-CURRENT LIABILITIES		521,214	611,531
TOTAL LIABILITIES		1,441,524	1,331,996
NET ASSETS		80,439,738	79,871,547
EQUITY			
Retained surplus		21,110,977	20,525,041
Reserves - cash backed	4	747,113	764,857
Revaluation surplus	11	58,581,648	58,581,648
TOTAL EQUITY		80,439,738	79,871,547

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



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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019		19,967,598	958,766	58,924,794	79,851,158
Comprehensive income					
Net result for the period		363,534	0	0	363,534
Other comprehensive income	11	0	0	(343,146)	(343,146)
Total comprehensive income		363,534	0	(343,146)	20,388
Transfers from reserves	4	312,641	(312,641)	0	0
Transfers to reserves	4	(118,732)	118,732	0	0
Balance as at 30 June 2020		20,525,041	764,857	58,581,648	79,871,546
Restated balance at 1 July 2020		20,525,041	764,857	58,581,648	79,871,546
Comprehensive income					
Net result for the period		568,192	0	0	568,192
Total comprehensive income		568,192	0	0	568,192
Transfers from reserves	4	107,007	(107,007)	0	0
Transfers to reserves	4	(89,263)	89,263	0	0
Balance as at 30 June 2021		21,110,977	747,113	58,581,648	80,439,738

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



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,974,957	1,961,047	1,943,184
Operating grants, subsidies and contributions		645,632	396,828	1,037,584
Fees and charges		993,959	851,142	852,675
Interest received		16,010	17,579	34,599
Goods and services tax received		168,840	108,623	163,540
Other revenue		65,153	59,100	77,934
		3,864,551	3,394,319	4,109,516
Payments				
Employee costs		(1,649,305)	(1,667,552)	(1,592,233)
Materials and contracts		(580,717)	(434,742)	(566,960)
Utility charges		(223,364)	(201,800)	(202,921)
Interest expenses		(28,031)	(28,990)	(31,566)
Insurance paid		(124,159)	(122,976)	(114,472)
Goods and services tax paid		(168,840)	(265,541)	(163,540)
Other expenditure		(21,898)	(15,750)	(18,178)
		(2,796,314)	(2,737,351)	(2,689,870)
Net cash provided by (used in) operating activities	16	1,068,237	656,968	1,419,646
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	8(a)	(693,113)	(809,387)	(758,117)
Payments for construction of infrastructure	9(a)	(1,253,744)	(1,273,370)	(1,094,299)
Non-operating grants, subsidies and contributions	2(a)	788,423	720,553	519,082
Proceeds from financial assets at amortised cost - self supporting loans	14(b)	15,966	15,966	15,475
Proceeds from sale of property, plant & equipment	10(a)	67,273	52,000	121,571
Net cash provided by (used in) investment activities		(1,075,195)	(1,294,238)	(1,196,288)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	14(b)	(102,462)	(102,462)	(112,942)
Proceeds from new borrowings	14(b)	100,000	100,000	0
Net cash provided by (used in) financing activities		(2,462)	(2,462)	(112,942)
Net increase (decrease) in cash held		(9,420)	(639,732)	110,416
Cash at beginning of year		1,618,929	1,637,335	1,508,513
Cash and cash equivalents at the end of the year	16	1,609,509	997,603	1,618,929

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



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	22 (b)	386,912	392,035	422,661
		386,912	392,035	422,661
Revenue from operating activities (excluding rates)				
Governance		22,389	501	2,782
General purpose funding		560,224	278,940	613,209
Law, order, public safety		46,835	30,905	67,214
Health		773	400	300
Education and welfare		399,328	332,801	273,834
Housing		240,583	243,611	242,274
Community amenities		200,184	187,183	192,325
Recreation and culture		50,486	44,473	42,773
Transport		122,263	111,690	129,734
Economic services		152,587	115,154	147,200
Other property and services		85,591	64,230	130,010
		1,881,243	1,409,888	1,841,655
Expenditure from operating activities				
Governance		(181,598)	(185,921)	(201,659)
General purpose funding		(89,370)	(90,051)	(83,005)
Law, order, public safety		(111,696)	(107,247)	(90,406)
Health		(52,812)	(61,302)	(55,314)
Education and welfare		(374,592)	(353,525)	(303,313)
Housing		(185,345)	(194,893)	(155,572)
Community amenities		(307,592)	(295,076)	(270,933)
Recreation and culture		(811,352)	(770,025)	(774,929)
Transport		(1,480,640)	(1,598,367)	(1,547,284)
Economic services		(180,541)	(176,976)	(149,574)
Other property and services		(174,245)	(108,977)	(255,002)
		(3,949,783)	(3,942,360)	(3,886,991)
Non-cash amounts excluded from operating activities	22(a)	1,268,351	1,273,128	1,235,119
Amount attributable to operating activities		(413,278)	(867,309)	(387,556)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	706,323	805,568	519,082
Proceeds from disposal of assets	10(a)	67,273	52,000	121,571
Proceeds from financial assets at amortised cost - self supporting loans		15,966	15,966	15,475
Purchase of property, plant and equipment	8(a)	(693,113)	(809,387)	(758,117)
Purchase and construction of infrastructure	9(a)	(1,253,744)	(1,273,370)	(1,094,299)
Amount attributable to investing activities		(1,157,295)	(1,209,223)	(1,196,288)
FINANCING ACTIVITIES				
Repayment of borrowings	14(b)	(102,462)	(102,462)	(112,942)
Proceeds from borrowings	14(c)	100,000	100,000	0
Transfers to reserves (restricted assets)	4	(89,263)	(91,540)	(118,732)
Transfers from reserves (restricted assets)	4	107,007	240,856	312,641
Amount attributable to financing activities		15,282	146,854	80,968
Surplus/(deficit) before imposition of general rates		(1,555,290)	(1,929,678)	(1,502,877)
Total amount raised from general rates	21(a)	1,930,409	1,929,678	1,889,788
Surplus/(deficit) after imposition of general rates	22(b)	375,119	0	386,912

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

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

Note 1	Basis of Preparation	10
Note 2	Revenue and Expenses	11
Note 3	Cash and Cash Equivalents	16
Note 4	Reserves - Cash backed	17
Note 5	Other Financial Assets	18
Note 6	Trade and Other Receivables	19
Note 7	Inventories	20
Note 8	Property, Plant and Equipment	21
Note 9	Infrastructure	23
Note 10	Fixed Assets	25
Note 11	Revaluation Surplus	28
Note 12	Trade and other Payables	29
Note 13	Other Liabilities	30
Note 14	Information on Borrowings	31
Note 15	Employee Provisions	33
Note 16	Notes to the Statement of Cash Flows	34
Note 17	Total Assets Classified by Function and Activity	35
Note 18	Elected Members Remuneration	36
Note 19	Related Party Transactions	37
Note 20	Joint Arrangements	38
Note 21	Rating Information	39
Note 22	Rate Setting Statement Information	41
Note 23	Financial Risk Management	42
Note 24	Trust Funds	45
Note 25	Other Significant Accounting Policies	
Note 26	Activities/Programs	47
Note 27	Financial Ratios	48

1. BASIS OF PREPARATION

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

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

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 24 to these financial statements.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

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

These were:

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

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

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

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

CRITICAL ACCOUNTING ESTIMATES

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

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

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

- Employee expenses
- Other financial assets
- Property, Plant and Equipment
- Infrastructure
- Borrowing liabilities
- Provisions

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions			
Governance	20,449	0	0
General purpose funding	503,791	218,992	544,363
Law, order, public safety	39,338	27,205	64,464
Education and welfare	44,000	61,000	44,000
Housing	56,240	55,961	55,961
Community amenities	1,192	1,100	5,000
Recreation and culture	3,768	0	0
Transport	81,492	81,440	80,265
	750,270	445,698	794,053
Non-operating grants, subsidies and contributions			
Law, order, public safety	37,803	20,000	0
Housing	9,111	0	0
Recreation and culture	29,200	74,200	17,418
Transport	630,209	711,368	501,664
	706,323	805,568	519,082
Total grants, subsidies and contributions	1,456,593	1,251,266	1,313,135
Fees and charges			
General purpose funding	5,754	5,000	5,126
Law, order, public safety	3,057	2,500	1,505
Health	773	400	300
Education and welfare	354,453	270,751	228,564
Housing	182,442	186,650	185,338
Community amenities	194,600	184,383	184,500
Recreation and culture	37,681	35,274	32,719
Transport	21,400	16,050	16,253
Economic services	151,165	114,904	146,997
Other property and services	42,903	35,230	51,372
	994,228	851,142	852,675

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

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

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

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

Fees and Charges

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2021 Actual \$	2021 Budget \$	2020 Actual \$
Contracts with customers and transfers for recognisable non-financial assets			
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:			
Fees and charges	6,154	14,200	0
Other revenue	0	0	17,080
Non-operating grants, subsidies and contributions	706,323	805,568	519,082
	712,477	819,768	536,162
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:			
Revenue from contracts with customers recognised during the year	6,154	14,200	17,080
Revenue from transfers intended for acquiring or constructing recognisable non financial assets held as a liability at the start of the period	34,200	34,200	0
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	672,123	771,368	519,082
	712,477	819,768	536,162
Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:			
Trade and other receivables from contracts with customers	135,087		78,744
Financial assets held from transfers for recognisable financial assets	122,634		48,870
Grant liabilities from transfers for recognisable non financial assets	(116,300)		(34,200)

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

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

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

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

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

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

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

General rates
Statutory permits and licences

Assets and services acquired below fair value

Contributed assets

Other revenue

Reimbursements and recoveries
Other

Interest earnings

Financial assets at amortised cost - self supporting loans
Interest on reserve funds
Rates instalment and penalty interest (refer Note 21(b))
Other interest earnings

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
General rates	1,930,409	1,929,678	1,889,788
Statutory permits and licences	11,051	14,525	7,057
	<u>1,941,460</u>	<u>1,944,203</u>	<u>1,896,845</u>
Contributed assets	0	0	14,252
	<u>0</u>	<u>0</u>	<u>14,252</u>
Reimbursements and recoveries	32,756	26,600	48,881
Other	32,397	32,500	29,053
	<u>65,153</u>	<u>59,100</u>	<u>77,934</u>
Financial assets at amortised cost - self supporting loans	3,517	0	4,018
Interest on reserve funds	3,077	5,354	10,897
Rates instalment and penalty interest (refer Note 21(b))	8,571	9,725	16,118
Other interest earnings	845	2,500	3,566
	<u>16,010</u>	<u>17,579</u>	<u>34,599</u>

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

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

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Auditors remuneration			
- Audit of the Annual Financial Report	17,000	17,000	17,000
- Audit of Grant Aquittals	800	1,000	800
	<u>17,800</u>	<u>18,000</u>	<u>17,800</u>
Interest expenses (finance costs)			
Borrowings	28,031	28,490	31,566
	<u>28,031</u>	<u>28,490</u>	<u>31,566</u>
Other expenditure			
Impairment loss on trade and other receivables	1,096	0	0
Sundry expenses	20,802	15,750	18,178
	<u>21,898</u>	<u>15,750</u>	<u>18,178</u>

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Ex-gratia rates	Payment as negotiated with CBH, instead of rates	Over time	Payment upon receipt of invoice	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Commissions	Commissions on licencing	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

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

3. CASH AND CASH EQUIVALENTS

	NOTE	2021 \$	2020 \$
Cash at bank and on hand		1,609,509	1,618,929
Total cash and cash equivalents		1,609,509	1,618,929
Restrictions			
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents		890,863	813,727
		890,863	813,727
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash backed	4	747,113	764,857
Contract liabilities from contracts with customers	13	6,334	14,670
Grants for transfers for recognisable non financial asse	13	116,300	34,200
Unspent loans	14(d)	21,116	0
Total restricted assets		890,863	813,727

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Restricted assets

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

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

4. RESERVES - CASH BACKED	2021	2021	2021	2021	2021	2021	2021	2021	2020	2020	2020	2020
	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Actual	Actual	Actual	Actual
	Opening	Transfer to	Transfer	Closing	Opening	Transfer to	Transfer	Closing	Opening	Transfer to	Transfer	Closing
	Balance		(from)	Balance	Balance		(from)	Balance	Balance		(from)	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave Reserve	20,592	5,063	0	25,655	20,592	5,144	0	25,736	15,472	5,119	0	20,592
(b) Plant Replacement Reserve	179,117	40,949	(63,615)	156,451	179,117	41,254	(109,108)	111,263	216,014	43,103	(80,000)	179,117
(c) Building Reserve	291,381	21,012	(30,000)	282,393	291,382	22,040	(90,000)	223,422	446,758	44,623	(200,000)	291,381
(d) Recreation Facilities Reserve	122,825	10,494	(13,392)	119,927	122,825	10,860	(41,748)	91,937	121,445	1,380	0	122,825
(e) Art Acquisition Reserve	8,783	35	0	8,818	8,783	61	0	8,844	11,651	132	(3,000)	8,783
(f) Joint Venture Housing Reserve	105,128	10,375	0	115,503	105,128	10,736	0	115,864	94,194	10,934	0	105,128
(g) Refuse Site Reserve	24,196	97	0	24,293	24,196	169	0	24,365	53,232	605	(29,641)	24,196
(h) Community Chest Reserve	12,835	1,238	0	14,073	12,835	1,276	0	14,111	0	12,835	0	12,835
	764,857	89,263	(107,007)	747,113	764,858	91,540	(240,856)	615,542	958,766	118,732	(312,641)	764,857

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements.
(b) Plant Replacement Reserve	2020/2021	To be used to fund purchase of plant items.
(c) Building Reserve	2020/2021	To be used for construction, refurbishment, acquisition of buildings and acquisition of land.
(d) Recreation Facilities Reserve	2020/2021	To be used to finance capital improvements of existing recreation facilities and to fund acquisition of new recreation facilities.
(e) Art Acquisition Reserve	2021/2022	To be used for the purchase of art pieces for the Williams Art Collection.
(f) Joint Venture Housing Reserve	2021/2022	To be used to finance refurbishment and construction of joint venture housing.
(g) Refuse Site Reserve	Ongoing	To be used for the re-development of waste facilities.
(h) Community Chest Reserve	Ongoing	To be used to support community initiatives and projects.

5. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Self supporting loans

(b) Non-current assets

Financial assets at amortised cost

Financial assets at fair value through profit and loss

Financial assets at amortised cost

Self supporting loans

Financial assets at fair value through profit and loss

Units in Local Government House Trust

	2021	2020
	\$	\$
Financial assets at amortised cost	107,023	15,966
Other financial assets at amortised cost	107,023	15,966
Self supporting loans	107,023	15,966
Financial assets at amortised cost	107,023	15,966
Financial assets at amortised cost	0	107,023
Financial assets at fair value through profit and loss	55,356	53,416
Financial assets at fair value through profit and loss	55,356	160,439
Self supporting loans	0	107,023
Financial assets at fair value through profit and loss	0	107,023
Units in Local Government House Trust	55,356	53,416
Financial assets at fair value through profit and loss	55,356	53,416

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 14(b) as self supporting loans.

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.

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 23.

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	
Trade and other receivables	
Allowance for impairment of receivables from contracts with customers	
Accrued Revenue	

2021	2020
\$	\$
12,116	21,700
135,087	78,744
(1,096)	(1,365)
43,567	3,608
189,674	102,688

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 23.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement
 Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

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

7. INVENTORIES

Current

	2021	2020
	\$	\$
Materials	4,827	6,052
Fuel	4,041	1,569
History Books	730	763
Gravel	12,592	19,180
	22,190	27,564

The following movements in inventories occurred during the year:

Balance at beginning of year	27,564	8,384
Inventories expensed during the year	(102,806)	(124,247)
Additions to inventory	97,432	143,427
Balance at end of year	22,190	27,564

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land	Buildings - non-specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Buildings - work in progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	2,898,143	2,704,794	10,437,943	16,040,880	30,924	1,273,481	0	17,345,285
Additions	200,000	0	36,128	236,128	0	521,989		758,117
(Disposals)	0	0	0	0	(1,021)	(82,153)	0	(83,174)
Revaluation increments / (decrements) transferred to revaluation surplus	(588,730)	210,574	(273,121)	(651,277)	0	(14,577)	0	(665,854)
Revaluation (loss) / reversals transferred to profit or loss	0	0	0	0	985	0	0	985
Depreciation (expense)	0	(57,368)	(158,554)	(215,922)	(11,388)	(168,940)	0	(396,250)
Balance at 30 June 2020	2,509,413	2,858,000	10,042,396	15,409,809	19,500	1,529,800	0	16,959,109
Comprises:								
Gross balance amount at 30 June 2020	2,509,413	2,858,000	10,042,396	15,409,809	19,500	1,529,800	0	16,959,109
Accumulated depreciation at 30 June 2020	0	0	0	0	0	0	0	0
Balance at 30 June 2020	2,509,413	2,858,000	10,042,396	15,409,809	19,500	1,529,800	0	16,959,109
Additions	0	0	64,108	64,108		534,280	94,725	693,113
(Disposals)	0	0	0	0	0	(52,000)	0	(52,000)
Depreciation (expense)	0	(69,687)	(147,491)	(217,178)	(3,178)	(140,472)		(360,828)
Balance at 30 June 2021	2,509,413	2,788,313	9,959,013	15,256,739	16,322	1,871,608	94,725	17,239,394
Comprises:								
Gross balance amount at 30 June 2021	2,509,413	2,858,000	10,106,504	15,473,917	19,500	2,012,080	94,725	17,600,222
Accumulated depreciation at 30 June 2021	0	(69,687)	(147,491)	(217,178)	(3,178)	(140,472)	0	(360,828)
Balance at 30 June 2021	2,509,413	2,788,313	9,959,013	15,256,739	16,322	1,871,608	94,725	17,239,394

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Observable Open Market Values of Similar Assets, adjusted for condition and comparability, at their highest and best use	Independent Registered Valuers	June 2020	Price per square metre / Overall Value
Buildings - non-specialised	2	Observable Open Market Values of Similar Assets, adjusted for condition and comparability, at their highest and best use	Independent Registered Valuers	June 2020	Price per square metre / Overall Value
Buildings - specialised	3	Observable Open Market Values of Similar Assets, adjusted for condition and comparability, at their highest and best use	Independent Registered Valuers	June 2020	Average cost of construction and consumption score for each component (Level 2), residual value, useful life, pattern of consumption and asset condition 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 by the local government to determine the fair value of property using either level 2 or level 3 inputs.

(ii) Cost

Furniture and equipment	Cost	Cost
Plant and equipment	Cost	Cost

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

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - bridges	Infrastructure - drainage	Infrastructure - footpaths	Infrastructure - parks & reserves	Infrastructure - work in progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	42,927,083	7,106,784	7,229,938	810,481	3,706,116	0	61,780,402
Additions	878,662	0	60,598	67,819	87,220		1,094,299
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	322,708	0	322,708
Depreciation (expense)	(432,317)	(119,532)	(191,911)	(20,657)	(114,144)	0	(878,561)
Transfers	11,888	0	(11,888)	0	0	0	0
Balance at 30 June 2020	43,385,316	6,987,252	7,086,737	857,643	4,001,900	0	62,318,848
Comprises:							
Gross balance at 30 June 2020	44,274,335	7,229,016	7,469,505	899,617	4,001,900	0	63,874,373
Accumulated depreciation at 30 June 2020	(889,019)	(241,764)	(382,768)	(41,974)	0	0	(1,555,525)
Balance at 30 June 2020	43,385,316	6,987,252	7,086,737	857,643	4,001,900	0	62,318,848
Additions	1,039,317	0	115,858	33,139	31,165	34,265	1,253,744
Depreciation (expense)	(435,336)	(116,917)	(181,003)	(21,153)	(160,067)		(914,476)
Balance at 30 June 2021	43,989,297	6,870,335	7,021,592	869,629	3,872,998	34,265	62,658,116
Comprises:							
Gross balance at 30 June 2021	45,313,652	7,229,016	7,585,362	932,756	4,033,065	34,265	65,128,116
Accumulated depreciation at 30 June 2021	(1,324,355)	(358,681)	(563,770)	(63,127)	(160,067)	0	(2,470,000)
Balance at 30 June 2021	43,989,297	6,870,335	7,021,592	869,629	3,872,998	34,265	62,658,116

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	Current Replacement Cost	Independent Registered Valuer	June 2018	Construction unit rates for each component and current condition (Level 2) residual values and remaining useful life assessments.
Infrastructure - bridges	3	Current Replacement Cost	Independent Registered Valuer	June 2018	Construction unit rates for each component and current condition (Level 2) residual values and remaining useful life assessments.
Infrastructure - drainage	3	Current Replacement Cost	Independent Registered Valuer	June 2018	Construction unit rates for each component and current condition (Level 2) residual values and remaining useful life assessments.
Infrastructure - footpaths	3	Current Replacement Cost	Independent Registered Valuer	June 2018	Construction unit rates for each component and current condition (Level 2) residual values and remaining useful life assessments.
Infrastructure - parks & reserves	3	Cost Approach estimating the replacement cost for each structure, by componentising with different useful lives.	Independent Registered Valuer	June 2020	Average cost of construction and consumption score for each component (Level 2), residual value, useful life, pattern of consumption and asset condition 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.

10. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Individual assets that are land, buildings and infrastructure acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

Revaluation

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Revaluation (Continued)

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

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Land under roads from 1 July 2019

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

Vested improvements from 1 July 2019

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

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

10. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Furniture and equipment	0	0	0	0	0	0	0	0	1,021	0	0	(1,021)
Plant and equipment	52,000	67,273	17,273	(2,000)	52,000	52,000	0	0	82,153	121,571	47,200	(7,782)
	52,000	67,273	17,273	(2,000)	52,000	52,000	0	0	83,174	121,571	47,200	(8,803)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Plant and Equipment				
Transport				
Isuzu Giga Tip Truck	30,000	47,273	17,273	0
Holden Colorado Ute	22,000	20,000	0	(2,000)
	52,000	67,273	17,273	(2,000)
	52,000	67,273	17,273	(2,000)

10. FIXED ASSETS

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	69,687	56,000	57,368
Buildings - specialised	147,491	174,000	158,554
Furniture and equipment	3,178	8,000	11,388
Plant and equipment	140,472	167,000	168,940
Infrastructure - roads	435,336	429,984	432,317
Infrastructure - bridges	116,917	119,000	119,532
Infrastructure - drainage	181,003	190,000	191,911
Infrastructure - footpaths	21,153	20,000	20,657
Infrastructure - parks & reserves	160,067	104,000	114,144
	1,275,304	1,267,984	1,274,811

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

Asset Class	Useful life
Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets formation	not depreciated
pavement seal	50 years
- bituminous seals	
- asphalt surfaces	25 years
Gravel roads formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years

Depreciation on revaluation

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

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

Amortisation

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

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

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

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

11. REVALUATION SURPLUS

	2021 Opening Balance	2021 Change in Accounting Policy	Total Movement on Revaluation	2021 Closing Balance	2020 Opening Balance	2020 Revaluation Increment	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land and Buildings	9,197,420	0	0	9,197,420	9,848,697	210,574	(861,851)	(651,277)	9,197,420
Revaluation surplus - Plant and equipment	12,101	0	0	12,101	26,678	0	(14,577)	(14,577)	12,101
Revaluation surplus - Infrastructure - roads	47,865,246	0	0	47,865,246	47,865,246	0	0	0	47,865,246
Revaluation surplus - Infrastructure - parks & reserves	1,506,881	0	0	1,506,881	1,184,173	322,708	0	322,708	1,506,881
	58,581,648	0	0	58,581,648	58,924,794	533,282	(876,428)	(343,146)	58,581,648

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

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors	
Prepaid rates	
Accrued salaries and wages	
ATO liabilities	
Bonds and deposits held	
Accrued interest on Borrowings	
Other payables	

2021	2020
\$	\$
180,948	149,175
14,093	15,498
65,557	49,192
(7,824)	(7,373)
100	206
5,458	5,918
2,789	0
261,121	212,616

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition

Prepaid rates

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

13. OTHER LIABILITIES

Current

Contract liabilities

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

2021	2020
\$	\$
6,334	14,670
116,300	34,200
122,634	48,870

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

Less than 1 year

Contract liabilities	Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
\$	\$
6,334	116,300
6,334	116,300

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

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

Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
 Grant liabilities represent the the Shire's performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied.

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

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

14. INFORMATION ON BORROWINGS

	2021	2020
	\$	\$
Current	195,514	102,462
Non-current	504,908	600,422
	700,422	702,884

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2021					30 June 2021					30 June 2020				
				Actual Principal 1 July 2020	Actual New Loans	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding	Budget Principal 1 July 2020	Budget New Loans	Budget Principal repayments	Budget Interest repayments	Budget Principal outstanding	Actual Principal 1 July 2019	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding	
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Governance																		
IT Computer Server	68	WATC*	3.26%	0	0	0	0	0	0	0	0	0	3,885	(3,885)	(35)	0		
Recreation and culture																		
Mens Shed	71	WATC*	0.72%	0	100,000	0	(204)	100,000	0	100,000	0	0	100,000	0	0	0	0	
Transport																		
CAT Grader	67	WATC*	3.42%	61,117	0	(40,398)	(1,545)	20,719	61,117	0	(40,398)	(1,748)	20,719	100,168	(39,051)	(2,887)	61,117	
Economic services																		
Industrial Shed	66	WATC*	4.17%	140,546	0	(12,336)	(5,634)	128,210	140,546	0	(12,336)	(5,733)	128,210	152,383	(11,837)	(6,105)	140,546	
Industrial Shed	70	WATC*	3.02%	193,460	0	(21,723)	(5,678)	171,737	193,460	0	(21,723)	(5,679)	171,737	224,847	(31,387)	(6,356)	193,460	
Other property and services																		
Industrial Land	65	WATC*	6.37%	184,772	0	(12,039)	(11,453)	172,733	184,772	0	(12,039)	(11,581)	172,733	196,079	(11,307)	(12,165)	184,772	
				579,895	100,000	(86,496)	(24,514)	593,399	579,895	100,000	(86,496)	(24,741)	593,399	677,362	(97,467)	(27,548)	579,895	
Self Supporting Loans																		
Recreation and culture																		
Bowling Club Synthetic Turf	69	WATC*	3.15%	122,989	0	(15,966)	(3,517)	107,023	122,989	0	(15,966)	(3,749)	107,023	138,464	(15,475)	(4,018)	122,989	
				122,989	0	(15,966)	(3,517)	107,023	122,989	0	(15,966)	(3,749)	107,023	138,464	(15,475)	(4,018)	122,989	
				702,884	100,000	(102,462)	(28,031)	700,422	702,884	100,000	(102,462)	(28,490)	700,422	815,826	(112,942)	(31,566)	702,884	

* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 5 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

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

14. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2020/21

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2021 Actual	2021 Budget	2021 Actual	2021 Budget		
Mens Shed	WATC *	Debenture	5	0.72%	\$ 100,000	\$ 100,000	\$ (78,884)	\$ (100,000)	\$ 1,981	\$ (21,116)
* WA Treasury Corporation					\$ 100,000	\$ 100,000	\$ (78,884)	\$ (100,000)	\$ 1,981	\$ (21,116)

(d) Unspent Borrowings

Particulars	Date Borrowed	Unspent Balance 1 July 2020	Borrowed During Year	Expended During Year	Unspent Balance 30 June 2021
Mens Shed	WATC *	\$ 0	\$ 100,000	\$ (78,884)	\$ 21,116
* WA Treasury Corporation		\$ 0	\$ 100,000	\$ (78,884)	\$ 21,116

(e) Undrawn Borrowing Facilities

	2021	2020
Credit Standby Arrangements	\$	\$
Bank overdraft limit	100,000	100,000
Bank overdraft at balance date	0	0
Credit card limit	15,000	15,000
Credit card balance at balance date	(3,099)	(1,148)
Total amount of credit unused	111,901	113,852
Loan facilities		
Loan facilities - current	195,514	102,462
Loan facilities - non-current	504,908	600,422
Total facilities in use at balance date	700,422	702,884
Unused loan facilities at balance date	NIL	NIL

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

Risk

Information regarding exposure to risk can be found at Note 23.

15. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2020			
Current provisions	151,219	205,298	356,517
Non-current provisions	0	11,109	11,109
	151,219	216,407	367,626
Additional provision	126,788	16,467	143,255
Amounts used	(130,312)	(23,222)	(153,534)
Balance at 30 June 2021	147,695	209,652	357,347
Comprises			
Current	147,695	193,346	341,041
Non-current	0	16,306	16,306
	147,695	209,652	357,347
Amounts are expected to be settled on the following basis:	2021 \$	2020 \$	
Less than 12 months after the reporting date	216,423	236,356	
More than 12 months from reporting date	151,979	142,325	
Expected reimbursements from other WA local governments	(11,055)	(11,055)	
	357,347	367,626	

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

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Short-term employee benefits

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

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

Other long-term employee benefits

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at

Other long-term employee benefits (Continued) rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

Provisions

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

16. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cash and cash equivalents	1,609,509	997,603	1,618,929
 Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	568,192	202,774	363,534
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(1,940)	0	(865)
Depreciation on non-current assets	1,275,304	1,267,984	1,274,811
(Profit)/loss on sale of asset	(15,273)	0	(38,397)
Reversal of loss on revaluation of fixed assets	0	0	(985)
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(86,987)	18,608	198,230
(Increase)/decrease in inventories	5,374	15,100	(19,180)
Increase/(decrease) in payables	48,505	(38,075)	86,437
Increase/(decrease) in employee provisions	(10,279)	(40,000)	26,273
Increase/(decrease) in other liabilities	73,764	(48,870)	48,870
Non-operating grants, subsidies and contributions	(788,423)	(720,553)	(519,082)
Net cash from operating activities	<u>1,068,237</u>	<u>656,968</u>	<u>1,419,646</u>

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	0	1,393,593
General purpose funding	12,116	21,833
Law, order, public safety	256,015	210,278
Health	970,531	933,441
Education and welfare	1,760,883	1,780,787
Housing	3,950,133	2,106,615
Community amenities	322,377	268,909
Recreation and culture	11,358,802	7,899,608
Transport	59,644,709	60,626,228
Economic services	311,447	5,011,546
Other property and services	2,418,994	85,619
Unallocated	875,255	865,086
	81,881,262	81,203,543

18. ELECTED MEMBERS REMUNERATION

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Cr Logie (President)			
President's annual allowance	4,606	4,606	4,516
Meeting attendance fees	3,843	3,800	3,997
Travelling Expenses	0	100	0
	8,449	8,506	8,513
Cr Major (Deputy President)			
Meeting attendance fees	1,906	1,900	1,636
Travelling Expenses	144	250	170
	2,050	2,150	1,806
Cr Carne			
Meeting attendance fees	1,823	1,800	1,710
Travelling Expenses	315	350	328
	2,138	2,150	2,038
Cr Medlen			
Meeting attendance fees	1,388	1,350	1,500
Travelling Expenses	296	400	358
	1,684	1,750	1,858
Cr Price			
Meeting attendance fees	1,747	1,750	994
Travelling Expenses	0	50	0
	1,747	1,800	994
Cr Harding			
Meeting attendance fees	1,830	1,800	1,784
Travelling Expenses	315	350	368
	2,145	2,150	2,152
Cr Watt			
Meeting attendance fees	1,457	1,400	1,636
Travelling Expenses	0	50	0
	1,457	1,450	1,636
Cr Baker			
Meeting attendance fees	1,381		1,850
Travelling Expenses	0	50	0
	1,381	50	1,850
Cr Panizza			
Meeting attendance fees	1,830	1,800	784
Travelling Expenses	837	900	298
	2,667	2,700	1,082
Cr Cavanagh			
Meeting attendance fees	0	0	716
Travelling Expenses	0	0	490
	0	0	1,206
	23,718	22,706	23,135
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	4,606	4,606	4,516
Meeting attendance fees	17,205	15,600	16,607
Travelling Expenses	1,907	2,500	2,012
	23,718	22,706	23,135

19. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

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

	2021 Actual	2020 Actual
	\$	\$
Short-term employee benefits	358,223	348,246
Post-employment benefits	35,062	41,567
Other long-term benefits	12,166	19,558
	405,451	409,371

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

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.

The following transactions occurred with related parties:

	2021 Actual	2020 Actual
	\$	\$
Sale of goods and services	60,790	57,005
Purchase of goods and services	112,604	31,107
Employee benefits -other related parties	153,621	160,889
Amounts outstanding from related parties:		
Trade and other receivables	197	0

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

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

iii. Entities subject to significant influence by the Shire

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

20. JOINT ARRANGEMENTS

The Shire has a joint venture agreement with the Department of Communities for the provision of housing at Sandalwood Crt and Wandoo Cottages both located on Growse Street, Williams. For accounting purposes this joint arrangement constitutes a joint operation. The assets are land and 8 x 2 bedroom units. The ownership of the assets is determined by an agreement which includes the percentage of each parties equitable interest. The assets are included in the Land and Buildings as follows:

	2021	2020
	\$	\$
Non-current assets		
Land and Buildings		
Wandoo Court (2 x 2 bedroom units) @ 28.34%	122,651	122,651
Less: accumulated depreciation	(1,615)	0
	<u>121,036</u>	<u>122,651</u>
Sandalwood Court (6x2 bedroom units) @ 16.10%	171,747	171,747
Less: accumulated depreciation	(2,739)	0
	<u>169,008</u>	<u>171,747</u>
TOTAL ASSETS	<u><u>290,044</u></u>	<u><u>294,398</u></u>
Joint Venture Assets were fair valued 30 June 2020.		
Statement of Comprehensive Income		
Revenue		
Housing	2021	2020
	\$	\$
- Wandoo Court @ 28.34%	3,736	3,986
- Sandalwood Court @ 16.10%	6,935	7,041
	<u>10,671</u>	<u>11,027</u>
Expenditure		
Housing		
- Wandoo Court @ 28.34%	(5,162)	(4,535)
- Sandalwood Court @ 16.10%	(9,231)	(8,200)
	<u>(14,393)</u>	<u>(12,735)</u>
NET RESULT	<u><u>(3,722)</u></u>	<u><u>(1,708)</u></u>

The Shire manages the property and tenancy.

SIGNIFICANT ACCOUNTING POLICIES

Interests in joint arrangements

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

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

Interests in joint arrangements (Continued)

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

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

21. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2020/21 Actual Rateable Value \$	2020/21 Actual Rate Revenue \$	2020/21 Actual Interim Rates \$	2020/21 Actual Back Rates \$	2020/21 Actual Total Revenue \$	2020/21 Budget Rate Revenue \$	2020/21 Budget Total Revenue \$	2019/20 Actual Total Revenue \$
Differential general rate / general rate										
Gross rental valuations										
Residential	0.074721	145	1,827,614	136,561	261	0	136,822	136,522	136,522	133,499
Industrial/Commercial	0.074721	23	1,034,496	77,299	0	0	77,299	77,299	77,299	75,783
Unimproved valuations										
Rural/Mining	0.006731	239	225,010,000	1,514,542	11,321	0	1,525,863	1,515,135	1,515,135	1,485,788
Sub-Total		407	227,872,110	1,728,402	11,582	0	1,739,984	1,728,956	1,728,956	1,695,070
Minimum payment	\$									
Gross rental valuations										
Residential	734	141	667,045	103,494	226	0	103,720	102,760	102,760	99,360
Industrial/Commercial	734	13	52,475	9,542	734	0	10,276	13,946	13,946	13,680
Unimproved valuations										
Rural/Mining	944	90	7,982,851	84,960	(8,531)	0	76,429	84,016	84,016	81,678
Sub-Total		244	8,702,371	197,996	(7,571)	0	190,425	200,722	200,722	194,718
		651	236,574,481	1,926,398	4,011	0	1,930,409	1,929,678	1,929,678	1,889,788
Total amount raised from general rate							1,930,409		1,929,678	1,889,788
Ex-gratia rates							36,369		36,369	34,329
Totals							1,966,778		1,966,047	1,924,117

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

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

21. RATING INFORMATION (Continued)

(b) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	11/09/2020	0.00	0.00%	8.00%
Option Two				
First instalment	11/09/2020	0.00	3.00%	8.00%
Second instalment	13/11/2020	10.00	3.00%	8.00%
Third instalment	15/01/2021	10.00	3.00%	8.00%
Fourth instalment	19/03/2021	10.00	3.00%	8.00%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	4,088	5,600	8,529
Interest on instalment plan	4,483	4,125	7,589
Charges on instalment plan	3,360	4,000	3,810
	11,931	13,725	19,928

22. RATE SETTING STATEMENT INFORMATION

		2020/21 Budget	2020/21 Budget	2019/20
	Note	(30 June 2021 Carried Forward) \$	(30 June 2021 Carried Forward) \$	(30 June 2020 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 Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	10(a)	(17,273)	0	(47,200)
Less: Reversal of prior year loss on revaluation of fixed assets		0	0	(985)
Less: Movement in liabilities associated with restricted cash		5,063	5,144	5,119
Less: Fair value adjustments to financial assets at fair value through profit and loss		(1,940)	0	(865)
Movement in employee benefit provisions (non-current)		5,197	0	(4,564)
Add: Loss on disposal of assets	10(a)	2,000	0	8,803
Add: Depreciation on non-current assets	10(b)	1,275,304	1,267,984	1,274,811
Non cash amounts excluded from operating activities		1,268,351	1,273,128	1,235,119
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserves - cash backed	4	(747,113)	(615,542)	(764,857)
Less: Financial assets at amortised cost - self supporting loans	5(a)	(107,023)	(16,473)	(15,966)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	14(a)	195,514	164,884	102,462
- Employee benefit provisions held in a reserve		25,655	25,736	20,591
Add: Movement in provisions between current and non-current provisions		0	4,564	0
Total adjustments to net current assets		(632,967)	(436,831)	(657,770)
Net current assets used in the Rate Setting Statement				
Total current assets			1,094,413	1,765,147
Less: Total current liabilities		(920,310)	(657,582)	(720,465)
Less: Total adjustments to net current assets		(632,967)	(436,831)	(657,770)
Net current assets used in the Rate Setting Statement		(1,553,277)	0	386,912

23. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2021					
Cash and cash equivalents	0.02%	1,609,509	0	1,272,073	337,436
2020					
Cash and cash equivalents	0.03%	1,618,929	0	1,168,152	450,777

Sensitivity

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

	2021	2020
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	12,720	11,681

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 14(b).

23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

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

The loss allowance as at 30 June 2021 for rates receivable was determined as follows:

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	9,245	2,871	0	0	12,116
Loss allowance	0	0	0	0	0
30 June 2020					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	14,931	5,630	1,139	0	21,700
Loss allowance	0	0	0	0	0

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Trade and other receivables					
Expected credit loss	0.35%	1.87%	6.98%	19.13%	
Gross carrying amount	131,444	168	261	3,214	135,087
Loss allowance	460	3	18	615	1,096
30 June 2020					
Trade and other receivables					
Expected credit loss	0.36%	1.14%	3.48%	13.35%	
Gross carrying amount	69,878	61	646	8,160	78,745
Loss allowance	252	1	22	1,089	1,365

23. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 14(e).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<u>2021</u>					
Payables	254,566	0	0	254,566	261,121
Borrowings	226,727	357,951	208,744	793,422	700,422
	481,293	357,951	208,744	1,047,988	1,084,177
<u>2020</u>					
Payables	212,616	0	0	212,616	212,616
Borrowings	117,366	321,951	412,605	851,922	702,884
	329,982	321,951	412,605	1,064,538	915,500

24. TRUST FUNDS

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

	1 July 2020	Amounts Received	Amounts Paid	30 June 2021
	\$	\$	\$	\$
Sale of Land for Rates	60,008	0	(60,008)	0
Public Open Space Contribution	20,000	0	0	20,000
	<u>80,008</u>	<u>0</u>	<u>(60,008)</u>	<u>20,000</u>

SHIRE OF WILLIAMS

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

25. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

decrease in accordance with that other Standard.

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

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

26. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<p>GOVERNANCE</p> <p>To provide a decision making process for the efficient allocation of scarce resources.</p>	<p>Administration and operation of facilities and services to members of Council.</p> <p>Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services.</p>
<p>GENERAL PURPOSE FUNDING</p> <p>To collect revenue to allow for the provision of services.</p>	<p>Rates, general purpose government grants and interest revenue.</p>
<p>LAW, ORDER, PUBLIC SAFETY</p> <p>To provide services to ensure a safer community.</p>	<p>Supervision and enforcement of local laws, fire prevention and suppression activities and animal control.</p>
<p>HEALTH</p> <p>To provide an operational framework for good community health.</p>	<p>Health inspection and advisory services, analytical services, mosquito control, collection agent for Williams St John Ambulance subscriptions and assist with providing medical services.</p>
<p>EDUCATION AND WELFARE</p> <p>To provide a framework that enables community needs in these areas are met.</p>	<p>Provision and maintenance of premises for the Williams Community Resource Centre, Willi Wagtails Childcare Centre and Family Day Care Services. Provide all administration services for the Childcare centre and the Family Day Care Services.</p>
<p>HOUSING</p> <p>To help ensure the availability of adequate housing for the community needs.</p>	<p>Management, administration and maintenance of Williams Community Homes, Sandalwood Court, Wandoo Cottages, Jamtree Lane Units and New Street Units.</p>
<p>COMMUNITY AMENITIES</p> <p>Provision of amenities required by the community.</p>	<p>Refuse management, protection of the environment, maintenance of cemeteries and public conveniences.</p>
<p>RECREATION AND CULTURE</p> <p>To establish and manage efficiently all infrastructure and resources which will meet the recreational and cultural needs of the community.</p>	<p>Maintenance of halls, recreational facilities and reserves. Operation of Library and compilation and maintenance of local heritage register.</p>
<p>TRANSPORT</p> <p>To provide effective and efficient transport services to the community.</p>	<p>Construction and maintenance of streets, roads, bridges and drainage. Cleaning and lighting of streets, depot maintenance and on-line agent for Department of Transport.</p>
<p>ECONOMIC SERVICES</p> <p>Promotion of Williams and improvement of economic wellbeing of the district and its inhabitants.</p>	<p>Tourism services, area promotion, implementation of building controls, provision of standpipe water, maintenance and management of Williams Stud Breeders pavilion.</p>
<p>OTHER PROPERTY AND SERVICES</p> <p>Efficient utilisation of Council resources, plant repairs and operations management of Williams Town Planning Scheme.</p>	<p>Provision of private works to public, maintenance of Council plant, approvals and monitoring of town planning activities.</p>

27. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	1.16	1.36	1.55
Asset consumption ratio	0.70	0.70	0.69
Asset renewal funding ratio	1.32	1.39	2.53
Asset sustainability ratio	0.91	0.73	0.95
Debt service cover ratio	8.93	7.96	8.92
Operating surplus ratio	(0.05)	(0.05)	(0.05)
Own source revenue coverage ratio	0.77	0.75	0.73

The above ratios are calculated as follows:

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



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Williams

To the Councillors of the Shire of Williams

Report on the audit of the annual financial report

Opinion

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

- the Statement of Financial Position at 30 June 2021, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information
- the Statement by the Chief Executive Officer.

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

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2021 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities section below. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for managing internal control (as required by the CEO) to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

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

Auditor's responsibility for the audit of the financial report

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

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

Report on other legal and regulatory requirements

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

- (i) In my opinion, the following material matter indicates a significant adverse trend in the financial position of the Shire:
 - a) The Operating Surplus Ratio as reported in Note 27 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries basic standard for all 3 years reported in the annual financial report.
- (ii) The following material matter indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:
 - a) Following key reconciliations were not sufficiently evidenced as completed and reviewed: custom transaction detail report; rates receivable; and trade receivable. Also, reconciliations for trust and reserves bank accounts, and trade receivable account were not performed in a timely manner. We however understand that there were no transactions in trust and reserves bank accounts during those months.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.
- (v) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

Other information

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

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

Matters relating to the electronic publication of the audited financial report

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

Jay Teichert
Acting Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
18 November 2021