



# ***Annual Report 2020/2021***

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## **Contact Details**

Shire of Moora  
PO Box 211  
34 Padbury Street  
MOORA WA 6510

Email: [shire@moora.wa.gov.au](mailto:shire@moora.wa.gov.au)

Phone: 08 9651 0000

Fax: 08 9651 1722

Website: [www.moora.wa.gov.au](http://www.moora.wa.gov.au)

### **Council:**

Shire President  
Deputy Shire President  
Councillors

Cr T L (Tracy) Lefroy  
Cr S J (Steve) Gilbert  
Cr D V (Denise) Clydesdale-Gebert  
Cr K M (Ken) Seymour  
Cr E I (Lyn) Hamilton  
Cr J M (Julie) Thomas  
Cr T G (Tracy) Humphry  
Cr P F (Peter) Nixon

### **Senior Officers:**

Chief Executive Officer	Mr A J (Alan) Leeson
Deputy Chief Executive Officer	Mr G W (Gavin) Robins
Manager Engineering Services	Mr J L (John) Greay
Manager Community Development and Visitor Servicing	Mrs N M (Nicole) Beard

## **President's Report 2020/2021**

It is with great pride and pleasure that I present to you the Shire of Moora's Annual Report for the year ended 30 June 2021.

We are presenting this report within the backdrop of the COVID-19 pandemic restrictions and the increased length of time the Office of the Auditor General has been confronted due to the pandemic, restricted staff movements and availability of qualified staff.

The years of 2020 – 2021, a period the community, state and nation will be pleased to have well behind us, has been a test of endurance and resilience. The community of Moora characteristically rose to the challenges of COVID-19 and turned them into opportunities. The community looked to its own resources, buying commodities within the town, engaging in increased community events and supporting broader community endeavours. Our local Chamber of Commerce emerged from this time as a stronger organisation, online fitness and arts such as the Gardiner Street Arts Collective became embedded in the community and our networks, skills and cohesion was strengthened.

When I reflect on the years that were 2020 - 2021, I feel so very proud of the resilience, kindness, and adaptability of our community. The community was progressively, but warily shaking off the shackles of the pandemic and the weather augured well for a strong crop. Our isolation in Western Australia appreciate living in regional WA – we are safe, we have outstanding medical services, and we live in a state of exceptional beauty that is ours to explore.

The Shire settled the Central Midlands Hydrotherapy Pool and Dental practice into a routine that saw utilisation of both facilities expand. The Keane Street childcare centre underwent significant works to ensure it remains safe and fit for purpose while the design and planning for a new childcare centre was developed and refined. As with each year, our local road network was the subject of ongoing improvements to that also included associated bridge and floodway infrastructure.

The Shire's local planning strategy was implemented and provided a framework on which the Shire can design and facilitate future economic growth and development. The impact of the strategy will progressively become evident in the townscape and infrastructure built by the Shire. The Shire has focused on the community's future Sport and Recreation needs. This is a complex area as it relies on the alignment of government, the community and individuals to achieve a shared vision.

Thank you to our wonderful community of Moora, our committed Shire team and to my fellow Councillors over the past 12 months. It has been an honour to work with you all throughout the year; I cannot wait to see what lays ahead for our prosperous Shire.



**Councillor Tracy Lefroy**  
**Shire President**

## **Chief Executive Officer's Report 2020/2021**

It is with pleasure that I present the Annual Report for the 2020-2021 financial year. The Annual Report encompasses the period of restrictions imposed by Covid-19, and consequently, the substantial body of accumulated workload experienced by the Office of the Auditor General in completing the Shire's Annual Financial Statements.

The 2020-2021 financial year was complex, with the shire and community adapting to the restrictive environment of the atypical pandemic circumstances. Despite this dynamic, Shire staff continued to implement and draw key projects to completion, albeit at a significantly slower rate than usual due the major delays and challenges caused by protracted delays in accessing external consultants, contractors, and materials.

This report is backward looking; in a timing sense, the circumstances, and events the report addresses fall outside our current context. However, there is merit in recapping some of the highlights of the period because it is the crystallisation of these earlier events and actions that influence and set the Shire's current direction.

During the 2020-2021 period, the areas of significant capital expenditure included:

### **Road Construction**

•	Miling North Road (RRG)	\$1,022,875
•	Miling West Road (Commodity Route)	\$412,500
•	Old Geraldton Road	\$240,000
•	Dalwallinu West Road	\$ 60,703
•	Town footpaths	\$219,654
•	Bindi Toodyay Road (RTR)	\$112,200
•	Bindi Ballidu Road (RTR)	\$320,500
•	Watheroo West Road (WSFN)	\$2,204,000
•	Carot Well Road (WSFN)	\$944,000
•	Railway Road (WSFN)	\$510,000

### **Land and Buildings**

Included but not limited to;

•	Moora Caravan Park /Chalets	\$ 31,356
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### **Plant and Equipment**

Included but not limited to;

•	Vibrating Steel Roller	\$142,300
•	Light fleet changeovers	\$226,960
•	Doctors' vehicle – changeover	\$ 24,302
•	950 Front end loader	\$260,150
•	140 Caterpillar grader	\$319,550
•	Freightliner prime mover	\$270,188

### **Major Projects**

During the same period, the Shire secure funding for several major projects, including:

- Early Childhood Development Centre – construction of a new childcare centre
- Koojan Road West – build and seal a 20-kilometre section of Koojan Road West and Boundary Road

- Emergency Services Precinct and Safety Upgrade – build an emergency services centre and realigned entrance
- Moora Swimming Pool – repair pool bowl infrastructure and preservation funding.

In a general sense, the 2020-2021 period delivered challenges that progressively settled into an operational rhythm that facilitated the Shire's functioning to as near as possible to business as usual. The Shire implemented many technological changes that were incorporated into our operations. Some of these changes, including remote technologies and optical recognition software remain part of our current operations.

The pandemic initially provided significant challenges that included the closure of a number of Shire facilities. However, as the period progressed, the impacts of the pandemic proved to be more manageable than initially anticipated. With some experience, several actions such as;

- Freezing property rates at the same rate in the dollar as adopted for UV and GRV properties in the 2019/2020 financial year budget;
- Freezing the rate of increase for all fees and charges;
- Waiving instalment administration fees on rate instalment options for 2020/2021;
- Introduction of flexible payment options for all rates, fees and service charges as required;
- Freezing of wage and salary rates - subject to compulsory award provisions;
- Staff working remotely

proved to be less problematic and restrictive than anticipated.

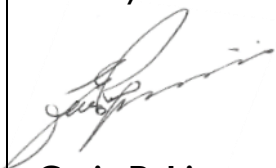
### **Closing**

In closing, I would like to say that the effort to keep the shire operating sustainably and efficiently was substantial. This effort is largely unseen and required the cooperation and coordination of both staff and council.

I would like to acknowledge each of the Shire's staff. Their efforts, commitment and dedicated work over the period demonstrated their preparedness to meet and succeed against the disruption, complexity and inconvenience arising from the enforced changes. Thank you all.

I would like to thank Council for its support and encouragement throughout this period; its recognition and understanding of the workload necessary to maintain the delivery of services and to back the shire has been greatly appreciated.

Thank you.



**Gavin Robins**  
**Chief Executive Officer**

## **Other Legislative Reporting Requirements**

### **Disclosure of Annual Salaries**

Local governments are required to include in their annual report the number of employees of the local government entitled to an annual salary of \$100,000 or more, and the number of employees with an annual salary entitlement that falls within each band of \$10,000 over \$100,000. For the year 2020/2021 the Shire of Moora had four employees entitled to an annual salary exceeding \$100,000, one in the \$100,000 to \$110,000 band, one in the \$120,000 to \$130,000 band, one in the \$150,000 to \$160,000 band, and one in the \$160,000 to \$170,000 band.

### **Disability Service Plan**

The Disability Service Act ensures that people with disabilities have the same opportunities as other members of the community. Council aims to progressively improve access to facilities for people with disabilities over time. Significant progress has been made in recent years to improving access, and all new facilities or upgrades to existing facilities have provision for disabled access.

### **Record Keeping**

The Shire of Moora maintains recordkeeping practices in accordance with the requirements of the State Records Act 2000 and its Recordkeeping Plan. The plan encompasses the requirements for capture, control and disposal of records as well as for staff training.

Staff training in records management includes Managers, Administration Staff and induction training for all new staff on their obligations under the State Records Act 2000, and the operation of records management within the Shire of Moora has been undertaken.

### **Public Interest Disclosure**

In accordance with the requirements of the Public Interest Disclosure Act 2003, the Shire of Moora has established procedures to facilitate the making of disclosures under the Act. These procedures set out the processes in respect to protected disclosures generally, to protect people from reprisal for making protected disclosures, and to provide guidance on investigations.

In the 2020/2021 financial year, no disclosures relating to improper conduct were made to the Shire, and therefore no disclosures were referred.

### **Freedom of Information Act 1992**

The Shire of Moora is subject to the provisions of the Freedom of Information (FOI) Act 1992, which gives individuals and organisations a general right of access to information held by the Shire. The Act also provides the right of appeal in relation to decisions made by the Shire to refuse access to information applied for under the Act.

The Shire did not receive any FOI applications in the 2020/2021 financial year.

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

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**COMMUNITY VISION**

**A vibrant, affordable Regional Centre with a growing, caring community.**

**Principal place of business:**

34 Padbury Street  
MOORA  
WA 6510



**SHIRE OF MOORA  
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 Moora 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 Moora 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

*gm*

day of

*August*

2022

*Gavin Robins*

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Gavin Robins  
Acting Chief Executive Officer



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Revenue</b>				
Rates	24(a)	4,145,417	4,113,394	4,088,135
Operating grants, subsidies and contributions	2(a)	2,101,405	1,211,343	2,149,028
Fees and charges	2(a)	2,641,473	2,632,006	2,558,224
Interest earnings	2(a)	55,075	81,481	146,277
Other revenue	2(a)	194,244	136,898	160,832
		9,137,614	8,175,122	9,102,496
<b>Expenses</b>				
Employee costs		(3,836,476)	(3,587,896)	(3,726,371)
Materials and contracts		(1,537,599)	(2,747,846)	(1,603,164)
Utility charges		(387,515)	(452,400)	(417,157)
Depreciation on non-current assets	11(b)	(4,426,003)	(4,445,068)	(4,296,519)
Interest expenses	2(b)	(29,486)	(30,188)	(43,599)
Insurance expenses		(208,415)	(200,973)	(193,717)
Other expenditure		(260,712)	(358,455)	(314,149)
		(10,686,206)	(11,822,826)	(10,594,676)
		(1,548,592)	(3,647,704)	(1,492,180)
Non-operating grants, subsidies and contributions	2(a)	2,468,342	3,841,206	2,330,667
Profit on asset disposals	11(a)	0	0	19,409
(Loss) on asset disposals	11(a)	(4,976)	0	(52,415)
Fair value adjustments to financial assets at fair value through profit or loss		3,232	0	(87,370)
Impairment to land held for sale	8	(42,500)	0	0
		2,424,098	3,841,206	2,210,291
<b>Net result for the period</b>		<b>875,506</b>	<b>193,502</b>	<b>718,111</b>
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>875,506</b>	<b>193,502</b>	<b>718,111</b>

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



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Revenue</b>				
Governance		34,675	26,698	28,912
General purpose funding		5,895,539	4,989,413	5,976,565
Law, order, public safety		383,903	309,830	344,830
Health		7,570	16,950	8,058
Education and welfare		336,979	355,650	288,108
Housing		146,170	138,736	105,256
Community amenities		1,245,844	1,201,407	1,206,665
Recreation and culture		57,416	176,734	109,663
Transport		188,064	189,075	185,939
Economic services		648,326	635,629	624,122
Other property and services		193,128	135,000	224,378
		9,137,614	8,175,122	9,102,496
<b>Expenses</b>				
Governance		(1,211,947)	(1,156,678)	(994,392)
General purpose funding		(115,484)	(153,739)	(130,642)
Law, order, public safety		(677,659)	(746,914)	(607,663)
Health		(82,437)	(92,071)	(70,815)
Education and welfare		(736,916)	(949,596)	(529,741)
Housing		(60,218)	(96,173)	(77,793)
Community amenities		(1,616,599)	(1,703,314)	(1,656,919)
Recreation and culture		(1,864,532)	(2,146,625)	(1,980,119)
Transport		(3,518,419)	(3,838,478)	(3,622,400)
Economic services		(752,722)	(873,356)	(833,075)
Other property and services		(19,787)	(35,694)	(47,518)
		(10,656,720)	(11,792,638)	(10,551,077)
<b>Finance Costs</b>				
General purpose funding	2(b)	(29,486)	(30,188)	(43,599)
		(1,548,592)	(3,647,704)	(1,492,180)
Non-operating grants, subsidies and contributions	2(a)	2,468,342	3,841,206	2,330,667
Profit on disposal of assets	11(a)	0	0	19,409
(Loss) on disposal of assets	11(a)	(4,976)	0	(52,415)
Fair value adjustments to financial assets at fair value through profit or loss		3,232	0	(87,370)
Impairment to land held for sale		(42,500)	0	0
		2,424,098	3,841,206	2,210,291
<b>Net result for the period</b>		<b>875,506</b>	<b>193,502</b>	<b>718,111</b>
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>875,506</b>	<b>193,502</b>	<b>718,111</b>

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



**SHIRE OF MOORA**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

	NOTE	2021 \$	2020 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	8,636,154	5,567,398
Trade and other receivables	6	623,116	538,960
Other financial assets	5(a)	19,482	19,743
Inventories	7	28,093	45,145
Other assets	8	198,189	29,960
<b>TOTAL CURRENT ASSETS</b>		<b>9,505,034</b>	<b>6,201,206</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	6	32,178	33,147
Other financial assets	5(b)	183,572	201,920
Non-current Assets held for resale	8	332,500	764,635
Property, plant and equipment	9	22,876,838	22,998,036
Infrastructure	10	161,980,692	162,490,387
Investment property	13	1,091,305	1,075,682
<b>TOTAL NON-CURRENT ASSETS</b>		<b>186,497,085</b>	<b>187,563,807</b>
<b>TOTAL ASSETS</b>		<b>196,002,119</b>	<b>193,765,013</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	777,085	431,735
Contract liabilities	15	1,300,755	228,196
Borrowings	16(a)	128,444	123,684
Employee related provisions	17	837,289	700,224
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,043,573</b>	<b>1,483,839</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	16(a)	698,999	827,443
Employee related provisions	17	44,355	114,045
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>743,354</b>	<b>941,488</b>
<b>TOTAL LIABILITIES</b>		<b>3,786,927</b>	<b>2,425,327</b>
<b>NET ASSETS</b>		<b>192,215,192</b>	<b>191,339,686</b>
<b>EQUITY</b>			
Retained surplus		84,369,312	84,603,425
Reserves - cash backed	4	3,569,293	2,459,674
Revaluation surplus	12	104,276,587	104,276,587
<b>TOTAL EQUITY</b>		<b>192,215,192</b>	<b>191,339,686</b>

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



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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2019</b>		<b>84,535,106</b>	<b>1,809,882</b>	<b>104,276,587</b>	<b>190,621,575</b>
Comprehensive income					
Net result for the period		718,111	0	0	718,111
Total comprehensive income		718,111	0	0	718,111
Transfers to reserves	4	(649,792)	649,792	0	0
<b>Balance as at 30 June 2020</b>		<b>84,603,425</b>	<b>2,459,674</b>	<b>104,276,587</b>	<b>191,339,686</b>
Comprehensive income					
Net result for the period		875,506	0	0	875,506
Total comprehensive income		875,506	0	0	875,506
Transfers from reserves	4	10,000	(10,000)	0	0
Transfers to reserves	4	(1,119,619)	1,119,619	0	0
<b>Balance as at 30 June 2021</b>		<b>84,369,312</b>	<b>3,569,293</b>	<b>104,276,587</b>	<b>192,215,192</b>

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

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		4,190,881	4,113,394	4,076,527
Operating grants, subsidies and contributions		2,156,956	1,261,343	2,336,501
Fees and charges		2,629,483	2,632,006	2,558,224
Interest received		55,075	81,481	146,277
Goods and services tax received		0	0	23,745
Other revenue		194,244	136,898	160,832
		9,226,639	8,225,122	9,302,106
<b>Payments</b>				
Employee costs		(3,706,067)	(3,587,896)	(3,623,649)
Materials and contracts		(1,415,510)	(2,547,846)	(1,808,829)
Utility charges		(387,515)	(452,400)	(417,157)
Interest expenses		(30,189)	(30,188)	(43,599)
Insurance paid		(208,415)	(200,973)	(193,717)
Goods and services tax paid		(196,035)	0	0
Other expenditure		(260,712)	(358,455)	(314,149)
		(6,204,443)	(7,177,758)	(6,401,100)
<b>Net cash provided by (used in) operating activities</b>	18	3,022,196	1,047,364	2,901,006
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	9(a)	(666,395)	(3,018,408)	(835,982)
Payments for construction of infrastructure	10(a)	(2,778,601)	(3,810,842)	(2,810,395)
Payments for investment property	13	(15,623)	0	0
Non-operating grants, subsidies and contributions		3,574,477	3,841,206	2,330,667
Proceeds from financial assets at fair values through profit and loss		0	0	(1,040)
Proceeds from sale of property, plant & equipment	11(a)	34,545	0	135,902
<b>Net cash provided by (used in) investment activities</b>		148,403	(2,988,044)	(1,180,848)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	16(b)	(123,684)	(123,684)	(135,445)
Proceeds from financial assets at amortised cost - self supporting loans		7,967	7,967	7,719
Proceeds from financial assets at amortised cost - advances to community groups		13,874	11,516	11,964
<b>Net cash provided by (used in) financing activities</b>		(101,843)	(104,201)	(115,762)
<b>Net increase (decrease) in cash held</b>		3,068,756	(2,044,881)	1,604,396
Cash and cash equivalents at beginning of year		5,567,398	5,567,399	3,963,002
<b>Cash and cash equivalents at the end of the year</b>	18	8,636,154	3,522,518	5,567,398

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

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

**OPERATING ACTIVITIES**

**Net current assets at start of financial year - surplus/(deficit)**

**Revenue from operating activities (excluding rates)**

Governance  
General purpose funding  
Law, order, public safety  
Health  
Education and welfare  
Housing  
Community amenities  
Recreation and culture  
Transport  
Economic services  
Other property and services

**Expenditure from operating activities**

Governance  
General purpose funding  
Law, order, public safety  
Health  
Education and welfare  
Housing  
Community amenities  
Recreation and culture  
Transport  
Economic services  
Other property and services

Non-cash amounts excluded from operating activities

**Amount attributable to operating activities**

**INVESTING ACTIVITIES**

Non-operating grants, subsidies and contributions  
Proceeds from disposal of assets  
Purchase of property, plant and equipment  
Purchase and construction of infrastructure  
Purchase of investment property

**Amount attributable to investing activities**

**FINANCING ACTIVITIES**

Repayment of borrowings  
Proceeds from financial assets at amortised cost - self supporting loans  
Proceeds from financial assets at amortised cost - advances to community groups  
Transfers to reserves (restricted assets)  
Transfers from reserves (restricted assets)

**Amount attributable to financing activities**

**Surplus/(deficit) before imposition of general rates**

**Total amount raised from general rates**

**Surplus/(deficit) after imposition of general rates**

	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Net current assets at start of financial year - surplus/(deficit)</b>	2,656,706	3,126,882	2,079,011
	2,656,706	3,126,882	2,079,011
<b>Revenue from operating activities (excluding rates)</b>			
Governance	37,907	26,698	28,912
General purpose funding	1,774,144	900,041	1,912,452
Law, order, public safety	383,903	309,830	344,830
Health	7,570	16,950	8,058
Education and welfare	336,979	355,650	288,108
Housing	146,170	138,736	105,256
Community amenities	1,245,844	1,201,407	1,206,665
Recreation and culture	57,416	176,734	109,663
Transport	188,064	189,075	185,939
Economic services	605,826	635,629	624,122
Other property and services	193,128	135,000	243,787
	4,976,951	4,085,750	5,057,792
<b>Expenditure from operating activities</b>			
Governance	(1,211,947)	(1,156,678)	(1,100,222)
General purpose funding	(144,970)	(183,927)	(174,241)
Law, order, public safety	(677,659)	(746,914)	(607,663)
Health	(82,437)	(92,071)	(77,847)
Education and welfare	(736,916)	(949,596)	(529,741)
Housing	(60,218)	(96,173)	(77,793)
Community amenities	(1,616,599)	(1,703,314)	(1,656,919)
Recreation and culture	(1,864,532)	(2,146,625)	(1,980,119)
Transport	(3,523,395)	(3,838,478)	(3,622,400)
Economic services	(752,722)	(873,356)	(833,075)
Other property and services	(19,787)	(35,694)	(74,441)
	(10,691,182)	(11,822,826)	(10,734,461)
Non-cash amounts excluded from operating activities	25(a) 4,402,253	4,448,067	4,135,613
<b>Amount attributable to operating activities</b>	1,344,728	(162,127)	537,955
<b>INVESTING ACTIVITIES</b>			
Non-operating grants, subsidies and contributions	2(a) 2,468,342	3,841,206	2,330,667
Proceeds from disposal of assets	11(a) 34,545	0	135,902
Purchase of property, plant and equipment	9(a) (666,395)	(3,018,408)	(835,982)
Purchase and construction of infrastructure	10(a) (2,778,601)	(3,810,842)	(2,810,395)
Purchase of investment property	13 (15,623)	0	0
<b>Amount attributable to investing activities</b>	(957,732)	(2,988,044)	(1,179,808)
<b>FINANCING ACTIVITIES</b>			
Repayment of borrowings	16(b) (123,684)	(123,684)	(135,445)
Proceeds from financial assets at amortised cost - self supporting loans	7,967	7,967	7,719
Proceeds from financial assets at amortised cost - advances to community groups	13,874	11,516	11,964
Transfers to reserves (restricted assets)	4 (1,119,619)	(975,000)	(649,792)
Transfers from reserves (restricted assets)	4 10,000	140,000	0
<b>Amount attributable to financing activities</b>	(1,211,462)	(939,201)	(765,554)
<b>Surplus/(deficit) before imposition of general rates</b>	(824,466)	(4,089,372)	(1,407,407)
<b>Total amount raised from general rates</b>	24(a) 4,121,395	4,089,372	4,064,113
<b>Surplus/(deficit) after imposition of general rates</b>	25(b) <b>3,296,929</b>	<b>0</b>	<b>2,656,706</b>

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



## **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 measurement at fair value of selected non-current assets, financial assets and liabilities.

### **THE LOCAL GOVERNMENT REPORTING ENTITY**

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

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. No monies were held in the Trust Fund during this financial year.

### **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:

- Land held for resale
- Other financial assets
- Property, Plant and Equipment
- Infrastructure
- Right-of-use assets
- Lease liabilities
- Provisions



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

**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:

	<b>2021 Actual</b>	<b>2021 Budget</b>	<b>2020 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Operating grants, subsidies and contributions</b>			
Governance	0	0	2,273
General purpose funding	1,653,534	756,038	1,714,289
Law, order, public safety	241,319	164,630	201,767
Health	0	1,950	3,185
Education and welfare	7,757	10,650	1,500
Community amenities	1,640	2,500	2,605
Recreation and culture	0	86,500	27,015
Transport	188,064	189,075	185,939
Other property and services	9,091	0	10,455
	<b>2,101,405</b>	<b>1,211,343</b>	<b>2,149,028</b>
<b>Non-operating grants, subsidies and contributions</b>			
Law, order, public safety	0	0	30,506
Education and welfare	380,000	1,180,000	360,000
Recreation and culture	0	613,357	4,370
Transport	2,088,342	2,047,849	1,935,791
	<b>2,468,342</b>	<b>3,841,206</b>	<b>2,330,667</b>
<b>Total grants, subsidies and contributions</b>	<b>4,569,747</b>	<b>5,052,549</b>	<b>4,479,695</b>
<b>Fees and charges</b>			
Governance	4,822	100	393
General purpose funding	21,258	13,500	13,006
Law, order, public safety	142,584	145,200	143,063
Health	7,570	15,000	4,873
Education and welfare	329,222	345,000	286,608
Housing	146,170	138,736	105,256
Community amenities	1,244,204	1,198,907	1,204,060
Recreation and culture	57,370	90,234	82,874
Economic services	648,103	635,329	623,871
Other property and services	40,170	50,000	94,220
	<b>2,641,473</b>	<b>2,632,006</b>	<b>2,558,224</b>

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 Shire.

**Fees and Charges**

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

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

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

<b>(a) Revenue (Continued)</b>	<b>NOTE</b>	<b>2021 Actual \$</b>	<b>2021 Budget \$</b>	<b>2020 Actual \$</b>
<b>Contracts with customers and transfers for recognisable non-financial assets</b>				
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		2,607,012	2,595,906	2,524,475
Non-operating grants, subsidies and contributions		2,468,342	3,841,206	2,330,667
		5,075,354	6,437,112	4,855,142
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 included as a contract liability at the start of the period				
		228,196	0	22,804
Revenue from contracts with customers recognised during the year		2,378,816	2,595,906	2,501,671
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year		2,468,342	3,841,206	2,330,667
		5,075,354	6,437,112	4,855,142
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	6	88,893		177,051
Contract assets	8	196,891		0
Contract liabilities from contracts with customers	15	(194,620)		(228,196)
Financial assets held from transfers for recognisable financial assets	15	1,106,135		0
Grant liabilities from transfers for recognisable non financial assets	15	(1,106,135)		0

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

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

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

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

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

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

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

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

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

**(a) Revenue (Continued)**

**Revenue from statutory requirements**

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

General rates

Statutory permits and licences

Fines

**Other revenue**

Reimbursements and recoveries

**Interest earnings**

Financial assets at amortised cost - self supporting loans

Interest on reserve funds

Rates instalment and penalty interest (refer Note 24(c))

Other interest earnings

	2021 Actual \$	2021 Budget \$	2020 Actual \$
General rates	4,121,395	4,089,372	4,064,113
Statutory permits and licences	33,821	35,100	32,820
Fines	640	1,000	929
	4,155,856	4,125,472	4,097,862
Other revenue			
Reimbursements and recoveries	194,244	136,898	160,832
	194,244	136,898	160,832
Interest earnings			
Financial assets at amortised cost - self supporting loans	2,547	3,981	2,960
Interest on reserve funds	6,056	25,000	42,858
Rates instalment and penalty interest (refer Note 24(c))	29,335	32,500	54,009
Other interest earnings	17,137	20,000	46,450
	55,075	81,481	146,277

**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 interest earnings where it is earned from financial assets that are held for cash management purposes.

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

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

		2021	2021	2020
		Actual	Budget	Actual
		\$	\$	\$
<b>(b) Expenses</b>				
<b>Auditors remuneration</b>				
Audit of Annual Financial Report		38,800	38,000	38,000
Other Services		4,000	22,000	11,250
		42,800	60,000	49,250
<b>Interest expenses (finance costs)</b>				
Borrowings	16(b)	29,486	30,188	42,044
Overdraft Facility		0	0	1,555
		29,486	30,188	43,599
<b>Other expenditure</b>				
Impairment loss on trade and other receivables from contracts with customers		(11,990)	50,048	3,556
Sundry expenses		272,702	308,407	310,593
		260,712	358,455	314,149

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

**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
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

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

**3. CASH AND CASH EQUIVALENTS**

NOTE	2021	2020
	\$	\$
	8,636,154	828,168
	0	4,739,230
	8,636,154	5,567,398

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

**Restricted assets**

Restricted asset balances are not available for general use by the Shire 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 MOORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**4. RESERVES - CASH BACKED**

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave Reserve	295,072	727	0	295,799	295,037	2,999	0	298,036	284,116	10,956	0	295,072
(b) Plant Reserve	145,955	359	0	146,314	144,254	1,466	0	145,720	138,916	7,039	0	145,955
(c) Administration Building Reserve	650,072	1,601	0	651,673	652,138	6,628	0	658,766	242,647	407,425	0	650,072
(d) Community Facilities Reserve	128,514	316	0	128,830	128,248	1,304	0	129,552	123,502	5,012	0	128,514
(e) Waste Management Reserve	139,578	344	0	139,922	139,560	1,418	0	140,978	134,396	5,182	0	139,578
(f) Bridge Reserve	74,784	184	0	74,968	74,774	760	0	75,534	72,007	2,777	0	74,784
(g) Community Bus Reserve	7,331	18	0	7,349	7,330	75	0	7,405	7,059	272	0	7,331
(h) Sewerage Reserve	855,176	165,669	0	1,020,845	855,162	8,692	(140,000)	723,854	650,106	205,070	0	855,176
(i) Economic Development Reserve	142,324	350	0	142,674	142,306	1,446	0	143,752	137,040	5,284	0	142,324
(j) Emergency Relief Reserve	20,868	51	(10,000)	10,919	20,865	212	0	21,077	20,093	775	0	20,868
(k) Infrastructure Renewal Reserve	0	950,000	0	950,000	0	950,000	0	950,000	0	0	0	0
	2,459,674	1,119,619	(10,000)	3,569,293	2,459,674	975,000	(140,000)	3,294,674	1,809,882	649,792	0	2,459,674

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 outstanding annual and long service leave requirements
(b) Plant Reserve	Ongoing	To be used for the purchase of items of plant and equipment.
(c) Administration Building Reserve	Ongoing	To be used for major projects relating to Council buildings including renovations and constructions of new facilities.
(d) Community Facilities Reserve	Ongoing	To provide funds to eligible community organisations for approved projects.
(e) Waste Management Reserve	Ongoing	To be used for major projects relating to waste management including future rubbish site development and waste management plant items.
(f) Bridge Reserve	Ongoing	Funds held for funding bridge work maintenance.
(g) Community Bus Reserve	Ongoing	To provide for repairs and upgrade of community bus.
(h) Sewerage Reserve	Ongoing	To be used for sewerage infrastructure works.
(i) Economic Development Reserve	Ongoing	To be used for future economic development services within the Shire of Moora, including land development relating to residential, commercial and industrial use.
(j) Emergency Relief Reserve	Ongoing	To be used for emergency disaster relief
(k) Infrastructure Renewal Reserve	Ongoing	To be used for renewal of various infrastructure.



## 5. OTHER FINANCIAL ASSETS

### (a) Current assets

Financial assets at amortised cost

#### Other financial assets at amortised cost

Self supporting loans

Community 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

Community Loans

#### Financial assets at fair value through profit and loss

Units in Local Government House Trust

CMC Pty Ltd - 100,000 B Class Shares @ \$1 each

	2021	2020
	\$	\$
Financial assets at amortised cost	19,482	19,743
	19,482	19,743
Other financial assets at amortised cost		
Self supporting loans	8,223	7,967
Community Loans	11,259	11,776
	19,482	19,743
Financial assets at fair value through profit and loss		
Financial assets at amortised cost	80,123	101,704
Financial assets at fair value through profit and loss	103,449	100,216
	183,572	201,920
Financial assets at amortised cost		
Self supporting loans	30,920	39,144
Community Loans	49,203	62,560
	80,123	101,704
Financial assets at fair value through profit and loss		
Units in Local Government House Trust	92,259	89,026
CMC Pty Ltd - 100,000 B Class Shares @ \$1 each	11,190	11,190
	103,449	100,216

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 16(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 26.

## 6. TRADE AND OTHER RECEIVABLES

### Current

Rates receivable	
Trade and other receivables	
ATO Receivables	
Allowance for impairment of receivables	

### Non-current

Pensioner's rates and ESL deferred	
Moora Lifestyle Village Relocation loans	

2021	2020
\$	\$
364,733	400,444
88,893	177,051
207,548	11,513
(38,058)	(50,048)
623,116	538,960
29,679	29,679
2,499	3,468
32,178	33,147

### 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 26.

### SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Classification and subsequent measurement

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

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

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

## 7. INVENTORIES

### Current

Fuel and materials

The following movements in inventories occurred during the year:

### Balance at beginning of year

Additions / (Reduction) to inventory

### Balance at end of year

	2021	2020
	\$	\$
	28,093	45,145
	28,093	45,145
	45,145	20,905
	(17,052)	24,240
	28,093	45,145

## SIGNIFICANT ACCOUNTING POLICIES

### General

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

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

## 8. OTHER ASSETS

### Other assets - current

Prepayments  
Accrued income  
Contract Assets

### Non-current assets held for sale

Non-current assets held for sale

Land held for sale - cost  
Less impairment  
Land held for sale

	2021	2020
	\$	\$
Prepayments	1,298	1,260
Accrued income	0	28,700
Contract Assets	196,891	0
	198,189	29,960
Non-current assets held for sale	0	389,635
Land held for sale - cost	375,000	375,000
Less impairment	(42,500)	0
Land held for sale	332,500	375,000
	332,500	764,635

### Land and buildings classified as held for sale

#### SIGNIFICANT ACCOUNTING POLICIES

##### Other current assets

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

##### Contract Assets

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

##### Land held for sale

The net realisable value of land held for sale was determined using the sales comparison approach using comparable properties in the area. This is a level 2 measurement as per the fair value hierarchy set out in Note 28(h).

##### Non current assets held for sale

Assets have been reclassified to land and buildings as the assets are no longer held for sale. Refer to note 9(a).

## 9. PROPERTY, PLANT AND EQUIPMENT

### (a) Movements in Balances

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

	Land	Buildings - non- specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	2,879,002	1,006,546	11,424,866	15,310,414	114,594	4,591,345	20,016,353
Additions	20,000	4,147	289,263	313,410	23,586	498,986	835,982
(Disposals)	0	0	0	0	0	(168,908)	(168,908)
Depreciation (expense)	0	(30,524)	(602,781)	(633,305)	(24,531)	(392,094)	(1,049,930)
Transfers	0	0	3,364,539	3,364,539	0	0	3,364,539
<b>Balance at 30 June 2020</b>	2,899,002	980,169	14,475,887	18,355,058	113,649	4,529,329	22,998,036
<b>Comprises:</b>							
Gross balance amount at 30 June 2020	2,899,002	1,527,959	32,277,775	36,704,736	181,767	5,723,072	42,609,575
Accumulated depreciation at 30 June 2020	0	(547,790)	(17,801,888)	(18,349,678)	(68,118)	(1,193,743)	(19,611,539)
<b>Balance at 30 June 2020</b>	2,899,002	980,169	14,475,887	18,355,058	113,649	4,529,329	22,998,036
Additions	0	0	199,949	199,949	14,391	452,055	666,395
(Disposals)	0	0	0	0	0	(39,521)	(39,521)
Depreciation (expense)	0	(30,559)	(646,012)	(676,571)	(30,368)	(430,768)	(1,137,707)
Transfers from Non-current assets held for sale	129,650	259,985	0	389,635	0	0	389,635
<b>Balance at 30 June 2021</b>	3,028,652	1,209,595	14,029,824	18,268,071	97,672	4,511,095	22,876,838
<b>Comprises:</b>							
Gross balance amount at 30 June 2021	3,028,652	2,026,510	32,477,724	37,532,886	191,420	6,115,127	43,839,433
Accumulated depreciation at 30 June 2021	0	(816,915)	(18,447,900)	(19,264,815)	(93,748)	(1,604,032)	(20,962,595)
<b>Balance at 30 June 2021</b>	3,028,652	1,209,595	14,029,824	18,268,071	97,672	4,511,095	22,876,838

## 9. PROPERTY, PLANT AND EQUIPMENT (Continued)

### (b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>(i) Fair Value</b>					
<b>Land and buildings</b>					
Land	2	Sales comparison approach	Independent	June 2017	Market sales evidence
Buildings - non-specialised	2	Sales comparison approach	Independent	June 2017	Market sales evidence
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent	June 2017	Construction costs and current condition, residual values and remaining useful life assessments
<b>(ii) Cost</b>					
<b>Furniture and equipment</b>	3	Cost approach	Management	June 2016	Costs and current condition
<b>Plant and equipment</b>	3	Cost approach	Management	June 2016	Costs and current condition

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.

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**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**  
**10. INFRASTRUCTURE**

**(a) Movements in Balances**

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

	Infrastructure - Roads \$	Infrastructure - Footpaths \$	Infrastructure - Drainage \$	Infrastructure - Bridges \$	Infrastructure - Street Lighting & Furniture \$	Infrastructure - Parks & Ovals \$	Infrastructure - Sewerage \$	Other infrastructure - WIP \$	Total Infrastructure \$
<b>Balance at 1 July 2019</b>	126,583,334	746,378	5,972,985	7,432,220	1,537,126	3,918,381	16,699,210	3,401,486	166,291,120
Additions	2,297,850	219,654	7,884	0	63,212	158,921	62,874		2,810,395
Depreciation (expense)	(2,013,543)	(27,677)	(208,428)	(121,964)	(97,103)	(300,670)	(477,204)	0	(3,246,589)
Transfers	22,059	0	0	0	0	14,888	0	(3,401,486)	(3,364,539)
<b>Balance at 30 June 2020</b>	126,889,700	938,355	5,772,441	7,310,256	1,503,235	3,791,520	16,284,880	0	162,490,387
<b>Comprises:</b>									
Gross balance at 30 June 2020	157,076,980	1,880,275	15,236,053	11,123,841	2,271,238	7,730,013	33,772,252	0	229,090,652
Accumulated depreciation at 30 June 2020	(30,187,280)	(941,920)	(9,463,612)	(3,813,585)	(768,003)	(3,938,493)	(17,487,372)	0	(66,600,265)
<b>Balance at 30 June 2020</b>	126,889,700	938,355	5,772,441	7,310,256	1,503,235	3,791,520	16,284,880	0	162,490,387
Additions	2,463,201	190,321	0	0	27,118	0	97,961		2,778,601
Depreciation (expense)	(2,055,276)	(20,930)	(208,536)	(121,964)	(99,305)	(303,662)	(478,623)		(3,288,296)
<b>Balance at 30 June 2021</b>	127,297,625	1,107,746	5,563,905	7,188,292	1,431,048	3,487,858	15,904,218	0	161,980,692
<b>Comprises:</b>									
Gross balance at 30 June 2021	159,540,182	2,070,595	15,236,053	11,123,841	2,298,356	7,730,014	33,775,024	0	231,774,065
Accumulated depreciation at 30 June 2021	(32,242,557)	(962,849)	(9,672,148)	(3,935,549)	(867,308)	(4,242,156)	(17,870,806)	0	(69,793,373)
<b>Balance at 30 June 2021</b>	127,297,625	1,107,746	5,563,905	7,188,292	1,431,048	3,487,858	15,904,218	0	161,980,692

**SHIRE OF MOORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**10. INFRASTRUCTURE (Continued)**

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
<b>Infrastructure - Roads</b>	3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
<b>Infrastructure - Footpaths</b>	3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
<b>Infrastructure - Drainage</b>	3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
<b>Infrastructure - Bridges</b>	3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
<b>Infrastructure - Street Lighting &amp; Furniture</b>	3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
<b>Infrastructure - Parks &amp; Ovals</b>	3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
<b>Infrastructure - Sewerage</b>	3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition, residual values and remaining useful life assessments



## **11. FIXED ASSETS**

### **SIGNIFICANT ACCOUNTING POLICIES**

#### **Fixed assets**

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

#### **Initial recognition and measurement between mandatory revaluation dates**

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

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

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

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

#### **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.

### **AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY**

#### **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 MOORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**11. FIXED ASSETS**

**(a) Disposals of Assets**

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Furniture and equipment	0	0	0	0	0	0	0	0	0	0	0	0
Plant and equipment	39,521	34,545	0	(4,976)	0	0	0	0	168,908	135,902	19,409	(52,415)
	39,521	34,545	0	(4,976)	0	0	0	0	168,908	135,902	19,409	(52,415)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$
<b>Plant and Equipment</b>				
<b>Governance</b>				
Ricoh Admin Photocopier	0	0	0	0
<b>Transport</b>				
Hino Rubbish Truck	39,521	34,545	0	(4,976)
	39,521	34,545	0	(4,976)

**SHIRE OF MOORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**11. FIXED ASSETS**

**(b) Depreciation**

	<b>2021 Actual</b>	<b>2021 Budget</b>	<b>2020 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Buildings - non-specialised	30,559	0	30,524
Buildings - specialised	646,012	729,496	602,781
Furniture and equipment	30,368	24,531	24,531
Plant and equipment	430,768	392,094	392,094
Infrastructure - Roads	2,055,276	2,065,901	2,013,543
Infrastructure - Footpaths	20,930	27,677	27,677
Infrastructure - Drainage	208,536	685,632	208,428
Infrastructure - Bridges	121,964	121,964	121,964
Infrastructure - Street Lighting & Furniture	99,305	97,103	97,103
Infrastructure - Parks & Ovals	303,662	300,670	300,670
Infrastructure - Sewerage	478,623	0	477,204
	<b>4,426,003</b>	<b>4,445,068</b>	<b>4,296,519</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Depreciation**

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

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

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

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

**Depreciation on revaluation**

Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

**Depreciation rates**

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

<b>Asset Class</b>	<b>Useful life</b>
Buildings	50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - Roads	20 to 80 Years
Infrastructure - Footpaths	50 to 80 Years
Infrastructure - Drainage	20 to 80 Years
Infrastructure - Parks and Ovals	30 to 50 Years
Infrastructure - Bridges	80 to 100 Years
Infrastructure - Street Furniture & Lighting	15 - 80 Years
Infrastructure - Sewerage	80 to 100 Years
Infrastructure - WIP	not depreciated

## 12. REVALUATION SURPLUS

	2021 Opening Balance	2021 Closing Balance	2020 Opening Balance	2020 Closing Balance
	\$	\$	\$	\$
Land - freehold land	1,895,520	1,895,520	1,895,520	1,895,520
Buildings - non-specialised	473,103	473,103	473,103	473,103
Buildings - specialised	6,159,088	6,159,088	6,159,088	6,159,088
Infrastructure - Roads	66,541,398	66,541,398	66,541,398	66,541,398
Infrastructure - Drainage	4,237,509	4,237,509	4,237,509	4,237,509
Infrastructure - Bridges	5,770,938	5,770,938	5,770,938	5,770,938
Infrastructure - Street Lighting & Furniture	851,837	851,837	851,837	851,837
Infrastructure - Parks & Ovals	2,085,971	2,085,971	2,085,971	2,085,971
Infrastructure - Sewerage	16,261,223	16,261,223	16,261,223	16,261,223
	104,276,587	104,276,587	104,276,587	104,276,587

**SHIRE OF MOORA**  
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**13. INVESTMENT PROPERTY**

**Non-current assets - at fair value**

Carrying balance at 1 July  
 Acquisitions  
 Closing balance at 30 June

**Amounts recognised in profit or loss for investment properties**

Rental income  
 Direct operating expenses from property that generated rental income

**Leasing arrangements**

Investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows:

Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:

Within one year  
 Later than one year but not later than 5 years  
 Later than 5 years

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Carrying balance at 1 July	1,075,682		1,075,682
Acquisitions	15,623		0
Closing balance at 30 June	1,091,305		1,075,682
Rental income	146,170	138,736	105,256
Direct operating expenses from property that generated rental income	(22,614)	(28,236)	(31,607)
Within one year	69,391	69,391	69,391
Later than one year but not later than 5 years	27,765	75,056	75,056
Later than 5 years	0	0	0
	97,156	144,447	144,447

**SIGNIFICANT ACCOUNTING POLICIES**

**Investment properties**

Investment properties are principally freehold buildings, held for long-term rental yields and not occupied by the Shire. They are carried at fair value. Changes in the fair values are presented in profit or loss as a part of other revenue.

**Fair value of investment properties**

Refer to note 11.

#### 14. TRADE AND OTHER PAYABLES

##### Current

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

2021	2020
\$	\$
415,793	150,589
142,056	132,303
65,343	51,653
109,266	59,922
38,290	30,228
6,337	7,040
<b>777,085</b>	<b>431,735</b>

#### SIGNIFICANT ACCOUNTING POLICIES

##### Trade and other payables

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

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

##### Prepaid rates

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

## 15. CONTRACT LIABILITIES

### Current

Contract liabilities

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

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

Less than 1 year

	2021	2020
	\$	\$
	194,620	228,196
	1,106,135	0
	<u>1,300,755</u>	<u>228,196</u>
	\$	\$
	1,300,755	228,196
	<u>1,300,755</u>	<u>228,196</u>

### 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.

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**16. INFORMATION ON BORROWINGS**

**(a) Borrowings**

	2021	2020
	\$	\$
Current	128,444	123,684
Non-current	698,999	827,443
	827,443	951,127

**(b) Repayments - Borrowings**

Particulars	Loan Number	Institution	Interest Rate	30 June 2021				30 June 2021				30 June 2020			
				Actual Principal 1 July 2020	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding	Budget Principal 1 July 2020	Budget Principal repayments	Budget Interest repayments	Budget Principal outstanding	Actual Principal 1 July 2019	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Education and welfare</b>															
Hydrotherapy Pool	327	WATC*	3.43%	460,679	(27,351)	(15,286)	433,328	460,679	(27,351)	(15,569)	433,328	487,115	(26,436)	(19,685)	460,679
<b>Housing</b>															
Housing Executive Loan	317	WATC*	6.90%	58,616	(28,314)	(3,455)	30,302	58,616	(28,314)	(3,564)	30,302	85,073	(26,457)	(6,060)	58,616
92 Roberts Street	326	WATC*	2.60%	126,138	(19,689)	(3,055)	106,449	126,138	(19,689)	(3,152)	106,449	145,325	(19,187)	(4,636)	126,138
<b>Recreation and culture</b>															
Town Hall	315	WATC*	6.05%	0	0	0	0	0	0	0	0	16,312	(16,312)	(164)	0
<b>Economic services</b>															
Industrial Lots - Roberts Street	325	WATC*	2.60%	258,583	(40,363)	(6,334)	218,220	258,584	(40,363)	(6,463)	218,221	297,917	(39,334)	(9,505)	258,583
				904,016	(115,717)	(28,130)	788,299	904,017	(115,717)	(28,748)	788,300	1,031,742	(127,726)	(40,050)	904,016
<b>Self Supporting Loans</b>															
<b>Recreation and culture</b>															
Moora Bowling Club SSL	324	WATC*	3.19%	47,111	(7,967)	(1,356)	39,144	47,110	(7,967)	(1,440)	39,143	54,830	(7,719)	(1,994)	47,111
				47,111	(7,967)	(1,356)	39,144	47,110	(7,967)	(1,440)	39,143	54,830	(7,719)	(1,994)	47,111
				951,127	(123,684)	(29,486)	827,443	951,127	(123,684)	(30,188)	827,443	1,086,572	(135,445)	(42,044)	951,127

\* 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 MOORA**  
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**FOR THE YEAR ENDED 30 JUNE 2021**

**16. INFORMATION ON BORROWINGS (Continued)**

	2021	2020
	\$	\$
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	1,000,000	1,000,000
Bank overdraft at balance date	0	0
Credit card limit	38,750	38,500
Credit card balance at balance date	(18,380)	(3,071)
<b>Total amount of credit unused</b>	<b>1,020,370</b>	<b>1,035,429</b>
<b>Loan facilities</b>		
Loan facilities - current	128,444	123,684
Loan facilities - non-current	698,999	827,443
<b>Total facilities in use at balance date</b>	<b>827,443</b>	<b>951,127</b>
<b>Unused loan facilities at balance date</b>	<b>Nil</b>	<b>Nil</b>

**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 26.

**SHIRE OF MOORA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**17. EMPLOYEE RELATED PROVISIONS**

**(a) Employee Related Provisions**

**Opening balance at 1 July 2020**

Current provisions  
 Non-current provisions

Additional provision  
**Balance at 30 June 2021**

**Comprises**

Current  
 Non-current

**Amounts are expected to be settled on the following basis:**

Less than 12 months after the reporting date  
 More than 12 months from reporting date

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2020			
Current provisions	402,509	297,715	700,224
Non-current provisions	0	114,045	114,045
	402,509	411,760	814,269
Additional provision	18,824	48,551	67,375
<b>Balance at 30 June 2021</b>	<b>421,333</b>	<b>460,311</b>	<b>881,644</b>
<b>Comprises</b>			
Current	421,333	415,956	837,289
Non-current	0	44,355	44,355
	421,333	460,311	881,644
	<b>2021</b>	<b>2020</b>	
	\$	\$	
Less than 12 months after the reporting date	346,987	258,981	
More than 12 months from reporting date	534,657	555,288	
	881,644	814,269	

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.

## 18. 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	8,636,154	3,522,518	5,567,398
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	875,506	193,502	718,111
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(3,232)	0	87,370
Depreciation on non-current assets	4,426,003	4,445,068	4,296,519
(Profit)/loss on sale of asset	4,976	0	33,006
Impairment to land held for sale	42,500	0	0
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(83,187)	50,000	(24,611)
(Increase)/decrease in other assets	(168,229)	0	353,208
(Increase)/decrease in non current assets held for sale	0	0	(275,185)
(Increase)/decrease in inventories	17,052	0	(24,240)
Increase/(decrease) in payables	345,350	200,000	(214,238)
Increase/(decrease) in employee provisions	67,375	0	0
Increase/(decrease) in other provisions	0	0	76,341
Increase/(decrease) in contract liabilities	1,072,559	0	205,392
Non-operating grants, subsidies and contributions	(3,574,477)	(3,841,206)	(2,330,667)
Net cash from operating activities	3,022,196	1,047,364	2,901,006

## 19. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	1,586,759	1,650,067
General purpose funding	5,442,741	3,521,395
Law, order, public safety	1,504,760	1,522,903
Health	21,748	23,474
Education and welfare	3,479,786	3,510,066
Housing	2,312,416	2,315,739
Community amenities	18,890,139	19,209,563
Recreation and culture	12,662,939	12,255,310
Transport	146,242,548	145,821,761
Economic services	3,707,488	3,766,171
Other property and services	150,795	168,564
	196,002,119	193,765,013

## 20. CONTINGENT LIABILITIES

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

Roberts Street Road Reserve

Lot 43 (16) Roberts Street (Lifestyle Village and former Main Roads WA depot)

Lot 101 Lefroy Street (worker's camp)

Lot 370 (18) Drummond Street (Water Corporation Depot)

45 Drummond Street (Council Depot)

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

No other contingent liabilities noted.

21. LEASING COMMITMENTS

(a) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts (short term and low value leases).

Payable:

- not later than one year
- later than one year but not later than five years
- later than five years

	2021	2020
	\$	\$
- not later than one year	6,084	6,084
- later than one year but not later than five years	0	6,084
- later than five years	0	0
	6,084	12,168

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**22. ELECTED MEMBERS REMUNERATION**

	<b>2021 Actual \$</b>	<b>2021 Budget \$</b>	<b>2020 Actual \$</b>
<b>Cr Tracy Lefroy</b>			
President's annual allowance	11,113	16,000	0
Deputy President's annual allowance	1,262	0	4,000
Meeting attendance fees	4,530	5,830	4,200
Travel and accommodation expenses	5,942	3,000	1,943
	<b>22,847</b>	<b>24,830</b>	<b>10,143</b>
<b>Cr Steven Gilbert</b>			
Deputy President's annual allowance	2,800	4,000	0
Meeting attendance fees	4,350	4,950	3,150
Travel and accommodation expenses	0	1,500	0
	<b>7,150</b>	<b>10,450</b>	<b>3,150</b>
<b>Cr Ken Seymour</b>			
President's annual allowance	4,910	0	16,000
Meeting attendance fees	2,100	4,950	5,610
Travel and accommodation expenses	3,898	750	4,252
	<b>10,908</b>	<b>5,700</b>	<b>25,862</b>
<b>Cr Tracy Humphry</b>			
Meeting attendance fees	4,050	4,950	3,450
Travel and accommodation expenses	1,575	750	749
	<b>5,625</b>	<b>5,700</b>	<b>4,199</b>
<b>Cr Clydesdale-Gebert</b>			
Meeting attendance fees	4,350	4,950	4,200
Travel and accommodation expenses	0	500	0
	<b>4,350</b>	<b>5,450</b>	<b>4,200</b>
<b>Cr Lyn Hamilton</b>			
Meeting attendance fees	3,750	4,950	4,200
Travel and accommodation expenses	0	750	0
	<b>3,750</b>	<b>5,700</b>	<b>4,200</b>
<b>Cr Peter Nixon</b>			
Meeting attendance fees	4,350	4,950	3,000
Travel and accommodation expenses	1,194	750	573
	<b>5,544</b>	<b>5,700</b>	<b>3,573</b>
<b>Cr Julie Thomas</b>			
Meeting attendance fees	4,350	4,950	4,650
Travel and accommodation expenses	0	500	0
	<b>4,350</b>	<b>5,450</b>	<b>4,650</b>
<b>Cr Marcus Holliday</b>			
Meeting attendance fees	2,850	4,950	2,400
Travel and accommodation expenses	900	500	202
	<b>3,750</b>	<b>5,450</b>	<b>2,602</b>
<b>Cr Louise House</b>			
Meeting attendance fees	0	0	1,350
Travel and accommodation expenses	0	0	1,754
	<b>0</b>	<b>0</b>	<b>3,104</b>
<b>Cr Phillip Bellamy</b>			
Meeting attendance fees	0	0	2,700
Travel and accommodation expenses	0	0	521
	<b>0</b>	<b>0</b>	<b>3,221</b>
	<b>68,274</b>	<b>74,430</b>	<b>68,904</b>
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	16,023	16,000	16,000
Deputy President's allowance	4,062	4,000	4,000
Meeting attendance fees	34,680	45,430	38,910
Travel and accommodation expenses	13,509	9,000	9,994
	<b>68,274</b>	<b>74,430</b>	<b>68,904</b>

## 23. RELATED PARTY TRANSACTIONS

### Key Management Personnel (KMP) Compensation Disclosure

	2021 Actual	2020 Actual
The total of remuneration paid to KMP of the Shire during the year are as follows:	\$	\$
Short-term employee benefits	540,317	477,389
Post-employment benefits	71,208	69,039
Other long-term benefits	67,121	53,759
Termination benefits	0	16,908
	678,646	617,095

#### *Short-term employee benefits*

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

#### *Post-employment benefits*

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

#### *Other long-term benefits*

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

#### *Termination benefits*

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

### 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.



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**24. RATING INFORMATION**

**(a) Rates**

<b>RATE TYPE</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>2020/21 Actual Rateable Value \$</b>	<b>2020/21 Actual Rate Revenue \$</b>	<b>2020/21 Actual Interim Rates \$</b>	<b>2020/21 Actual Back Rates \$</b>	<b>2020/21 Actual Total Revenue \$</b>	<b>2020/21 Budget Rate Revenue \$</b>	<b>2020/21 Budget Interim Rate \$</b>	<b>2020/21 Budget Back Rate \$</b>	<b>2020/21 Budget Total Revenue \$</b>	<b>2019/20 Actual Total Revenue \$</b>
<b>Differential general rate / general rate</b>												
<b>Gross rental valuations</b>												
GRV Residential - Moora Townsite	0.094556	629	8,274,293	782,384	1,126	34	783,544	782,384	0	0	782,384	779,053
GRV Commercial/Industrial - Moora Towns	0.094556	85	3,026,909	286,212	0	0	286,212	286,212	0	0	286,212	286,212
GRV Residential - Other Townsite	0.094556	27	236,704	22,382	454	0	22,836	22,382	0	0	22,382	22,382
GRV Commercial/Industrial - Other Towns	0.094556	5	117,160	11,078	0	0	11,078	11,078	0	0	11,078	11,078
<b>Unimproved valuations</b>												
UV Rural	0.008912	81	307,953,877	2,744,345	20,025	39	2,764,409	2,743,721	0	0	2,743,721	2,722,640
UV Urban Farmland	0.009354	58	6,562,694	61,387	6,151	141	67,679	61,387	0	0	61,387	65,076
<b>Sub-Total</b>		885	326,171,637	3,907,788	27,756	214	3,935,758	3,907,164	0	0	3,907,164	3,886,441
<b>Minimum payment</b>	<b>Minimum \$</b>											
<b>Gross rental valuations</b>												
GRV Residential - Moora Townsite	676	72	136,922	48,672	0	0	48,672	48,384	0	0	48,384	50,400
GRV Commercial/Industrial - Moora Towns	676	21	37,468	14,196	0	0	14,196	14,112	0	0	14,112	12,768
GRV Residential - Other Townsite	676	93	344,264	62,868	0	0	62,868	62,496	0	0	62,496	62,496
GRV Commercial/Industrial - Other Towns	676	10	31,146	6,760	0	0	6,760	6,720	0	0	6,720	6,720
<b>Unimproved valuations</b>												
UV Rural	676	81	1,992,544	54,756	0	0	54,756	54,432	0	0	54,432	48,384
UV Urban Farmland	676	12	947,906	8,112	0	0	8,112	8,064	0	0	8,064	7,392
<b>Sub-Total</b>		289	3,490,250	195,364	0	0	195,364	194,208	0	0	194,208	188,160
		1,174	329,661,887	4,103,152	27,756	214	4,131,122	4,101,372	0	0	4,101,372	4,074,601
Discounts/concessions (Note 24(b))							(9,727)				(12,000)	(10,488)
<b>Total amount raised from general rate</b>							4,121,395				4,089,372	4,064,113
Ex-gratia rates							24,022				24,022	24,022
<b>Totals</b>							4,145,417				4,113,394	4,088,135

**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.

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24. RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee Discount Granted	Discount	Discount	2021 Actual	2021 Budget	2020 Actual	Circumstances in which Discount is Granted
	%	\$	\$	\$	\$	
General rates - staff	N/A	Various	9,727	10,000	9,888	Full time employees & pro-rata for part-time employees
General rates - rate payer	N/A	600	0	600	600	Cash prize randomly selected. Valid for all rate payments received in full within 21 days of issue.
General rates - other	N/A	Various	0	1,400	0	Provision for rates discount at discretion of Council
			9,727	12,000	10,488	
Total discounts/concessions (Note 24(a))			9,727	12,000	10,488	

## 24. RATING INFORMATION (Continued)

### (c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
<b>Option One</b>				
Single full payment	9/10/2020	7.40	3.00%	5.50%
<b>Option Two</b>				
First instalment	9/10/2020	7.40	3.00%	5.50%
Second instalment	11/12/2020	7.40	3.00%	5.50%
<b>Option Three</b>				
First instalment	9/10/2020	7.40	3.00%	5.50%
Second instalment	11/12/2020	7.40	3.00%	5.50%
Third instalment	12/02/2021	7.40	3.00%	5.50%
Fourth instalment	16/04/2021	7.40	3.00%	5.50%

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Interest on unpaid rates	22,774	25,000	38,482
Interest on instalment plan	6,561	7,500	15,527
Charges on instalment plan	16,013	7,500	7,547
	45,348	40,000	61,556

## 25. RATE SETTING STATEMENT INFORMATION

		2020/21 Budget (30 June 2021 Carried Forward)	2019/20 (30 June 2020 Carried Forward)
Note	2020/21 (30 June 2021 Carried Forward)	2020/21 Budget (30 June 2021 Carried Forward)	2019/20 (30 June 2020 Carried Forward)
	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	11(a) 0	0	(19,409)
Less: Movement in liabilities associated with restricted cash	727	2,999	10,956
Less: Fair value adjustments to financial assets at fair value through profit and loss	(3,232)	0	87,370
Movement in employee benefit provisions (non-current)	(69,690)	0	(17,053)
Movement of receivables (non-current)	969	0	0
Movement in non current assets held for sale	13 42,500	0	(275,185)
Add: Loss on disposal of assets	11(a) 4,976	0	52,415
Add: Depreciation on non-current assets	11(b) 4,426,003	4,445,068	4,296,519
<b>Non cash amounts excluded from operating activities</b>	4,402,253	4,448,067	4,135,613
<b>(b) Surplus/(deficit) after imposition of general rates</b>			
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.			
<b>Adjustments to net current assets</b>			
Less: Reserves - cash backed	4 (3,569,293)	(3,294,674)	(2,459,674)
Less: Financial assets at amortised cost - self supporting loans	5(a) (8,223)	(7,967)	(7,967)
Less: Financial assets at amortised cost - community loans	(11,259)	(11,776)	(11,776)
Less: Current assets not expected to be received at end of year - Bonds & Deposits	0	29,956	0
Add: Current liabilities not expected to be cleared at end of year - Current portion of borrowings	16(a) 128,444	128,443	123,684
- Employee benefit provisions	295,799	298,036	295,072
<b>Total adjustments to net current assets</b>	(3,164,532)	(2,857,982)	(2,060,661)
<b>Net current assets used in the Rate Setting Statement</b>			
Total current assets	9,505,034	4,078,782	6,201,206
Less: Total current liabilities	(3,043,573)	(1,220,800)	(1,483,839)
Less: Total adjustments to net current assets	(3,164,532)	(2,857,982)	(2,060,661)
<b>Net current assets used in the Rate Setting Statement</b>	3,296,929	0	2,656,706

## 26. 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
<b>Market risk - interest rate</b>	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
<b>Credit risk</b>	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
<b>Liquidity risk</b>	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
	%	\$	\$	\$	\$
<b>2021</b>					
Cash and cash equivalents	0.10%	8,636,154	0	8,634,965	1,189
<b>2020</b>					
Cash and cash equivalents	0.57%	5,567,398	4,739,230	827,168	1,000

#### 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*	86,350	8,272

\* 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 16(b).

## 26. 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
<b>30 June 2021</b>					
Rates receivable					
Expected credit loss	0.06%	4.62%	4.46%	19.86%	
Gross carrying amount	114,306	12,815	92,926	144,686	364,733
Loss allowance	69	592	4,144	28,739	33,544
<b>30 June 2020</b>					
Rates receivable					
Expected credit loss	0.13%	10.92%	12.14%	20.97%	
Gross carrying amount	107,719	91,694	81,049	119,982	400,444
Loss allowance	140	10,013	9,839	25,160	45,152

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	More than 90 Days Specific Loss Allowance	Total
<b>30 June 2021</b>						
Trade and other receivables						
Expected credit loss	0.11%	1.70%	1.17%	1.17%	100.00%	
Gross carrying amount	69,843	9,195	1,145	4,498	4,212	88,893
Loss allowance	80	156	13	53	4,212	4,514
<b>30 June 2020</b>						
Trade and other receivables						
Expected credit loss	0.22%	3.69%	1.26%	1.26%	100.00%	
Gross carrying amount	157,133	7,007	4,758	3,979	4,174	177,051
Loss allowance	353	259	60	50	4,174	4,896

## 26. FINANCIAL RISK MANAGEMENT (Continued)

### (b) Credit risk (Continued)

#### **Contract Assets**

The Shire's contract assets represent work completed, which have not been invoiced at year end. This is due to the Shire not having met all the performance obligations in the contract which give an unconditional right to receive consideration.

The Shire applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Shire has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

## 26. 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 16(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2021</b>					
Payables	525,763	0	0	525,763	777,085
Borrowings	153,871	483,268	321,895	959,034	827,443
	679,634	483,268	321,895	1,484,797	1,604,528
<b>2020</b>					
Payables	239,510	0	0	239,510	431,735
Borrowings	153,871	519,850	439,184	1,112,905	951,127
	393,381	519,850	439,184	1,352,415	1,382,862



## 27. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There has been no material events after the reporting period which would affect the financial report for the Shire of Moora for the year ended 30 June 2021 or which would require additional disclosures.

**SHIRE OF MOORA**  
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**FOR THE YEAR ENDED 30 JUNE 2021**

**28. OTHER SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

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

**c) Rounding off figures**

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

**d) Comparative figures**

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

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

**e) Budget comparative figures**

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

**f) Superannuation**

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

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

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

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

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

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

**h) Fair value hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

**i) Impairment of assets**

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

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

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

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

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**29. ACTIVITIES/PROGRAMS**

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

<b>PROGRAM NAME AND OBJECTIVES</b>	<b>ACTIVITIES</b>
<b>GOVERNANCE</b> To provide a decision making process for the efficient allocation of scarce resources.	All aspects relating to elected members expenses incurred in governing the Council. Other costs relating to administration and assisting elected members and ratepayers on matters which do not concern specific Council services.
<b>GENERAL PURPOSE FUNDING</b> To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
<b>LAW, ORDER, PUBLIC SAFETY</b> To provide services to ensure a safer community.	Supervision of various by-laws, fire prevention and animal control. Provision of premises and support for State Emergency Services.
<b>HEALTH</b> To provide an operational framework for good community health.	Provision of child health care facilities, food control, pest control, podiatry services, provision of dental care surgery and premises and assistance to local medical practice.
<b>EDUCATION AND WELFARE</b> To meet the needs of the community in these areas.	Provision of premises and support for child care centre and play groups. Provision of services for youth and aged care.
<b>HOUSING</b> Help ensure adequate housing at a high standard.	Provision and maintenance of staff and rental housing.
<b>COMMUNITY AMENITIES</b> Provide services required by the community.	Rubbish collection services and operation of tips. Town sewerage scheme, drainage works, litter control, cemetery administration and administration of the Town Planning Scheme.
<b>RECREATION AND CULTURE</b> To establish and manage efficiently infrastructure and resources which will help the social well being of the community.	Provision of swimming pool, public library, community halls, performing arts centre, recreation centre, parks and gardens, tennis courts, sporting pavilions and ovals.
<b>TRANSPORT</b> To provide effective and efficient transport services to the community.	Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets, depot maintenance and airstrip maintenance.
<b>ECONOMIC SERVICES</b> To help promote the Shire and improve its economic wellbeing.	The regulation and provision of tourism, area promotion, enterprise development, building control, noxious weeds, vermin control, standpipes and a lifestyle village.
<b>OTHER PROPERTY AND SERVICES</b> To provide effective and efficient administration, works operations and plant and fleet services.	Private works operations, plant repairs and operations costs.

### 30. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	1.67	3.63	2.96
Asset consumption ratio	0.67	0.68	0.70
Asset renewal funding ratio	0.78	0.80	0.82
Asset sustainability ratio	0.77	0.73	0.58
Debt service cover ratio	18.69	15.37	7.46
Operating surplus ratio	(0.23)	(0.23)	(0.17)
Own source revenue coverage ratio	0.66	0.66	0.68

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 Moora

To the Councillors of the Shire of Moora

## Report on the audit of the annual financial report

### Opinion

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

- 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](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 matters indicate a significant adverse trend in the financial position of the Shire:
  - a) The Operating Surplus Ratio as reported in Note 30 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries' standard for the last three financial years.
  - b) The Asset Sustainability Ratio as reported in Note 30 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries' standard for the last three financial years.
- (ii) The following material matters indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:
  - a) For approximately 27% of purchase transactions we sampled, there was inadequate or no evidence that a sufficient number of quotations were obtained to test the market, and no documentation to explain why other quotes were not sought. This practice increases the likelihood of not receiving value for money in procurement and the risk of fraud or favouritism of suppliers.

- b) Changes made to the supplier master files were not verified with suppliers and independently reviewed and authorised. This increased the risk of unauthorised changes to key information, although our audit sampling did not identify any.
  - c) For approximately 15% of credit card transactions we sampled, no supporting invoices were provided. This practice increases the likelihood of inappropriate purchases being made.
- (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 Moora 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.



Grant Robinson  
Assistant Auditor General Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
17 August 2022