



ANNUAL REPORT 2021-2022

Adopted 19 April 2023

Resolution: 04-2023.027

Our Vision

"The Shire of Trayning is an active, safe and vibrant community that works together with honesty and is respectful of the values of all.

We are committed to a progressive, diverse and profitable community that supports healthy lifestyles sustained by positive social values and engaged youth.

Our natural assets are valued, protected and enhanced for future generations."

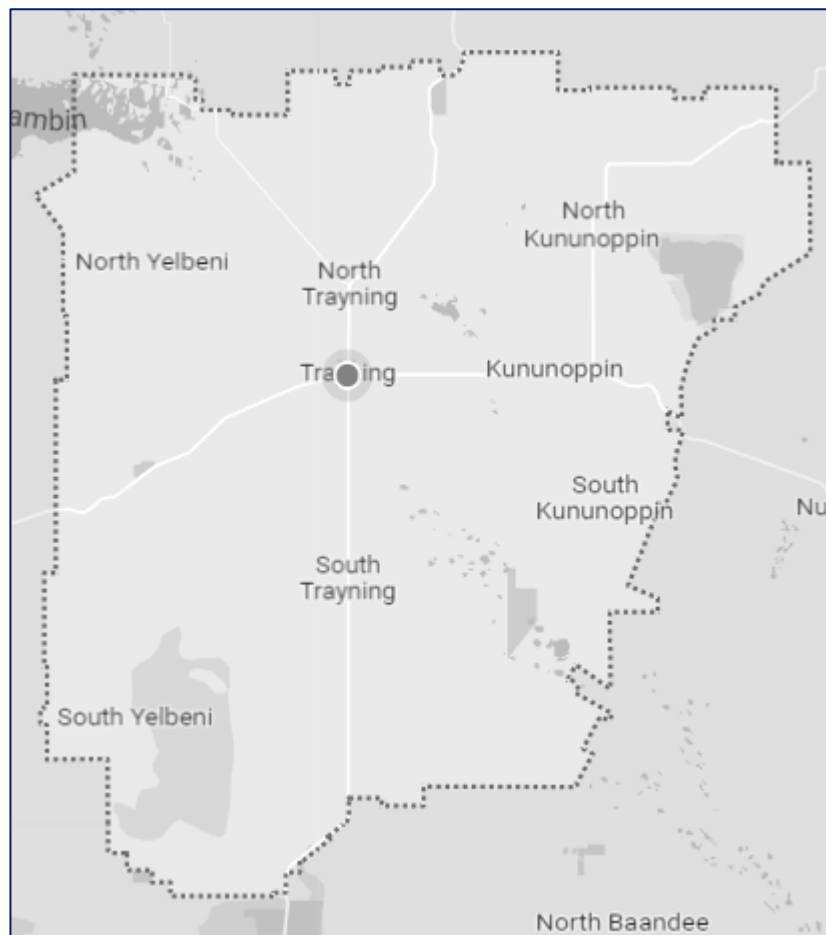


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General Information

Administration Office

Lot 66 Railway Street, Trayning WA 6488

Telephone (08) 9683 1001

E-mail admin@trayning.wa.gov.au

Website www.trayning.wa.gov.au

Office hours Mon to Fri 8.30am - 4.00 pm

Like us on Face Book www.facebook.com/ShireofTrayning

Statistics

Towns: Trayning, Kununoppin, Yelbeni

Area: 1,632 km²

Distance from Perth: 235 km

Population: 298

Number of Electors: 235

Number of Dwellings: 132

Total Rates Levied: \$ 1.2 M

Total Revenue: \$ 6 M

Number of Employees: 14 (13 FTE)

Significant Local Events

Australia Day Community BBQ at the Trayning Town Park, TTPA Mudbog and Burnout Competition.

Tourist Attractions

Billyacatting Hill Conservation Park with fauna, reptiles, wildflowers, rare flora and bird watching, Gnamma Holes, Yarragin Rock (twin monoliths), Yelbeni Museum, Historical Rance Caravan, Trayning Tree Library Walk Trail, Historic Wells and the Wheatbelt Way.

Accommodation

Trayning Caravan Park, 2x Short stay Units, Rec Ground Pavilion Trayning Hotel/Motel, Rosevale Homestead Farm Stay/Bed & Breakfast.

Sporting and Recreation Facilities

Ningham Fitness Centre - Community Gym, Aquatic Centre, Grass Tennis Courts, Bowls, BMX Tracks in Trayning & Kununoppin, Skate Boarding Park, Community/School Oval and excellent BBQ/Playground areas.



Shire President's Report

It is my pleasure to present the President's report for the financial year ended 30 June 2022. Council has continued to work together with the staff to ensure the Shire is in a sound position, and that community expectations are being met.

Mr Jim Wilkins chose not to re-nominate as a Councillor in the October 2021 Ordinary Election. Councillor Michelle McHugh was re-elected and two new Councillors, Peter Barnes and Mark Leslie, were elected. Congratulations to Michelle, Peter and Mark.

Mrs Freda Tarr resigned from Council on Wednesday 16 March 2022 after joining in 2011. During this time Freda was elected Shire President from 2013 to 2017. I would like to thank Jim and Freda for all of their efforts during their tenures on Council.

During the year the Shire reviewed its Strategic Plan (now called a Council Plan), Asset Management Plan, Long Term Financial Plan and Services and Facilities Delivery Plan (formerly Corporate Business Plan). Community consultation included a Community Needs and Satisfaction Survey, community meetings about the Shire's buildings and a community workshop on the draft Council Plan in February. A survey was also carried out on community priorities for the Phase 3 of the Local Roads and Community Infrastructure Program.

An exciting new initiative for the Shire during the year started with the Town Teams Inception Workshop in February 2022. Groups of community volunteers worked together on a number of projects including the Don Mason Community Centre alfresco area/garden, Telstra Block landscaping, planning for a Street Party and the creation of the KTY Youth Hub. It has been fantastic to see the number of people willing to volunteer for the improvement of our community.

A number of free community events were held during the year including a celebration for the Administration Office's 50th birthday in August and a Pre Harvest Sundowner in October. Two events were held on Australia Day, a sausage sizzle and inflatable at the Swimming Pool, followed by an evening barbecue in the Town Park.

The Shire has continued to be an active participant of the North Eastern Regional Organisation of Councils (NEWROC). The other Shires in this group are Dowerin, Koorda, Mt Marshall, Mukinbudin, Nungarin and Wyalkatchem.

NEWROC have been working together on establishing a regional waste site, continuing telecommunications projects, improving energy reliability and integrated planning and reporting. They also hired a Town Teams Builder for the Wheatbelt who assisted with the organisation of our Town Teams projects. NEWROC have also been working on a Charter to transform it from a Voluntary Organisation of Councils to a Regional Subsidiary.

The Shire also participates in the regional tourism group NEWTravel and the Kununoppin Medical Practice Committee.



My thanks to our CEO, Leanne Parola, and all of the wonderful staff. Leanne has wholeheartedly become a part of the KTY Shire, enabling her to understand and facilitate the needs of the community. Your support and commitment to Council and community is appreciated by all.

I would also like to extend my thanks to all residents, ratepayers and community members for their contribution to our Shire during the year. Finally, I would like to acknowledge my family and those of all Councillors, for their support of our roles throughout the year. I look forward to continuing to engage with community about present and future needs of our Shire, we are all truly blessed to live in the wonderful Shire of Trayning.

A handwritten signature in black ink, appearing to read 'Melanie Brown', with a large circular flourish at the end.

Melanie Brown
Shire President



Chief Executive Officer's Report

Like many small regional local governments, the Shire of Trayning is heavily reliant on grant funding to renew and upgrade our assets.

Some grant funding is reasonably reliable and predictable, such as Federal funding through the Financial Assistance Grants and Roads to Recovery, and Main Roads WA funding through a direct (untied) grant and Regional Road Group Projects. The Shire is grateful to the State and Federal Government for continuing to provide these funding streams.

This year we received \$4.3M in operating and capital grants which is almost \$2M more than we received the year before and more than three times what we raised in rates (\$1.2M). While it is fantastic to receive 'outside' money to carry out projects we could not usually afford, it has put the organisation under a huge amount of pressure to deliver a much larger capital program than usual.

Federal Roads to Recovery Funds of \$292,095 were used to resheet a portion of Gent Road and Gale Road which cost a total of \$479,832. State Government funding of \$317,000 through the Regional Road Group was used to continue works to widen the Kununoppin Mukinbudin Road at a cost of \$616,593.



Local Roads and Community Infrastructure Program funding of \$228,528 for Phase 2 was used for the following projects:

- Footpath program – replace footpaths in Coronation and Mary Streets in Trayning and build one on Glass Street in Kununoppin
- Kununoppin Community Centre – replace the kitchen and floor coverings and improve the outdoor barbeque area
- Administration Centre – replace roof
- Trayning Water Harvesting Scheme – fencing, upgrade dams and catchment

The bulk of the construction of the new DFES Shed was carried out at a cost of \$674,930 for the financial year. There is approximately \$200,000 left to spend in the new financial year, with DFES grants funding everything except a \$50,000 contribution from the Shire.

Smaller grant funded projects included the new fencing at the Kununoppin Airstrip, Town Teams Project at the Don Mason Community Centre and the RAC Youth Hub. There were a number of projects that were completed without grant funding including:

- Appleyard Road and Glass Street in Kununoppin
- Kununoppin Equestrian Infrastructure
- Swimming Pool Solar Power
- Renewal Aged Persons Unit

The Grader and Roller were replaced with a new Komatsu G555-5 Grader and Bomag MW216D-5 Smooth Drum Roller.

Closing Financial Position

The Shire closed the financial year showing a significant surplus of \$1.98M. A large part of this was \$1.5M Federal Financial Assistance Grants for 2022/23 paid in advance which in turn reduced the level of grant funds expected in the 2022/23 budget.

Thank you

I would like to thank the Shire President, Councillors and staff for all their efforts and support this year.

Leanne Parola
Chief Executive Officer



Elected Members



President Melanie Brown



Deputy President Geoff Waters



Councillor Michelle McHugh



Councillor Clayton Marchant



Councillor Mark Leslie



Councillor Peter Barnes

Your Council

The Shire of Trayning is represented by seven Councillors made up of President, Deputy President and five Councillors. The elected representatives work together to provide good governance by making decisions on all aspects through effective strategic planning.

The current members of Council consist of:

Shire President

Cr Melanie Brown	Commenced 2015	Term Expiry 2023
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Deputy Shire President

Cr Geoff Waters	Commenced 1996	Term Expiry 2023
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Councillors

Cr Peter Barnes	Commenced 2021	Term Expiry 2025
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Cr Mark Leslie	Commenced 2021	Term Expiry 2025
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Cr Clayton Marchant	Commenced 2019	Term Expiry 2023
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Cr Michelle McHugh	Commenced 2017	Term Expiry 2025
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Vacant		Term Expiry 2023
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The vacant position was created when Freda resigned in 2022 and will remain vacant until the October 2023 election.

Council meetings are held on the third Wednesday of each month except in January. Meetings start at the advertised times, and have a 15 minute period at the commencement for public question time. An agenda is prepared for each meeting, which is finalised by the Friday afternoon of the week prior to the meeting.

Council has two standing Committees, the Audit Committee as required by the Local Government Act, and the Local Emergency Management Committee as required by the Emergency Management Act. Other Committees for specific purposes may be created. There are also a number of other organisations on which your Council is represented, these include: Great Eastern Zone of WALGA, NEW Travel, Local Health Advisory Group, Regional Road Group as well as others.

Council is also a member of the North Eastern Wheatbelt Regional Organisation of Councils, (NEWROC) which includes the Shires of Dowerin, Koorda, Nungarin, Mt Marshall, Mukinbudin and Wyalkatchem. The group works together to achieve greater resource sharing abilities.



Council Meeting Dates 2023

Ordinary meetings of Council in 2023 will be held in the Council Chambers commencing at 4.00 pm, on the following dates –

Ordinary meetings of Council are open to the public unless otherwise stated.

Meeting dates 2023

- Wednesday 15 February 2023
- Wednesday 19 April 2023
- Wednesday 21 June 2023
- Wednesday 19 July 2023
- Wednesday 20 September 2023
- Wednesday 18 October 2023
- Wednesday 13 December 2023

NB: There may be a variation in start time for the June meeting to set the annual budget

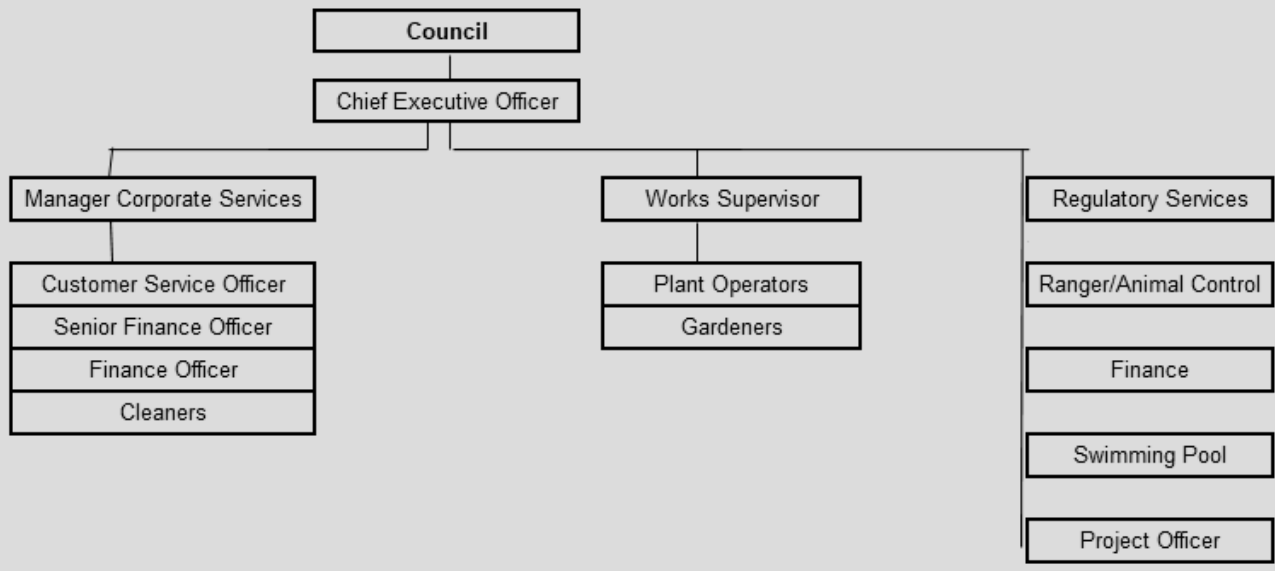
Any variations to start times or dates will be published on the Shire of Trayning Website, Shire of Trayning Facebook page and in the Ninghan News.

Leanne Parola
CHIEF EXECUTIVE OFFICER

Council Staff

as at 30 June 2022

Shire of Trayning Organisation Structure 2022



Chief Executive Officer	Leanne Parola
Manager of Corporate Services	Belinda Taylor
Senior Finance Officer	Abbie Herrick
Customer Service Officer	Jessica Bell
Finance Officer	Jessi Shannon
Environmental Health Officer	Laura Pikoss (Contractor)
Project Officer	Brett Mason (Contractor)
Works Supervisor	Stephen Thomson
Works Crew	Anthony Bell
	Corey Cummins
	Chantelle Frensham
	Jade Griffiths
	Jason McIntosh
	Marc Pitts
Aquatic Centre Manager	Jayson Riley (Contractor)
Shire Cleaner	Kade Taylor
Ranger	Kylie Sparks (Contractor)

Plan for the Future Overview

Major Initiatives Proposed or to Continue During 2022/2023

An overview of the Plan for the Future of the District (Council Plan 2022-2023)

Buildings

Admin Centre Renovations (grant funded)
Complete Trayning VFES Shed (grant funded)
Build Staff House

Plant Replacement

Water Cart
Replace Tractor

Roads

Kununoppin-Mukinbudin Road (grant funded)
Wilson Street Intersections
Yelbeni South East Road
Kellerberrin Yelbeni Road (grant funded)
Sherzinger Road (grant funded)

Other Infrastructure

Footpaths in Kununoppin & Trayning (grant funded)
Bowling Green (grant funded)
Multi Purpose Courts (grant funded)
Kununoppin Transfer Station (grant funded)

Other Activities

Review future of public halls and building assets not included in the Asset Management Plan
Prepare Public Health Plan
Review Local Laws
Review Library usage, services & future direction
Review future use of reserves/locations at recreation precincts
Survey local businesses to identify barriers/opportunities
Investigate need/viability for Child Care or Family Day Care
Work with NEWROC to explore opportunities to improve waste management and establish regional landfill
Trial regular community engagement forum to keep the community informed of progress against agreed priorities
Review the benefits of a Resource Sharing Agreement

Disability Services Plan

The Disability Services Act requires all Public Authorities to include in their Annual Report, a statement on that organisation's efforts to implement their adopted Disability Access and Inclusion Plan.

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

Outcome Statements

The outcome statements against which assessments are made are as follows:

OUTCOME 1 - People with disabilities have the same opportunities as other people to access the services of, and any events organised, by the Shire of Trayning.

OUTCOME 2 - People with disabilities have the same opportunities as other people to access the buildings and other facilities of the Shire of Trayning.

OUTCOME 3 - People with disabilities receive information from the Shire of Trayning in a format that will enable them to access the information as readily as other people are able to access it.

OUTCOME 4 - People with disabilities receive the same level and quality of service from the employees of the Shire of Trayning as other people receive.

OUTCOME 5 - People with disabilities have the same opportunities as other people to make complaints to the Shire of Trayning.

OUTCOME 6 - People with disabilities have the same opportunities as other people to participate in any public consultation by the Shire of Trayning.

OUTCOME 7 - People with disabilities have the same opportunities as other people to obtain and maintain employment with a public authority.

General Comments

Copies of the Disability Access and Inclusion Plan 2020-2025 are available upon request from the Shire Administration Office or on the Shire's Website www.trayning.wa.gov.au.

Should anyone have a comment or suggestion regarding accessibility issues please contact the Shire office and discuss the matters you have to talk about. Council continues to work to ensure that all of our new facilities are designed to meet the needs of the elderly and disabled.

National Competition Policy

Competition Reform

National Competition Policy (NCP) is designed to enhance the efficiency and effectiveness of public sector agencies and lead to more efficient use of all economic resources. There are a number of specific requirements placed on Local Government in the areas of competitive neutrality, legislation review and structural reform. Each Local Government is required to report its progress in achieving NCP reforms in its annual report.

Competitive Neutrality

The principle of competitive neutrality is that government businesses should not enjoy a competitive advantage, or disadvantage, simply as a result of their public sector ownership.

Competitive neutrality should apply to all business activities, which generate a user-pays income of over \$200,000 unless it can be shown it is not in the public interest.

As the Shire of Trayning does not have any 'Significant Business Activities' with an annual user-pays income exceeding \$200,000 this negates further action or reporting obligation.

Local Laws

All Local Governments are required to assess which of their local laws might impact on competition and conduct a review of each to determine how any restrictive practices might be overcome.

Local Laws are also required to be reviewed every eight years under the Local Government Act 1995. The next review is due in 2023-2024.

Freedom of Information

The following Council Documents available for inspection

Various documents are available for inspection by members of the public.

- Council Agendas & Minutes
- Annual Budgets
- Annual Report and Financial Statements
- Council Policy Manual and Delegations Register
- Council & Staff Code of Conduct
- Rate Assessment Book
- Electoral Roll
- Local Laws
- Municipal Heritage Inventory

Council also delivers information to the public via the following:

- Annual Ratepayer Information Pamphlets sent with Rate Notices
- Council Notes in the Ninghan News
- Production of the Local Telephone Directory
- Dog & Bushfire Fire Control Pamphlets are also posted annually
- Local Tourism & Information Brochure

Freedom of Information Requests

During the year under review there were no formal requests made by a member of the public under the Freedom of Information Act.

The Shire of Trayning welcomes enquires for any information held by Council.

If information cannot be accessed by a less formal means, a freedom of information request can be lodged to the following:

The Freedom of Information Officer
Shire of Trayning
PO Box 95
TRAYNING WA 6488

Other Statutory Requirements

Public Interest Disclosure

The Public Interest Disclosure Act was established by the Commissioner of Sector Standards under Section 20 of the Public Interest Disclosure Act 2003.

One of the principles of the new legislation is not just to provide protection to those who make disclosures (and those who are the subject of disclosures) but also encourages a system of transparency and accountability in the way government or government officials act and utilise public monies.

Matters that fall into the category of public interest include the following:

- Improper Conduct (irregular or unauthorised use of public resources);
- An offence under State Law including corruption (substantial unauthorised or irregular use of, or substantial mismanagement of, public resources);
- Administration matters generally (conduct involving a substantial risk of injury to public health, prejudice to public safety or harm to the environment).

Matters relating to the Shire of Trayning should be referred to the Shire of Trayning's Public Interest Disclosure Officer. Disclosures to the Public Disclosure Officer can be made not just about officers of a local authority but also its elected officials.

The Disclosure Act is to ensure that the disclosure is confidential and that the person making a disclosure is provided adequate protection from reprisals, civil and criminal liability, dismissal or breach of confidentiality.

The Shire of Trayning had no Public Interest Disclosures during the reporting period.

Information on Employee Payments

For the purpose of Regulation 19B of the Local Government (Administration) Regulations 1996 employee remuneration is required to be contained in Council's Annual Report.

Shown below in bands is the number of employees:

Entitled to an annual salary of 100,000 to 109,999 = 1

Entitled to an annual salary of 110,000 to 119,999 = 0

Entitled to an annual salary of 120,000 to 129,999 = 0

Entitled to an annual salary of 130,000 to 139,999 = 1

Minor Breaches

The Shire is required to publish the details of complaints that have resulted in a finding under Section 110(2)(a) of the Local Government Act 1995 that a minor breach has occurred.

No breaches were found to have occurred in 2021/2022

Records Management

The Shire is committed to meeting the requirements of the State Records Act 2000 which requires the Shire to maintain and dispose of all records in the prescribed manner.

In accordance with the State Records Act 2000 the Shire is required to have an approved Record Keeping Plan. The plan sets out matters regarding how records are created and how the Shire retains its records.

The Shire's Record Keeping Plan was reviewed in 2018 and is not due for another review until 2023.

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Section Two - Financials



SHIRE OF TRAYNING
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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

The Shire of Trayning is an active, safe and vibrant community that works together with honesty and is respectful of the values of all. We are committed to a progressive, diverse and profitable community that supports healthy lifestyles sustained by positive social values. Our natural assets are valued, protected and enhanced for future generations.

Principal place of business:
Railway Street,
Trayning
WA 6488

SHIRE OF TRAYNING
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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

Signed on the fourth day of April 2023



Chief Executive Officer

Leanne Parola



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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
Revenue				
Rates	25(a),2(a)	1,175,525	1,171,118	1,147,063
Operating grants, subsidies and contributions	2(a)	2,623,284	977,141	1,755,568
Fees and charges	24(c),2(a)	306,182	190,976	243,875
Interest earnings	2(a)	19,507	15,155	19,286
Other revenue	2(a)	170,930	32,058	104,290
		4,295,428	2,386,448	3,270,082
Expenses				
Employee costs		(608,871)	(665,530)	(926,419)
Materials and contracts		(1,232,252)	(1,340,417)	(869,281)
Utility charges		(136,082)	(119,747)	(104,837)
Depreciation	10(a)	(1,103,237)	(1,026,689)	(1,028,517)
Finance costs	2(b)	(21,677)	(18,267)	(21,790)
Insurance		(116,617)	(115,403)	(72,118)
Other expenditure	2(b)	(45,835)	(91,405)	(83,626)
		(3,264,571)	(3,377,458)	(3,106,588)
		1,030,857	(991,010)	163,494
Capital grants, subsidies and contributions	2(a)	1,635,734	1,691,681	925,241
Profit on asset disposals	10(b)	79,336	38,500	33,415
Loss on asset disposals	10(b)	(1,833)	(22,800)	(400)
Fair value adjustments to financial assets at fair value through profit or loss		2,997	0	1,940
		1,716,234	1,707,381	960,196
Net result for the period	24(b)	2,747,091	716,371	1,123,690
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	16	1,438,894	0	0
Total other comprehensive income for the period	16	1,438,894	0	0
Total comprehensive income for the period		4,185,985	716,371	1,123,690

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



SHIRE OF TRAYNING
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	NOTE	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	3	2,632,523	2,572,383
Trade and other receivables	5	468,116	131,942
Other financial assets	4(a)	4,994	4,815
Inventories	6	3,033	0
Other assets	7	154	10,573
TOTAL CURRENT ASSETS		3,108,820	2,719,713
NON-CURRENT ASSETS			
Trade and other receivables	5	32,048	34,147
Other financial assets	4(b)	66,195	68,192
Property, plant and equipment	8(a)	13,158,426	10,804,926
Infrastructure	9(a)	48,610,713	47,438,119
Right-of-use assets	11(a)	994	2,966
TOTAL NON-CURRENT ASSETS		61,868,376	58,348,350
TOTAL ASSETS		64,977,196	61,068,063
CURRENT LIABILITIES			
Trade and other payables	12	193,736	372,282
Other liabilities	13	28,677	158,153
Lease liabilities	11(b)	1,139	1,951
Borrowings	14	64,505	62,802
Employee related provisions	15	250,426	131,619
TOTAL CURRENT LIABILITIES		538,483	726,807
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	0	1,139
Borrowings	14	464,031	528,536
Employee related provisions	15	31,425	54,309
TOTAL NON-CURRENT LIABILITIES		495,456	583,984
TOTAL LIABILITIES		1,033,939	1,310,791
NET ASSETS		63,943,257	59,757,272
EQUITY			
Retained surplus		27,216,198	24,428,578
Reserve accounts	29	663,704	704,233
Revaluation surplus	16	36,063,355	34,624,461
TOTAL EQUITY		63,943,257	59,757,272

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



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

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2020		23,357,441	651,680	34,624,461	58,633,582
Comprehensive income for the period					
Net result for the period		1,123,690	0	0	1,123,690
Total comprehensive income for the period		1,123,690	0	0	1,123,690
Transfers from reserves	28	15,671	(15,671)	0	0
Transfers to reserves	28	(68,224)	68,224	0	0
Balance as at 30 June 2021		24,428,578	704,233	34,624,461	59,757,272
Comprehensive income for the period					
Net result for the period		2,747,091	0	0	2,747,091
Other comprehensive income for the period	16	0	0	1,438,894	1,438,894
Total comprehensive income for the period		2,747,091	0	1,438,894	4,185,985
Transfers from reserves	28	317,160	(317,160)	0	0
Transfers to reserves	28	(276,631)	276,631	0	0
Balance as at 30 June 2022		27,216,198	663,704	36,063,355	63,943,257

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



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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,167,705	1,171,118	1,183,060
Operating grants, subsidies and contributions		2,159,866	818,971	1,723,579
Fees and charges		289,459	190,976	241,015
Interest received		19,507	15,155	19,286
Goods and services tax received		(410,114)	0	19,101
Other revenue		170,930	32,058	104,290
		3,397,353	2,228,278	3,290,331
Payments				
Employee costs		(529,640)	(665,530)	(848,222)
Materials and contracts		(1,303,326)	(1,340,417)	(759,888)
Utility charges		(136,082)	(119,747)	(104,837)
Finance costs		(22,060)	(18,267)	(21,795)
Insurance paid		(116,617)	(115,403)	(72,118)
Goods and services tax paid		433,996	0	(63,507)
Other expenditure		(128,318)	(91,405)	(83,626)
		(1,802,047)	(2,350,769)	(1,953,993)
Net cash provided by (used in) operating activities	17(b)	1,595,306	(122,491)	1,336,338
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for financial assets at amortised cost - self supporting loans		4,815	4,815	0
Payments for purchase of property, plant & equipment	8(a)	(1,638,315)	(2,008,600)	(634,169)
Payments for construction of infrastructure	9(a)	(1,726,283)	(1,568,731)	(1,289,573)
Non-operating grants, subsidies and contributions		1,635,734	1,691,681	925,241
Proceeds from financial assets at amortised cost - self supporting loans		0	0	4,642
Proceeds from sale of property, plant & equipment	10(b)	253,636	247,000	167,272
Net cash provided by (used in) investing activities		(1,470,413)	(1,633,835)	(826,587)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	27(a)	(62,802)	(62,801)	(61,146)
Payments for principal portion of lease liabilities	27(c)	(1,951)	(2,038)	(1,952)
Net cash provided by (used in) financing activities		(64,753)	(64,839)	(63,098)
Net increase (decrease) in cash held		60,140	(1,821,165)	446,653
Cash at beginning of year		2,572,383	2,572,507	2,125,730
Cash and cash equivalents at the end of the year	17(a)	2,632,523	751,342	2,572,383

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



SHIRE OF TRAYNING
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	26(b)	1,371,241	1,383,140	1,074,107
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Rates (excluding general rate)	25(b)	11,001	11,001	11,001
Operating grants, subsidies and contributions		2,623,284	977,141	1,755,568
Fees and charges		306,182	190,976	243,875
Interest earnings		19,507	15,155	19,286
Other revenue		170,930	32,058	104,290
Profit on asset disposals	10(b)	79,336	38,500	33,415
Fair value adjustments to financial assets at fair value through profit or loss		2,997	0	1,940
		3,213,237	1,264,831	2,169,375
Expenditure from operating activities				
Employee costs		(608,871)	(665,530)	(926,419)
Materials and contracts		(1,232,252)	(1,340,417)	(869,281)
Utility charges		(136,082)	(119,747)	(104,837)
Depreciation		(1,103,237)	(1,026,689)	(1,028,517)
Finance costs		(21,677)	(18,267)	(21,790)
Insurance		(116,617)	(115,403)	(72,118)
Other expenditure		(45,835)	(91,405)	(83,626)
Loss on asset disposals	10(b)	(1,833)	(22,800)	(400)
		(3,266,404)	(3,400,258)	(3,106,988)
Non-cash amounts excluded from operating activities	26(a)	1,002,066	1,011,222	1,040,923
Amount attributable to operating activities		948,899	(1,124,205)	103,310
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		1,635,734	1,691,681	925,241
Proceeds from disposal of assets	10(b)	253,636	247,000	167,272
Proceeds from financial assets at amortised cost - self supporting loans	27(a)	0	0	4,642
Payments for financial assets at amortised cost - self supporting loans		4,815	4,815	0
Purchase of property, plant and equipment	8(a)	(1,638,315)	(2,008,600)	(634,169)
Purchase and construction of infrastructure	9(a)	(1,726,283)	(1,568,731)	(1,289,573)
		(1,470,413)	(1,633,835)	(826,587)
Amount attributable to investing activities		(1,470,413)	(1,633,835)	(826,587)
FINANCING ACTIVITIES				
Repayment of borrowings	27(a)	(62,802)	(62,801)	(61,146)
Payments for principal portion of lease liabilities	27(c)	(1,951)	(2,038)	(1,952)
Transfers to reserves (restricted assets)	28	(276,631)	(57,538)	(68,224)
Transfers from reserves (restricted assets)	28	317,160	337,160	15,671
Amount attributable to financing activities		(24,224)	214,783	(115,651)
Surplus/(deficit) before imposition of general rates		825,503	(1,160,117)	235,179
Total amount raised from general rates	25(a)	1,164,524	1,160,117	1,136,062
Surplus/(deficit) after imposition of general rates	26(b)	1,990,027	0	1,371,241

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



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

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

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

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

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements.

Judgements and estimates

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

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

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates - general rates	General rates	Over Time	Payment dates adopted by council during the year	None	When rates notice is issued
Rates - specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by council during the year	Refund in event monies are unspent	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by council during the year	Refund in event monies are unspent	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable nonfinancial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Grants, subsidies or contributions with no contractual commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	When assets are controlled
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	After inspection complete based on a 4 year cycle
Fees and charges - other inspections	Regulatory food, health and safety	Single point in time	Full payment prior to inspection	None	Revenue recognised after inspection event occurs
Fees and charges - waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Output method based on regular weekly and fortnightly period as proportionate to collection service
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility

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

REVENUE AND EXPENSES (Continued)

(a) Revenue (continued)

Fees and charges - memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	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	Output method based on provision of service or completion of works
Fees and charges - fines	Fines issued for breaches of local laws	Single point in time	Payment in full within defined time	None	When fine notice is issued
Other revenue - commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	When assets are controlled
Other revenue - reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	When claim is agreed

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

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

REVENUE AND EXPENSES (Continued)

(a) Revenue (continued)

Revenue Recognition

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

For the year ended 30 June 2022

Nature or type	Contracts with customers \$	Capital grant/contributions \$	Statutory Requirements \$	Other \$	Total \$
Rates	0	0	1,175,525	0	1,175,525
Operating grants, subsidies and contributions	2,623,284	0	0	0	2,623,284
Fees and charges	306,182	0	0	0	306,182
Interest earnings	0	0	8,106	11,401	19,507
Other revenue	0	0	0	173,927	173,927
Non-operating grants, subsidies and contributions	0	1,635,734	0	0	1,635,734
Total	2,929,466	1,635,734	1,183,631	185,328	5,934,159

For the year ended 30 June 2021

Nature or type	Contracts with customers \$	Capital grant/contributions \$	Statutory Requirements \$	Other \$	Total \$
Rates	0	0	1,147,063	0	1,147,063
Operating grants, subsidies and contributions	1,755,568	0	0	0	1,755,568
Fees and charges	243,875	0	0	0	243,875
Interest earnings	0	0	8,548	10,738	19,286
Other revenue	0	0	0	104,290	104,290
Non-operating grants, subsidies and contributions	0	925,241	0	0	925,241
Total	1,999,443	925,241	1,155,611	115,028	4,195,323

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Interest earnings			
Financial assets at amortised cost - self supporting loans	731	0	993
Interest on reserve funds	3,529	7,538	213
Rates instalment and penalty interest (refer Note 25(d))	7,699	5,000	8,548
Other interest earnings	7,548	2,617	9,532
	19,507	15,155	19,286
(b) Expenses			
Auditors remuneration			
- Audit of the Annual Financial Report	46,500	47,500	46,948
- Other services	6,950	2,500	2,200
	53,450	50,000	49,148
Finance costs			
Borrowings 27(a)	21,496	18,172	21,609
Lease liabilities 27(c)	181	95	181
	21,677	18,267	21,790
Other expenditure			
Impairment losses on receivables from contracts with customers	0	0	2,860
Sundry expenses	45,835	91,405	80,766
	45,835	91,405	83,626

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

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand
Term deposits
Total cash and cash equivalents

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

Note	2022	2021
	\$	\$
	1,968,819	1,868,150
	663,704	704,233
17(a)	2,632,523	2,572,383
	1,968,819	1,868,150
17(a)	663,704	704,233
	2,632,523	2,572,383

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to 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 and for which no liability has been recognised.

Details of restrictions on financial assets can be found at Note 18(a)

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Self supporting loans receivable

Held as
- Unrestricted other financial assets at amortised cost

(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 receivable

Financial assets at fair value through profit and loss

Units in Local Government House Trust

	2022	2021
	\$	\$
	4,994	4,815
	4,994	4,815
26(b)	4,994	4,815
	4,994	4,815
	4,994	4,815
	4,994	4,815
	7,842	12,836
	58,353	55,356
	66,195	68,192
	7,842	12,836
	7,842	12,836
	58,353	55,356
	58,353	55,356

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 23 (i)) due to the observable market rates.

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

Financial assets at fair value through profit and loss

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

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

Impairment and risk

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

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

5. TRADE AND OTHER RECEIVABLES

Current

Rates receivable
Trade and other receivables
GST receivable
Receivables for employee related provisions
Allowance for credit losses of rates receivables

Note	2022 \$	2021 \$
	73,970	64,579
	355,886	39,680
	20,524	44,406
15	17,736	0
22(b)	0	(16,723)
	468,116	131,942
	32,048	34,147
	32,048	34,147

Non-current

Pensioner's rates and ESL deferred

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

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

Classification and subsequent measurement

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

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

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

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

6. INVENTORIES

	Note	2022	2021
		\$	\$
Current			
Fuel and materials		3,033	0
		<u>3,033</u>	<u>0</u>

The following movements in inventories occurred during the year:

Inventories expensed during the year	(79,450)	0
Reversal of write down of inventories to net realisable value	82,483	0
Balance at end of year	<u>3,033</u>	<u>0</u>

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for resale

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

Land held for resale (Continued)

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

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

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

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

7. OTHER ASSETS

Other assets - current

Prepayments

Accrued income

2022	2021
\$	\$
0	9,157
154	1,416
154	10,573

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Note	Land	Buildings - non- specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Work in progress - property plant and equip	Total property, plant and equipment
		\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020		200,000	765,255	8,616,073	9,581,328	54,531	1,057,973	0	10,693,832
Additions		0	51,966	184,081	236,047	2,622	395,500		634,169
Disposals		0	0	0	0	0	(134,257)	0	(134,257)
Depreciation	10(a)	0	(16,706)	(223,117)	(239,823)	(7,055)	(141,940)		(388,818)
Balance at 30 June 2021		200,000	800,515	8,577,037	9,577,552	50,098	1,177,276	0	10,804,926
Comprises:									
Gross balance amount at 30 June 2021		200,000	866,865	9,310,636	10,377,501	84,996	1,542,342	0	12,004,839
Accumulated depreciation at 30 June 2021		0	(66,350)	(733,599)	(799,949)	(34,898)	(365,066)	0	(1,199,913)
Balance at 30 June 2021		200,000	800,515	8,577,037	9,577,552	50,098	1,177,276	0	10,804,926
Additions		0	10,785	237,618	248,403	14,295	700,687	674,930	1,638,315
Disposals		0	0	0	0	0	(174,300)	0	(174,300)
Revaluation increments / (decrements) transferred to revaluation surplus		2,500	251,065	1,185,329	1,438,894	0	0	0	1,438,894
Depreciation	10(a)	0	(17,865)	(227,544)	(245,409)	(7,936)	(156,924)	0	(410,269)
Transfers		0	0	(139,140)	(139,140)	0	0	0	(139,140)
Balance at 30 June 2022		202,500	1,044,500	9,633,300	10,880,300	56,457	1,546,739	674,930	13,158,426
Comprises:									
Gross balance amount at 30 June 2022		202,500	1,044,500	9,633,300	10,880,300	99,291	1,939,736	674,930	13,594,257
Accumulated depreciation at 30 June 2022		0	0	0	0	(42,834)	(392,997)	0	(435,831)
Balance at 30 June 2022		202,500	1,044,500	9,633,300	10,880,300	56,457	1,546,739	674,930	13,158,426

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

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

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Note	Infrastructure - roads \$	Infrastructure - footpaths \$	Infrastructure - airstrip \$	Infrastructure - other \$	Infrastructure - water \$	Work in progress - infrastructure \$	Total Infrastructure \$
Balance at 1 July 2020		44,210,400	464,882	593,741	1,338,505	178,745	0	46,786,273
Additions		955,753	44,053	0	277,993	11,774		1,289,573
Depreciation	10(a)	(554,998)	(14,331)	(7,370)	(46,964)	(14,064)		(637,727)
Balance at 30 June 2021		44,611,155	494,604	586,371	1,569,534	176,455	0	47,438,119
Comprises:								
Gross balance at 30 June 2021		66,594,340	1,121,608	658,049	1,749,757	708,987	0	70,832,741
Accumulated depreciation at 30 June 2021		(21,983,185)	(627,004)	(71,678)	(180,223)	(532,532)	0	(23,394,622)
Balance at 30 June 2021		44,611,155	494,604	586,371	1,569,534	176,455	0	47,438,119
Additions		1,301,660	203,379	57,160	38,811	125,273	0	1,726,283
(Disposals)		0	0	0	(1,833)	0	0	(1,833)
Depreciation	10(a)	(573,644)	(14,918)	(7,370)	(80,772)	(14,292)	0	(690,996)
Transfers		0	0	(57,159)	190,269	0	6,030	139,140
Balance at 30 June 2022		45,339,171	683,065	579,002	1,716,009	287,436	6,030	48,610,713
Comprises:								
Gross balance at 30 June 2022		67,896,000	1,324,986	658,050	2,002,912	834,260	6,030	72,722,238
Accumulated depreciation at 30 June 2022		(22,556,829)	(641,921)	(79,048)	(286,903)	(546,824)	0	(24,111,525)
Balance at 30 June 2022		45,339,171	683,065	579,002	1,716,009	287,436	6,030	48,610,713

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

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - footpaths	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - airstrip	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - other	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - water	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs

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

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

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

10. FIXED ASSETS

(a) Depreciation

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - non-specialised	8(a)	17,865	16,707	16,706
Buildings - specialised	8(a)	227,544	223,149	223,117
Furniture and equipment	8(a)	7,936	7,056	7,055
Plant and equipment	8(a)	156,924	141,960	141,940
Infrastructure - roads	9(a)	573,644	555,076	554,998
Infrastructure - footpaths	9(a)	14,918	14,333	14,331
Infrastructure - airstrip	9(a)	7,370	7,371	7,370
Infrastructure - other	9(a)	80,772	46,971	46,964
Infrastructure - water	9(a)	14,292	14,066	14,064
Right-of-use assets - plant and equipment	11(a)	1,972	0	1,972
		1,103,237	1,026,689	1,028,517

Depreciation rates

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

Asset Class	Useful life
Buildings	30 to 80 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	80 to 120 years
seal	
- bituminous seals	20 to 50 years
- asphalt surfaces	25 to 50 years
Gravel roads	
formation	not depreciated
pavement	50 years
Footpaths - slab	20 to 100 years
Sewerage piping	100 years
Water supply piping and drainage systems	50 to 95 years
Intangible assets - computer software licence	5 years
Right of use (buildings)	Based on the remaining lease
Right of use (plant and equipment)	Based on the remaining lease
Other Infrastructure	10 to 100 years

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

10. FIXED ASSETS (Continued)

(b) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment	174,300	253,636	79,336	0	231,300	247,000	38,500	(22,800)	134,257	167,272	33,415	(400)
Infrastructure - other	1,833	0	0	(1,833)	0	0	0	0	0	0	0	0
	176,133	253,636	79,336	(1,833)	231,300	247,000	38,500	(22,800)	134,257	167,272	33,415	(400)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
	\$	\$	\$	\$
Plant and Equipment				
Governance				
2020 Toyota Prado GLX - 0KTY C	48,484	51,818	3,334	0
Health				
2020 Toyota Prado - KTY0 Doctor	49,468	51,818	2,350	0
Transport				
Cat Cs563E Road Roller	20,604	50,000	29,396	0
Komatsu Grader GD555-5	55,744	100,000	44,256	0
Airport Fencing	1,833	0	0	(1,833)
	176,133	253,636	79,336	(1,833)

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

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

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

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

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

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

Revaluation

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

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

Revaluation (continued)

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

Depreciation

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

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

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

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

Depreciation on revaluation

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

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

Amortisation

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

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

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

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

11. LEASES

(a) Right-of-Use Assets

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

		Right-of-use assets - plant and equipment	Right-of-use assets Total
	Note	\$	\$
Balance at 1 July 2020		4,938	4,938
Depreciation		(1,972)	(1,972)
Balance at 30 June 2021		2,966	2,966
Depreciation	10(a)	(1,972)	(1,972)
Balance at 30 June 2022		994	994

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

		2022 Actual	2021 Actual
		\$	\$
Depreciation on right-of-use assets	10(a)	(1,972)	(1,972)
Interest expense on lease liabilities	27(c)	(181)	(181)
Total amount recognised in the statement of comprehensive income		(2,153)	(2,153)
Total cash outflow from leases		(2,132)	(2,133)

(b) Lease Liabilities

Current		1,139	1,951
Non-current		0	1,139
	27(c)	1,139	3,090

Secured liabilities and assets pledged as security

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

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 27(c).

Right-of-use assets - valuation measurement

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

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

Right-of-use assets - depreciation

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

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

11. LEASES (Continued)

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

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

Less than 1 year
 1 to 2 years

2022 Actual \$	2021 Actual \$
21,126	23,296
0	21,126
21,126	44,422

The Shire leases houses to staff and aged persons with rentals payable monthly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The staff houses are not considered investment property as they are leased for use in the supply of services to the community. The aged persons housing are considered a joint operation and are not considered investment property as the primary purpose is provision of community housing.

Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Although the Shire is exposed to changes in the residual value at the end of the current leases, the Shire typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

SIGNIFICANT ACCOUNTING POLICIES

The Shire as Lessor

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

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

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

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

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

12. TRADE AND OTHER PAYABLES

Current

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

2022	2021
\$	\$
98,924	212,322
2,632	3,160
22,580	22,366
17,638	34,544
39,336	43,800
1,621	2,004
11,005	54,086
193,736	372,282

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

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

Prepaid rates

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

SHIRE OF TRAYNING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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13. OTHER LIABILITIES

Current

Contract liabilities

Reconciliation of changes in contract liabilities

Opening balance

Additions

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

	2022	2021
	\$	\$
	28,677	158,153
	28,677	158,153
	158,153	0
	28,677	158,153
	(158,153)	0
	28,677	158,153

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

Reconciliation of changes in capital grant/contribution liabilities

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

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

14. BORROWINGS

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		64,505	464,031	528,536	62,802	528,536	591,338
Total secured borrowings	27(a)	64,505	464,031	528,536	62,802	528,536	591,338

Secured liabilities and assets pledged as security

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

The Shire of Trayning has complied with the financial covenants of its borrowing facilities during the 2022 and 2021 years.

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

Risk

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

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

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

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual Leave

Long Service Leave

Non-current provisions

Long Service Leave

	2022	2021
	\$	\$
131,537		112,992
118,889		18,627
250,426		131,619
31,425		54,309
31,425		54,309
281,851		185,928

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

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

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date

More than 12 months from reporting date

Note	2022	2021
	\$	\$
102,014		53,534
179,837		132,394
281,851		185,928

Expected reimbursements of employee related provisions from other WA local governments included within other receivables

5

(17,736)

(28,750)

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

SHIRE OF TRAYNING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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16. REVALUATION SURPLUS

	2022 Opening Balance	2022 Revaluation Increment	2022 Revaluation (Decrement)	Total Movement on Revaluation	2022 Closing Balance	2021 Opening Balance	2021 Closing Balance
	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - vested in an under control of Council	223,626	2,500	0	2,500	226,126	223,626	223,626
Revaluation surplus - Buildings - non-specialised	4,295,504	251,065	0	251,065	4,546,569	4,295,504	4,295,504
Revaluation surplus - Buildings - specialised	0	1,185,329	0	1,185,329	1,185,329	0	0
Revaluation surplus - Furniture and equipment	13,418	0	0	0	13,418	13,418	13,418
Revaluation surplus - Plant and equipment	83,299	0	0	0	83,299	83,299	83,299
Revaluation surplus - Infrastructure - roads	28,256,006	0	0	0	28,256,006	28,256,006	28,256,006
Revaluation surplus - Infrastructure - footpaths	406,782	0	0	0	406,782	406,782	406,782
Revaluation surplus - Infrastructure - airstrip	545,046	0	0	0	545,046	545,046	545,046
Revaluation surplus - Infrastructure - other	592,794	0	0	0	592,794	592,794	592,794
Revaluation surplus - Infrastructure - water	207,986	0	0	0	207,986	207,986	207,986
	34,624,461	1,438,894	0	1,438,894	36,063,355	34,624,461	34,624,461

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

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

17. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	2,632,523	751,342	2,572,383

Restrictions

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

- Cash and cash equivalents	3	663,704	424,611	704,233
		663,704	424,611	704,233

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

Restricted reserve accounts	28	663,704	424,611	704,233
Total restricted financial assets		663,704	424,611	704,233

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

Net result		2,747,091	716,371	1,123,690
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(2,997)	0	(1,940)
Depreciation/amortisation		1,103,237	1,026,689	1,028,517
(Profit)/loss on sale of asset		(77,503)	(15,700)	(33,015)
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		(334,075)	0	(26,401)
(Increase)/decrease in other assets		10,419		(10,573)
(Increase)/decrease in inventories		(3,033)	0	14,166
Increase/(decrease) in trade and other payables		(178,546)	0	160,903
Increase/(decrease) in employee related provisions		95,923	0	26,249
Increase/(decrease) in other liabilities		(129,476)	(158,170)	(20,017)
Non-operating grants, subsidies and contributions		(1,635,734)	(1,691,681)	(925,241)
Net cash provided by/(used in) operating activities		1,595,306	(122,491)	1,336,338

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank overdraft limit	200,000	200,000
Bank overdraft at balance date	0	0
Credit card limit	20,000	20,000
Credit card balance at balance date	(356)	(9,454)
Total amount of credit unused	219,644	210,546

Loan facilities

Loan facilities - current	64,505	62,802
Loan facilities - non-current	464,031	528,536
Total facilities in use at balance date	528,536	591,338

Unused loan facilities at balance date

Nil

Nil

SHIRE OF TRAYNING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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18. CONTINGENT LIABILITIES

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

- Kununoppin Landfill Site
- Yelbeni Landfill Site
- Trayning Landfill Site (former site)

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

19. CAPITAL COMMITMENTS

Contracted for:

- capital expenditure projects
- plant & equipment purchases

2022	2021
\$	\$
72,459	0
69,671	0
142,130	0

SHIRE OF TRAYNING
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20. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Councillor Brown			
President's annual allowance	12,350	12,350	12,350
Meeting attendance fees	6,068	4,770	7,156
Annual allowance for ICT expenses	2,100	2,100	2,100
Travel and accommodation expenses	391	889	198
	20,909	20,109	21,804
Councillor Waters			
Deputy President's annual allowance	3,088	3,088	3,088
Meeting attendance fees	2,866	2,625	3,170
Annual allowance for ICT expenses	2,100	2,100	2,100
Travel and accommodation expenses	584	887	390
	8,638	8,700	8,748
Councillor Wilkins			
Meeting attendance fees	555	955	2,505
Annual allowance for ICT expenses	525	203	2,100
Travel and accommodation expenses	0	887	0
	1,080	2,045	4,605
Councillor Tarr			
Meeting attendance fees	2,047	2,993	4,095
Annual allowance for ICT expenses	1,575	2,100	2,100
Travel and accommodation expenses	646	887	676
	4,268	5,980	6,871
Councillor McHugh			
Meeting attendance fees	2,507	2,625	2,595
Annual allowance for ICT expenses	2,100	2,100	2,100
Travel and accommodation expenses	230	887	252
	4,837	5,612	4,947
Councillor Hudson			
Meeting attendance fees	0	0	555
Travel and accommodation expenses	0	0	92
	0	0	647
Councillor Marchant			
Meeting attendance fees	1,413	2,625	2,505
Annual allowance for ICT expenses	2,100	2,100	2,100
	3,513	4,725	4,605
Councillor Barnes			
Meeting attendance fees	1,834	2,625	0
Annual allowance for ICT expenses	0	2,100	0
Travel and accommodation expenses	564	887	0
	2,398	5,612	0
Councillor Leslie			
Meeting attendance fees	1,952	1,670	0
Annual allowance for ICT expenses	1,575	1,575	0
	3,527	3,245	0
	49,170	56,028	52,227
Fees, expenses and allowances to be paid or reimbursed to elected council members.	2022 Actual \$	2022 Budget \$	2021 Actual \$
President's annual allowance	12,350	12,350	12,350
Deputy President's annual allowance	3,088	3,088	3,088
Meeting attendance fees	19,242	20,888	22,581
Annual allowance for ICT expenses	12,075	14,378	12,600
Travel and accommodation expenses	2,415	5,324	1,608
20(b)	49,170	56,028	52,227

21 RELATED PARTY TRANSACTIONS

(b) Key Management Personnel (KMP) Compensation

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

	2022 Actual	2021 Actual
	\$	\$
Short-term employee benefits	361,930	434,077
Post-employment benefits	44,331	53,850
Employee - other long-term benefits	81,399	15,508
Employee - termination benefits		33,352
Council member costs	49,170	52,227
20(a)	536,830	589,014

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

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

Council member costs

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

(c) Transactions with related parties

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

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

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

	2022 Actual	2021 Actual
	\$	\$
Purchase of goods and services	259,932	133,589

Amounts payable to related parties:

Trade and other payables	349	1,221
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(d) Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

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

iii. Entities subject to significant influence by the Shire

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence.

Significant influence may be gained by share ownership, statute or agreement.

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

21. JOINT ARRANGEMENTS

Share of joint operations

Kununoppin Medical Practice

The Shires of Trayning, Mt Marshall, Mukinbudin and Nungarin have an agreement in place to share the costs associated with attracting and retaining a General Practitioner Service to service the four Shires. The Shire of Trayning administers the costs associated with this agreement, contributing 30% of the costs and recouping the other 70% from the other Shires.

	2022 \$	2021 \$
Statement of financial position		
Plant & equipment	60,160	58,756
Statement of Comprehensive Income		
Expenses	35,710	32,953
Profit/(Loss) for the period	(35,710)	(32,953)
Other comprehensive income	0	0
Total comprehensive income for the period	(35,710)	(32,953)

SIGNIFICANT ACCOUNTING POLICIES

Joint operations

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

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

22. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2022					
Cash and cash equivalents	0.01%	2,632,523	663,704	0	1,968,819
2021					
Cash and cash equivalents	0.13%	2,572,383	704,233	500,000	1,368,150

Sensitivity

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

	2022	2021
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	0	5,000

* 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 27(a).

22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2021 or 1 July 2022 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

The loss allowance as at 30 June 2022 and 30 June 2021 for rates receivable was determined as follows:

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
30 June 2022						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	624	24,420	17,859	63,116	106,019	
Loss allowance	0	0	0	0	0	5
30 June 2021						
Rates receivable						
Expected credit loss	2.14%	1.60%	2.66%	29.64%		
Gross carrying amount	25,452	9,438	10,726	53,110	98,726	
Loss allowance	544	151	285	15,743	16,723	5

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

	Less than 1 year past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
30 June 2022						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	330,855	3,403	5,340	16,288	355,886	
Loss allowance	0	0	0	0	0	5
30 June 2021						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	12,153	2,747	1,987	22,793	39,680	
Loss allowance	0	0	0	0	0	5

SHIRE OF TRAYNING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

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

	Rates receivable		Trade and other receivables		Contract Assets	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual
Opening loss allowance as at 1 July	\$ 16,723	\$ 16,723	\$ 0	\$ 0	\$ 0	\$ 0
Unused amount reversed	(16,723)	0	0	0	0	0
Closing loss allowance at 30 June	0	16,723	0	0	0	0

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

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

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

22. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 17(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
	\$	\$	\$	\$	\$
2022					
Trade and other payables	176,098	0	0	176,098	193,736
Borrowings	84,161	270,614	304,078	658,853	528,536
Lease liabilities	1,139	0	0	1,139	1,139
	261,398	270,614	304,078	836,090	723,411
2021					
Trade and other payables	337,738	0	0	337,738	337,738
Borrowings	84,161	300,902	357,901	742,965	591,338
Lease liabilities	1,952	1,139	0	3,091	3,091
	423,851	302,041	357,901	1,083,794	932,167

23. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest earnings

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

k) Initial application of accounting standards

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

New accounting standards for application in future years

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

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

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

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

24. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

Objective	Description
GOVERNANCE To provide a decision making process for the efficient allocation of scarce resources.	Administration and operation of facilities and services to members of Council, and other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services.
GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
HEALTH To provide an operational framework for environmental and community health.	Food quality and pest control, immunisation services and community health service inspection.
EDUCATION AND WELFARE To provide services to disadvantaged persons, the elderly, children and youth.	Operation of Home and Community Care services, assistance to playgroups and other voluntary services.
HOUSING To provide and maintain staff and elderly residents housing.	Control and maintenance of staff and other rental housing, including aged accommodation units.
COMMUNITY AMENITIES To provide services required by the community.	Refuse collection services, operation of refuse sites, maintenance of cemeteries, septic tank inspection and pump out services, storm water drainage maintenance and regional development.
RECREATION AND CULTURE To establish and effectively manage infrastructure and resource which will help the social well being of the community.	Maintenance of public halls, community centres, aquatic centre, recreation facilities and reserves, operation of library, television retransmission and preparation of Shire history.
TRANSPORT To provide safe, effective and efficient transport services to the community.	Construction and maintenance of streets and roads; cleaning and lighting of streets; depot maintenance, airstrip maintenance and vehicle licensing services.
ECONOMIC SERVICES To help promote the shire and its economic wellbeing.	Regulation and provision of tourism, area promotion, building control, noxious weeds, vermin control and economic services.
OTHER PROPERTY AND SERVICES To monitor and control council's overheads operating accounts.	Private works operation, plant repair and operation costs and engineering operation costs.

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

24. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Income excluding grants, subsidies and contributions			
Governance	30,795	17,638	34,745
General purpose funding	1,208,971	1,185,485	1,173,550
Law, order, public safety	6,793	6,328	8,078
Health	131,767	27,000	81,461
Education and welfare	1,738	0	110
Housing	61,469	68,318	67,675
Community amenities	59,905	54,263	75,010
Recreation and culture	20,274	6,533	8,228
Transport	80,469	44,838	32,738
Economic services	30,881	8,251	21,257
Other property and services	121,415	29,153	47,017
	1,754,477	1,447,807	1,549,869
Grants, subsidies and contributions			
Governance	62,443	58,521	49,462
General purpose funding	1,802,328	572,347	1,168,042
Law, order, public safety	674,931	776,335	20,017
Health	0	69,865	4,857
Education and welfare	10,000	507	0
Housing	0	101	2,250
Community amenities	16,000	0	0
Recreation and culture	140,000	90,000	224,359
Transport	1,550,716	1,095,324	1,189,621
Economic services	0	0	22,201
Other property and services	2,600	5,822	0
	4,259,018	2,668,822	2,680,809
Total Income	6,013,495	4,116,629	4,230,678
Expenses			
Governance	(486,060)	(458,104)	(416,916)
General purpose funding	(72,047)	(66,544)	(62,120)
Law, order, public safety	(66,026)	(60,852)	(59,017)
Health	(134,553)	(152,626)	(172,116)
Education and welfare	(95,539)	(83,463)	(105,188)
Housing	(145,335)	(106,945)	(106,901)
Community amenities	(229,875)	(275,624)	(184,875)
Recreation and culture	(681,603)	(573,461)	(569,127)
Transport	(1,258,621)	(1,511,696)	(1,170,275)
Economic services	(126,101)	(108,267)	(116,226)
Other property and services	29,356	(2,676)	(144,227)
Total expenses	(3,266,404)	(3,400,258)	(3,106,988)
Net result for the period	2,747,091	716,371	1,123,690

SHIRE OF TRAYNING
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24. FUNCTION AND ACTIVITY (Continued)

(c) Fees and Charges

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Governance	10,622	9,861	11,795
General purpose funding	670	320	315
Law, order, public safety	2,531	2,028	3,696
Health	33,238	27,000	33,516
Housing	57,291	68,318	66,200
Community amenities	57,570	54,263	75,010
Recreation and culture	12,423	5,725	6,740
Economic services	30,389	8,251	21,195
Other property and services	101,448	15,210	25,408
	306,182	190,976	243,875

(d) Total Assets

	2022	2021
	\$	\$
Governance	830,602	1,396,083
General purpose funding	106,018	92,723
Law, order, public safety	986,930	116,633
Health	116,024	115,784
Education and welfare	1,064,077	243,299
Housing	2,610,395	2,252,453
Community amenities	321,681	282,950
Recreation and culture	7,036,282	6,087,587
Transport	47,421,065	47,827,561
Economic services	424,719	382,686
Other property and services	1,599,318	240,230
Unallocated	2,460,085	2,030,074
	64,977,196	61,068,063

SHIRE OF TRAYNING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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25. RATING INFORMATION

(a) General Rates

RATE TYPE Rate Description	Basis of valuation	Rate in \$	Number of Properties	2021/22 Actual Rateable Value *	2021/22 Actual Rate Revenue	2021/22 Actual Interim Rates	2021/22 Actual Back Rates	2021/22 Actual Total Revenue	2021/22 Budget Rate Revenue	2021/22 Budget Interim Rate	2021/22 Budget Back Rate	2021/22 Budget Total Revenue	2020/21 Actual Total Revenue
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Kununoppin Trayning		0.22373	106	553,800	123,902	(400)	0	123,502	123,902	0	0	123,902	126,933
Yelbeni		0.22373	3	10,360	2,318	0	0	2,318	2,318	0	0	2,318	2,318
Commercial		0.22373	12	70,846	15,850	0	0	15,850	15,850	0	0	15,850	13,277
Rural		0.017581	201	59,703,500	1,049,647	(396)	(13)	1,049,238	1,049,647	0	0	1,049,647	1,023,217
Mining		0.017581	0	0	0	1,223	323	1,546	0	0	0	0	185
Sub-Total			322	60,338,506	1,191,717	427	310	1,192,454	1,191,717	0	0	1,191,717	1,165,930
Minimum payment													
Kununoppin Trayning		400	29	10,079	11,600	0	0	11,600	11,600	0	0	11,600	11,600
Yelbeni		400	6	925	2,400	0	0	2,400	2,400	0	0	2,400	2,400
Commercial		400	2	420	800	0	0	800	800	0	0	800	800
Unimproved valuations		400	5	77,500	2,000	0	0	2,000	0	0	0	0	
Rural		400	4	40,254	1,600	0	0	1,600	2,000	0	0	2,000	3,200
Mining								0	1,600	0	0	1,600	0
Sub-Total			46	129,178	18,400	0	0	18,400	18,400	0	0	18,400	18,000
			368	60,467,684	1,210,117	427	310	1,210,854	1,210,117	0	0	1,210,117	1,183,930
Discounts on general rates (Refer note 25(c))								(46,330)				(50,000)	(47,868)
Total amount raised from general rates								1,164,524				1,160,117	1,136,062
* Rateable value is based on the value of properties at the time the rate is raised,													
(b) Rates (excluding general rates)													
Ex-gratia Rates													
Cooperative Bulk Handling					11,001			11,001	11,001	0	0	11,001	11,001
Sub-Total			0	0	11,001	0	0	11,001	11,001	0	0	11,001	11,001
Total amount raised from rates (excluding general rates)								11,001				11,001	11,001
(c) Total Rates													
								1,175,525				1,171,118	1,147,063

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

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

25. RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee Discount Granted	Type	Discount %	Discount \$	2022 Actual \$	2022 Budget \$	2021 Actual \$	Circumstances in which Discount is Granted
Discount on rates		5.00%	N/A	52,959	50,000	47,763	Rates to be paid in full by the due date
				52,959	50,000	47,763	

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Waiver/Concession	Discount %	Discount \$	2022 Actual \$	2022 Budget \$	2021 Actual \$
A627 42 Coronation Street	Write-off						105
Reversal of Rates Written Off					(6,670)		
Write off small balances					41		
					(6,629)	0	105
Total discounts/concessions including reversals (Note 25)					46,330	50,000	47,868

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
A627 42 Coronation Street			
Write off small balances			

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

25. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single full payment	30/09/2021	0.0	0.00%	0.07%
Option Two				
First instalment	30/09/2021	0.0	0.00%	0.07%
Second instalment	1/11/2021	5.0	0.055%	0.07%
Third instalment	5/01/2022	5.0	0.055%	0.07%
Fourth instalment	9/03/2022	5.0	0.055%	0.07%

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Interest on unpaid rates	6,177	4,000	7,142
Interest on instalment plan	1,259	1,000	1,406
Charges on instalment plan	460	320	315
Adhoc payment plan fees	210	0	0
Interest on unpaid ESL	263	0	0
	8,369	5,320	8,863

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

26. RATE SETTING STATEMENT INFORMATION

		2021/22 Budget	2020/21
	2021/22 (30 June 2022 Carried Forward)	(30 June 2022 Carried Forward)	(30 June 2021 Carried Forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	10(b) (79,336)	(38,500)	(33,415)
Less: Movement in liabilities associated with restricted cash	114	0	9
Less: Fair value adjustments to financial assets at fair value through profit and loss	(2,997)	0	(1,940)
Add: Loss on disposal of assets	10(b) 1,833	22,800	400
Add: Depreciation	10(a) 1,103,237	1,026,689	1,028,517
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	2,099	0	8,731
Employee benefit provisions	(22,884)	233	38,621
Non-cash amounts excluded from operating activities	1,002,066	1,011,222	1,040,923
(b) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserve accounts	28 (663,704)	(424,611)	(704,233)
Less: Financial assets at amortised cost - self supporting loans	4(a) (4,994)	(4,993)	(4,815)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	14 64,505	64,505	62,802
- Current portion of lease liabilities	11(b) 1,139	(87)	1,951
- Employee benefit provisions	22,744	22,863	22,630
Total adjustments to net current assets	(580,310)	(342,323)	(621,665)
Net current assets used in the Rate Setting Statement			
Total current assets	3,108,820	921,067	2,719,713
Less: Total current liabilities	(538,483)	(578,744)	(726,807)
Less: Total adjustments to net current assets	(580,310)	(342,323)	(621,665)
Net current assets used in the Rate Setting Statement	1,990,027	0	1,371,241

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

27. BORROWING AND LEASE LIABILITIES

(a) Borrowings

		Actual							Budget			
Purpose	Note	Principal at	New Loans	Principal	Principal at 30	New Loans	Principal	Principal at	Principal at 1	New Loans	Principal	Principal at
		1 July 2020	During 2020-21	Repayments During 2020-21	June 2021	During 2021-22	Repayments During 2021-22	30 June 2022	July 2021	During 2021-22	Repayments During 2021-22	30 June 2022
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Loan 69 - Community Recreation Centre		297,227		(14,323)	282,904		(14,805)	268,099	282,903	0	(14,805)	268,098
Loan 71 - Trayning Aquatic Centre Kiosk Upg		200,000		(18,605)	181,395		(18,902)	162,493	181,395	0	(18,902)	162,493
Loan 68 - Trayning Unmanned Fuel Site		88,770		(16,689)	72,081		(17,206)	54,875	72,082	0	(17,205)	54,877
Loan 70 - Trayning Unmanned Fuel Site		44,194		(6,887)	37,307		(7,074)	30,233	37,306	0	(7,074)	30,232
Total		630,191	0	(56,504)	573,687	0	(57,987)	515,700	573,686	0	(57,986)	515,700
Self Supporting Loans												
SSL - Bowls Resurface		22,293		(4,642)	17,651		(4,815)	12,836	17,651	0	(4,815)	12,836
Total Self Supporting Loans		22,293	0	(4,642)	17,651	0	(4,815)	12,836	17,651	0	(4,815)	12,836
Total Borrowings	14	652,484	0	(61,146)	591,338	0	(62,802)	528,536	591,337	0	(62,801)	528,536

* WA Treasury Corporation

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

Borrowing Interest Repayments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021
						\$	\$	\$
Loan 69 - Community Recreation Centre			69	WATC*	3.34%	(11,675)	(10,426)	(12,515)
Loan 71 - Trayning Aquatic Centre Kiosk Upgrade			71	WATC*	1.59%	(5,211)	(2,809)	(4,094)
Loan 68 - Trayning Unmanned Fuel Site			68	WATC*	3.07%	(2,539)	(2,772)	(2,718)
Loan 70 - Trayning Unmanned Fuel Site			70	WATC*	2.69%	(1,340)	(1,357)	(1,455)
Total						(20,765)	(17,364)	(20,782)
Self Supporting Loans Interest Repayments								
SSL - Bowls Resurface			67	WATC*	3.69%	(731)	(808)	(827)
Total Self Supporting Loans Interest Repayments						(731)	(808)	(827)
Total Interest Repayments	2(b)					(21,496)	(18,172)	(21,609)

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

27. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2021/22

	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2022 Actual	2022 Budget	2022 Actual	2022 Budget		

* WA Treasury Corporation

(c) Lease Liabilities

Purpose	Note	Actual								Budget			
		Principal at 1 July 2020	New Leases During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022		Principal at 1 July 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
		\$	\$	\$	\$	\$	\$	\$		\$	\$	\$	\$
Fuji Xerox DocuCentre IV C5571		5,042		(1,952)	3,090		(1,951)	1,139		5,042	0	(2,038)	3,004
Total Lease Liabilities	11(b)	5,042	0	(1,952)	3,090	0	(1,951)	1,139		5,042	0	(2,038)	3,004
Lease Interest Repayments													
Purpose	Note	Function and activity		Lease Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022		Actual for year ending 30 June 2021	Lease Term		
							\$	\$		\$			
Fuji Xerox DocuCentre IV C5571				C5077C4207	Fuji Xerox	4.50%	(181)	(95)		(181)	60 Months		
Total Interest Repayments	2(b)						(181)	(95)		(181)			

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

29. RESERVE ACCOUNTS

	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave reserve	22,630	114	0	22,744	22,630	233	0	22,863	22,623	7	0	22,630
(b) Plant reserve	520,903	2,573	(317,160)	206,316	520,903	5,474	(337,160)	189,217	452,742	68,161	0	520,903
(c) Building reserve	59,094	30,301	0	89,395	59,094	30,617	0	89,711	59,075	19	0	59,094
(d) Facilities reserve	7,550	123,156	0	130,706	7,550	85	0	7,635	7,548	2	0	7,550
(e) Medical reserve	55,584	279	0	55,863	55,584	574	0	56,158	55,566	18	0	55,584
(f) Rubbish tip reserve	29,270	110,161	0	139,431	29,270	10,301	0	39,571	29,260	10	0	29,270
(g) Swimming pool reserve	9,189	10,047	0	19,236	9,189	10,254	0	19,443	24,853	7	(15,671)	9,189
(h) Performance and retention reserve	13	0	0	13	13	0	0	13	13	0	0	13
	704,233	276,631	(317,160)	663,704	704,233	57,538	(337,160)	424,611	651,680	68,224	(15,671)	704,233

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 anticipated date of use are as follows:

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave reserve	Ongoing	to be used to fund annual and long service leave requirements
(b) Plant reserve	Ongoing	to be used for the purchase of major plant
(c) Building reserve	Ongoing	to be used for the construction of housing and other facilities
(d) Facilities reserve	Ongoing	to be used to provide new facilities to the Shire
(e) Medical reserve	Ongoing	to be used to maintain the services of a doctor and other medical services
(f) Rubbish tip reserve	Ongoing	to be used to upgrade and expand rubbish tips within the Shire
(g) Swimming pool reserve	Ongoing	to be used to upgrade the swimming pool and aquatic centre facilities
(h) Performance and retention reserve	Ongoing	to be used for a bonus arrangement to assist in personnel fulfilling their contract terms



Auditor General

INDEPENDENT AUDITOR'S REPORT 2022 Shire of Trayning

To the Councillors of the Shire of Trayning

Opinion

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

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

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2022 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 for the audit of the financial report section below.

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

Other information

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

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

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

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

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

The Chief Executive Officer of the Shire is responsible for:

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

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

Renuka Venkatraman
Acting Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
5 April 2023