

**SHIRE OF SANDSTONE**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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

*A welcoming and friendly community recognising our rich heritage and embracing economic opportunity, whilst nurturing our natural and built environment*

Principal place of business:  
Hack Street  
Sandstone WA 6639

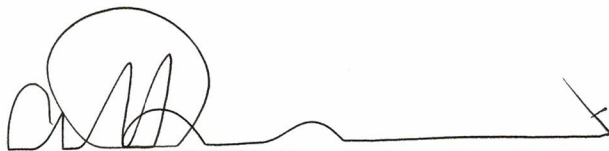
**SHIRE OF SANDSTONE  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

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

**Statement By Chief Executive Officers**

The attached financial report of the Shire of Sandstone 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 Sandstone 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 First day of May 2023



Chief Executive Officer

Charles Brown

Name of Chief Executive Officer



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

	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
<b>Revenue</b>				
Rates	22(a),2(a)	1,189,230	1,144,180	1,101,137
Operating grants, subsidies and contributions	2(a)	2,869,958	1,089,750	3,153,163
Fees and charges	21(b),2(a)	560,955	318,180	203,045
Interest earnings	2(a)	19,815	36,000	37,425
Other revenue	2(a)	781,388	525,500	704,192
		5,421,346	3,113,610	5,198,962
<b>Expenses</b>				
Employee costs		(1,228,729)	(1,255,417)	(1,224,207)
Materials and contracts		(1,641,226)	(1,719,943)	(2,410,866)
Utility charges		(137,434)	(129,122)	(111,605)
Depreciation	9(a)	(1,616,094)	(2,306,368)	(1,459,088)
Insurance		(122,341)	(189,684)	(145,817)
Other expenditure	2(b)	(109,684)	(86,050)	(105,789)
		(4,855,508)	(5,686,584)	(5,457,372)
		565,838	(2,572,974)	(258,410)
Capital grants, subsidies and contributions	2(a)	685,900	831,837	991,073
Profit on asset disposals	9(b)	46,401	40,210	117,767
Loss on asset disposals	9(b)	0	(20,685)	0
Fair value adjustments to Financial Assets at fair value through profit or loss		2,855	0	0
		735,156	851,362	1,108,840
<b>Net result for the period</b>	21(b)	<b>1,300,994</b>	<b>(1,721,612)</b>	<b>850,430</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	6,924,404	0	0
<b>Total other comprehensive income for the period</b>	13	<b>6,924,404</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>8,225,398</b>	<b>(1,721,612)</b>	<b>850,430</b>

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



**SHIRE OF SANDSTONE**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022**

	NOTE	2022 \$	2021 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	8,177,237	6,787,664
Trade and other receivables	5	68,996	41,801
Inventories	6	305,705	134,964
<b>TOTAL CURRENT ASSETS</b>		<b>8,551,938</b>	<b>6,964,429</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	4(a)	20,372	17,517
Property, plant and equipment	7	9,458,243	8,187,829
Infrastructure	8	45,742,133	39,718,887
<b>TOTAL NON-CURRENT ASSETS</b>		<b>55,220,748</b>	<b>47,924,233</b>
<b>TOTAL ASSETS</b>		<b>63,772,686</b>	<b>54,888,662</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	494,970	278,276
Other liabilities	11	502,688	98,614
Employee related provisions	12	120,684	110,775
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,118,342</b>	<b>487,665</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee related provisions	12	91,323	63,374
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>91,323</b>	<b>63,374</b>
<b>TOTAL LIABILITIES</b>		<b>1,209,665</b>	<b>551,039</b>
<b>NET ASSETS</b>		<b>62,563,021</b>	<b>54,337,623</b>
<b>EQUITY</b>			
Retained surplus		37,113,115	35,723,978
Reserve accounts	24	4,933,489	5,021,632
Revaluation surplus	13	20,516,417	13,592,013
<b>TOTAL EQUITY</b>		<b>62,563,021</b>	<b>54,337,623</b>

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



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

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2020</b>		<b>35,953,858</b>	<b>3,941,322</b>	<b>13,592,013</b>	<b>53,487,193</b>
Comprehensive income for the period					
Net result for the period		850,430	0	0	850,430
Total comprehensive income for the period		850,430	0	0	850,430
Transfers to reserves	24	(1,080,310)	1,080,310	0	0
<b>Balance as at 30 June 2021</b>		<b>35,723,978</b>	<b>5,021,632</b>	<b>13,592,013</b>	<b>54,337,623</b>
Comprehensive income for the period					
Net result for the period		1,300,994	0	0	1,300,994
Other comprehensive income for the period	13	0	0	6,924,404	6,924,404
Total comprehensive income for the period		1,300,994	0	6,924,404	8,225,398
Transfers from reserves	24	570,469	(570,469)	0	0
Transfers to reserves	24	(482,326)	482,326	0	0
<b>Balance as at 30 June 2022</b>		<b>37,113,115</b>	<b>4,933,489</b>	<b>20,516,417</b>	<b>62,563,021</b>

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



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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		1,181,304	1,144,180	1,127,961
Operating grants, subsidies and contributions		3,261,743	1,089,750	3,248,148
Fees and charges		560,955	318,180	203,045
Interest received		19,815	36,000	37,425
Goods and services tax received		193,311	0	352,956
Other revenue		781,388	525,500	704,192
		5,998,516	3,113,610	5,673,727
<b>Payments</b>				
Employee costs		(1,251,398)	(1,255,417)	(1,272,727)
Materials and contracts		(1,523,108)	(1,726,471)	(2,301,181)
Utility charges		(137,434)	(129,122)	(111,605)
Insurance paid		(122,341)	(189,684)	(145,817)
Goods and services tax paid		(211,924)	0	(326,869)
Other expenditure		(109,685)	(86,050)	(105,789)
		(3,355,890)	(3,386,744)	(4,263,988)
<b>Net cash provided by (used in) operating activities</b>	14(b)	2,642,619	(273,134)	1,409,739
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	7(a)	(860,626)	(866,860)	(596,222)
Payments for construction of infrastructure	8(a)	(1,231,143)	(1,356,252)	(1,487,484)
Non-operating grants, subsidies and contributions		685,900	831,837	991,073
Proceeds from financial assets at amortised cost		0	0	1,320,723
Proceeds from sale of property, plant & equipment	9(b)	152,823	195,000	259,913
Proceeds from sale of infrastructure		0	235,000	0
<b>Net cash provided by (used in) investing activities</b>		(1,253,046)	(961,275)	488,003
<b>Net increase (decrease) in cash held</b>		1,389,573	(1,234,409)	1,897,742
Cash at beginning of year		6,787,664	1,759,732	4,889,922
<b>Cash and cash equivalents at the end of the year</b>	14(a)	8,177,237	525,323	6,787,664

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



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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>NET CURRENT ASSETS - At start of financial year - surplus/(deficit)</b>	23(b)	1,551,874	1,555,849	2,314,485
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities (excluding general rate)</b>				
Operating grants, subsidies and contributions		2,869,958	1,089,750	3,153,162
Fees and charges		560,955	318,180	203,046
Interest earnings		19,815	36,000	37,425
Other revenue		781,388	525,500	704,192
Profit on asset disposals	9(b)	46,401	40,210	117,767
Fair value adjustments to investment property		2,855	0	0
		4,281,372	2,009,640	4,215,592
<b>Expenditure from operating activities</b>				
Employee costs		(1,228,729)	(1,255,417)	(1,224,207)
Materials and contracts		(1,641,226)	(1,719,943)	(2,410,866)
Utility charges		(137,434)	(129,122)	(111,605)
Depreciation		(1,616,094)	(2,306,368)	(1,459,088)
Insurance		(122,341)	(189,684)	(145,817)
Other expenditure		(109,684)	(86,050)	(105,789)
Loss on asset disposals	9(b)	0	(20,685)	0
		(4,855,508)	(5,707,269)	(5,457,372)
Non-cash amounts excluded from operating activities	23(a)	1,594,787	2,190,099	1,291,064
<b>Amount attributable to operating activities</b>		2,572,525	48,319	2,363,769
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		685,900	831,837	991,073
Proceeds from disposal of assets	9(b)	152,823	195,000	259,913
Purchase of property, plant and equipment	7(a)	(860,626)	(866,860)	(596,222)
Purchase and construction of infrastructure	8(a)	(1,231,143)	(1,356,252)	(1,487,484)
		(1,253,046)	(1,196,275)	(832,720)
<b>Amount attributable to investing activities</b>		(1,253,046)	(1,196,275)	(832,720)
<b>FINANCING ACTIVITIES</b>				
Transfers to reserves (restricted assets)	24	(482,326)	(489,696)	(1,080,310)
Transfers from reserves (restricted assets)	24	570,469	500,000	0
<b>Amount attributable to financing activities</b>		88,143	10,304	(1,080,310)
<b>Surplus/(deficit) before imposition of general rates</b>		1,407,622	(1,137,652)	450,739
<b>Total amount raised from general rates</b>	22(a)	1,189,230	1,144,180	1,101,137
<b>Surplus/(deficit) after imposition of general rates</b>	23(b)	<b>2,596,858</b>	<b>6,528</b>	<b>1,551,871</b>

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



**SHIRE OF SANDSTONE  
FOR THE YEAR ENDED 30 JUNE 2022  
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**SHIRE OF SANDSTONE**  
**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 *Local Government Act 1995* and accompanying regulations.

**Local Government Act 1995 requirements**

Section 6.4(2) of the Local Government Act 1995 read with the Local Government (Financial Management) Regulations 1996 prescribe that the financial report be prepared in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

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 asset under zero cost concessionary leases are measured at zero cost rather than fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

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

**The local government reporting entity**

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

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

**Judgements and estimates**

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

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

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

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.

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

**2. REVENUE AND EXPENSES**

**(a) Revenue**

**Contracts with customers**

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	When rates notice is issued
Grants, subsidies or contributions for the construction of non financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the LG	Over time	Fixed terms transfer of funds based on milestones and reporting	Contract obligation if project not complete	Output methods based on project milestones and/or completion date matched to performance obligations as input are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitments	No obligations	Not Applicable	Not Applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Revenue recognised after inspection event occurs
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
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	On entry or at conclusion of hire
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Sale of stock	Fuel and visitor centre stock	Single point in time	In full at time of sale	Refund for faulty goods	Output method based on goods
Commissions	Commissions on licencing	Over time	Payment in full on sale	None	When assets are controlled
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.

**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	1,189,230	0	1,189,230
Operating grants, subsidies and contributions	131,684	0	0	2,738,274	2,869,958
Fees and charges	560,955	0	0	0	560,955
Interest earnings	0	0	19,815	0	19,815
Other revenue	781,388	0	0	0	781,388
Non-operating grants, subsidies and contributions	0	685,900	0	0	685,900
<b>Total</b>	<b>1,474,027</b>	<b>685,900</b>	<b>1,209,045</b>	<b>2,738,274</b>	<b>6,107,246</b>

**For the year ended 30 June 2021**

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,101,137	0	1,101,137
Operating grants, subsidies and contributions	0	0	0	3,153,163	3,153,163
Fees and charges	203,045	0	0	0	203,045
Interest earnings	0	0	37,425	0	37,425
Other revenue	704,192	0	0	0	704,192
Non-operating grants, subsidies and contributions	0	991,073	0	0	991,073
<b>Total</b>	<b>907,237</b>	<b>991,073</b>	<b>1,138,562</b>	<b>3,153,163</b>	<b>6,190,035</b>

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

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

	2022 Actual	2022 Budget	2021 Actual
<b>Interest earnings</b>			
Interest on reserve funds	12,625	20,000	22,921
Rates instalment and penalty interest (refer Note 22(c))	5,015	8,500	8,350
Other interest earnings	2,175	7,500	6,154
	19,815	36,000	37,425
<b>(b) Expenses</b>			
<b>Auditors remuneration</b>			
- Audit of the Annual Financial Report	41,600	45,000	44,149
	41,600	45,000	44,149
<b>Other expenditure</b>			
Sundry expenses	109,684	86,050	105,789
	109,684	86,050	105,789

**SHIRE OF SANDSTONE**  
**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
	\$	\$
	1,354,260	961,148
	6,822,977	5,826,516
14(a)	8,177,237	6,787,664
	2,741,060	1,667,418
14(a)	5,436,177	5,120,246
	8,177,237	6,787,664

**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.

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

Details of restrictions on financial assets can be found at Note 14.

**4. OTHER FINANCIAL ASSETS**

**(a) Non-current assets**

Financial assets at fair value through profit and loss

**Financial assets at fair value through profit & loss**

Units in Local Government House Trust

2022	2021
\$	\$
20,372	17,517
20,372	17,517
20,372	17,517
20,372	17,517

**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.

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 18.

**SHIRE OF SANDSTONE**  
**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  
 Payroll costs overpaid

Note	2022	2021
	\$	\$
	29,961	33,668
	20,240	8,133
	18,613	0
	182	0
	68,996	41,801

**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 18.

**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.

**6. INVENTORIES**

**Current**

Fuel and materials

Note	2022	2021
	\$	\$
	305,705	134,964
	305,705	134,964

The following movements in inventories occurred during the year:

**Balance at beginning of year**

Inventories expensed during the year

Additions to inventory

**Balance at end of year**

	134,964	123,884
	(240,309)	(183,581)
	411,050	194,661
	305,705	134,964

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

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

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

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

**7. 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 - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
		\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>		458,300	5,387,988	5,846,288	36,867	2,720,644	8,603,799
Additions		22,583	130,056	152,639	0	443,583	596,222
Disposals		(50,000)	(34,665)	(84,665)	0	(57,481)	(142,146)
Depreciation	9(a)	0	(289,589)	(289,589)	(9,083)	(571,374)	(870,046)
<b>Balance at 30 June 2021</b>		430,883	5,193,790	5,624,673	27,784	2,535,371	8,187,829
<b>Comprises:</b>							
Gross balance amount at 30 June 2021		430,883	6,280,946	6,711,829	597,612	4,709,518	12,018,959
Accumulated depreciation at 30 June 2021		0	(1,087,156)	(1,087,156)	(569,828)	(2,174,146)	(3,831,130)
<b>Balance at 30 June 2021</b>		430,883	5,193,790	5,624,673	27,784	2,535,372	8,187,829
Additions		10,000	278,590	288,590	0	572,036	860,626
Disposals		(20,000)	(51,303)	(71,303)	0	(35,119)	(106,422)
Revaluation increments / (decrements) transferred to revaluation surplus		1,117	1,385,233	1,386,350	0	0	1,386,350
Depreciation	9(a)	0	(279,840)	(279,840)	(8,082)	(582,218)	(870,140)
<b>Balance at 30 June 2022</b>		422,000	6,526,470	6,948,470	19,702	2,490,071	9,458,243
<b>Comprises:</b>							
Gross balance amount at 30 June 2022		422,000	6,526,470	6,948,470	597,612	5,211,554	12,757,636
Accumulated depreciation at 30 June 2022		0	0	0	(577,910)	(2,721,483)	(3,299,393)
<b>Balance at 30 June 2022</b>		422,000	6,526,470	6,948,470	19,702	2,490,071	9,458,243

**SHIRE OF SANDSTONE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**7. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
<b>Land and buildings</b>					
Land	2	Market Approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent Registered Valuer	June 2022	Price per Hectare / Market Borrowing Rate
Buildings - specialised	2 & 3	Improvements to land valued using cost approach using depreciated replacement cost (Gross Valuation Method)	Independent Registered Valuer	June 2022	Improvements to land using construction cost and current condition, residual values and remaining usefull life.

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

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

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

8. 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	Other infrastructure Footpaths	Other infrastructure Airports	Other infrastructure Parks & Gardens	Other infrastructure Other	Total Infrastructure
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>	36,803,492	75,711	697,798	899,253	344,190	38,820,444
Additions	1,362,002	0	0	113,977	11,505	1,487,484
Depreciation	(409,865)	(3,866)	(31,589)	(110,777)	(32,945)	(589,042)
<b>Balance at 30 June 2021</b>	37,755,629	71,845	666,209	902,453	322,750	39,718,887
<b>Comprises:</b>						
Gross balance at 30 June 2021	47,719,330	131,807	759,489	1,226,640	412,737	50,250,003
Accumulated depreciation at 30 June 2021	(9,963,701)	(59,962)	(93,280)	(324,187)	(89,987)	(10,531,117)
<b>Balance at 30 June 2021</b>	37,755,629	71,845	666,209	902,453	322,750	39,718,887
Additions	1,169,616	0	0	61,527	0	1,231,143
Revaluation increments / (decrements) transferred to revaluation surplus	5,205,864	82,149	(10,420)	(45,661)	306,122	5,538,058
Depreciation	(556,554)	(3,770)	(31,589)	(120,329)	(33,712)	(745,954)
<b>Balance at 30 June 2022</b>	43,574,555	150,224	624,200	797,990	595,160	45,742,133
<b>Comprises:</b>						
Gross balance at 30 June 2022	43,574,559	150,224	624,200	797,990	600,432	45,747,405
Accumulated depreciation at 30 June 2022	0	0	0	0	(5,272)	(5,272)
<b>Balance at 30 June 2022</b>	43,574,559	150,224	624,200	797,990	595,160	45,742,133



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

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
<b>Infrastructure - roads</b>	3	Cost approach using depreciated replacement cost (Gross Valuation Method)	Management Valuation	June 2022	Construction costs and current conditions, residual values ad remaining useful life assessments inputs
<b>Other infrastructure Footpaths</b>	3	Cost approach using depreciated replacement cost (Gross Valuation Method)	Management Valuation	June 2022	Construction costs and current conditions, residual values ad remaining useful life assessments inputs
<b>Other infrastructure Airports</b>	3	Cost approach using depreciated replacement cost (Gross Valuation Method)	Management Valuation	June 2022	Construction costs and current conditions, residual values ad remaining useful life assessments inputs
<b>Other infrastructure Parks &amp; Gardens</b>	3	Cost approach using depreciated replacement cost (Gross Valuation Method)	Management Valuation	June 2022	Construction costs and current conditions, residual values ad remaining useful life assessments inputs
<b>Other infrastructure Other</b>	3	Cost approach using depreciated replacement cost (Gross Valuation Method)	Management Valuation	June 2022	Construction costs and current conditions, residual values ad 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 SANDSTONE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**9. FIXED ASSETS**

**(a) Depreciation**

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - specialised	7(a)	279,840	368,516	289,589
Furniture and equipment	7(a)	8,082	4,120	9,083
Plant and equipment	7(a)	582,218	580,095	571,374
Infrastructure - roads	8(a)	556,554	1,253,459	409,865
Other infrastructure Footpaths	8(a)	3,770	3,846	3,866
Other infrastructure Airports	8(a)	31,589	31,618	31,589
Other infrastructure Parks & Gardens	8(a)	120,329	33,742	110,777
Other infrastructure Other	8(a)	33,712	30,972	32,945
		<b>1,616,094</b>	<b>2,306,368</b>	<b>1,459,088</b>

**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**

Buildings
Furniture and equipment
Plant and equipment
Sealed roads and streets formation pavement seal
- bituminous seals
- asphalt surfaces
Gravel roads formation pavement
Footpaths - slab
Infrastructure other
Footpaths - slab
Parks and ovals
Airport

**Useful life**

20 to 60 years
4 to 10 years
5 to 15 years
not depreciated
40 years
20 years
20 years
not depreciated
16 to 22 years
40 years
5-40 years
40 years
5 - 40 years
30 years

SHIRE OF SANDSTONE  
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9. FIXED ASSETS (Continued)

(b) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Land - freehold land	\$ 20,000	\$ 20,000	\$ 0	\$ 0	\$ 10,000	\$ 10,000	\$ 0	\$ 0	\$ 50,000	\$ 50,000	\$ 0	\$ 0
Buildings - specialised	51,303	65,550	14,247	0	52,528	55,000	2,472	0	34,665	39,500	4,835	0
Plant and equipment	35,119	67,273	32,154	0	112,947	130,000	37,738	(20,685)	57,481	170,413	112,932	0
	106,422	152,823	46,401	0	175,475	195,000	40,210	(20,685)	142,146	259,913	117,767	0

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
<b>Plant and Equipment</b>				
<b>Housing</b>				
Lot 527 Hack Street	51,303	65,550	14,247	0
<b>Transport</b>				
Haulmore Side Tipper	35,119	67,273	32,154	0
	86,422	132,823	46,401	0
<b>Land</b>				
<b>Other Property and Services</b>				
Lot 257 Thaduna Street	10,000	10,000	0	0
Lot 527 Hack Street	10,000	10,000	0	0
	20,000	20,000	0	0
	106,422	152,823	46,401	0

**SHIRE OF SANDSTONE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**9. 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 and infrastructure 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 and infrastructure is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

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

**SHIRE OF SANDSTONE  
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**10. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors  
Prepaid rates  
ATO liabilities  
Bonds and deposits held  
Accrued Creditors  
Accrued wages

	2022	2021
	\$	\$
	435,665	171,409
	3,228	14,861
	0	16,570
	41,033	6,300
	0	43,958
	15,044	25,177
	<b>494,970</b>	<b>278,276</b>

**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 SANDSTONE  
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**11. 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

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.

	2022 \$	2021 \$
Contract liabilities	502,688	98,614
	502,688	98,614
Opening balance	98,614	0
Additions	502,688	98,614
Revenue from contracts with customers included as a contract liability at the start of the period	(98,614)	0
	502,688	98,614

**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 20(i)) due to the unobservable inputs, including own credit risk.

**SHIRE OF SANDSTONE**  
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**12. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

**Current provisions**

**Employee benefit provisions**

Annual Leave

Long Service Leave

**Non-current provisions**

Long Service Leave

	2022	2021
	\$	\$
	102,791	98,533
	17,893	12,242
	<u>120,684</u>	<u>110,775</u>
	91,323	63,374
	<u>91,323</u>	<u>63,374</u>
	<u>212,007</u>	<u>174,149</u>

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

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

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

Less than 12 months after the reporting date

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

More than 12 months from reporting date

Note	2022	2021
	\$	\$
	77,509	88,123
	43,175	21,056
	<u>91,323</u>	<u>64,970</u>
	<u>212,007</u>	<u>174,149</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

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

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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

**SHIRE OF SANDSTONE**  
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**13. REVALUATION SURPLUS**

	2022 Opening Balance	2022 Revaluation Increment	2022 Revaluation (Decrement)	Total Movement on Revaluation	2022 Closing Balance	2021 Opening Balance	2021 Revaluation Increment	2021 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	269,022	1,117	0	1,117	270,139	269,022	0	269,022
Revaluation surplus - Buildings - specialised	1,437,726	1,385,233	0	1,385,233	2,822,959	1,437,725	0	1,437,726
Revaluation surplus - Furniture and equipment	9,111	0	0	0	9,111	9,111	0	9,111
Revaluation surplus - Infrastructure - roads	10,319,105	5,205,860	0	5,205,860	15,524,965	10,319,105	0	10,319,105
Revaluation surplus - Other infrastructure Footpaths	0	82,149	0	82,149	82,149	0	0	0
Revaluation surplus - Other infrastructure Airports	737,481	0	(10,420)	(10,420)	727,061	737,481	0	737,481
Revaluation surplus - Other infrastructure Parks & Gardens	611,718	0	(45,661)	(45,661)	566,057	611,719	0	611,718
Revaluation surplus - Other infrastructure Other	207,850	306,122	0	306,122	513,972	207,849	0	207,850
	13,592,013	6,980,481	(56,081)	6,924,407	20,516,413	13,592,012	0	13,592,013

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 SANDSTONE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**14. 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	8,177,237	525,323	6,787,664
<b>Restrictions</b>				
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	5,436,177	5,109,942	5,120,246
		<u>5,436,177</u>	<u>5,109,942</u>	<u>5,120,246</u>
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Restricted reserve accounts	24	4,933,489	5,011,328	5,021,632
Contract Liability	23(a)	502,688	98,614	98,614
<b>Total restricted financial assets</b>		<u>5,436,177</u>	<u>5,109,942</u>	<u>5,120,246</u>
<b>(b) Reconciliation of Net Result to Net Cash Provided By Operating Activities</b>				
Net result		1,300,994	(1,721,612)	850,430
Non-cash items:				
Depreciation/amortisation		1,616,094	2,306,368	1,459,088
(Profit)/loss on sale of asset		(46,401)	(19,525)	(117,767)
Adjustment to fair value of financial assets at fair value through profit or loss		(2,855)	0	0
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		(27,195)	0	34,418
(Increase)/decrease in inventories		(170,741)	0	(11,080)
Increase/(decrease) in trade and other payables		216,691	0	123,335
Increase/(decrease) in employee related provisions		37,858	0	(36,226)
Increase/(decrease) in other liabilities		404,074	0	98,614
Non-operating grants, subsidies and contributions		(685,900)	831,837	(991,073)
Net cash provided by/(used in) operating activities		<u>2,642,619</u>	<u>1,397,068</u>	<u>1,409,739</u>
<b>(c) Undrawn Borrowing Facilities</b>				
<b>Credit Standby Arrangements</b>				
Bank overdraft limit		0		0
Bank overdraft at balance date		0		0
Credit card limit		40,000		20,000
Credit card balance at balance date		(4,154)		0
<b>Total amount of credit unused</b>		<u>35,846</u>		<u>20,000</u>
<b>Loan facilities</b>				
Loan facilities - current		0		0
Loan facilities - non-current		0		0
<b>Total facilities in use at balance date</b>		<u>0</u>		<u>0</u>

**SHIRE OF SANDSTONE  
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**15. CONTINGENT LIABILITIES**

The Shire of Sandstone has in compliance with the Contaminated Sites Act 2003 S11 listed a site to be a possible source of contamination;

- Sandstone Refuse Site.

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk and degree with the Department of Water and Environmental Regulation the need and criteria for remediation, the Shire is unable to accurately quantify its clean-up liabilities from potentially contaminated site.

The Shire is continuing to monitor the site and will progressively undertake site investigations and remediation on a risk based approach.

This approach is consistent with the Department of Water and Environmental Regulation guidelines.

**16. CAPITAL COMMITMENTS**

The Shire has no Capital Commitments as at 30 June 2022 (2021 Nil)

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

**17. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>Councillor Walton</b>			
President's annual allowance	3,500	3,500	3,500
Meeting attendance fees	5,400	4,625	5,080
Annual allowance for travel and accommodation expenses	500	500	500
	9,400	8,625	9,080
<b>Councillor Hodshon</b>			
Deputy President's annual allowance	875	875	875
Meeting attendance fees	2,225	2,425	1,985
ICT expenses	500	500	500
Travel and accommodation expenses	1,021	1,625	1,077
	4,621	5,425	4,437
<b>Councillor Lefroy</b>			
Meeting attendance fees	2,625	2,425	2,335
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	2,100	0	2,100
	5,225	2,925	4,935
<b>Councillor McQuie</b>			
Meeting attendance fees	1,675	2,425	2,570
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	1,497	0	2,495
	3,672	2,925	5,565
<b>Councillor Allison</b>			
Meeting attendance fees	1,350	1,550	0
Annual allowance for ICT expenses	291	375	0
	1,641	1,925	0
<b>Councillor Key</b>			
Meeting attendance fees	1,750	2,425	2,160
Annual allowance for ICT expenses	458	500	500
Travel and accommodation expenses	1,337	0	1,188
	3,545	2,925	3,848
<b>Councillor May</b>			
Meeting attendance fees	875	875	2,570
Annual allowance for ICT expenses	125	125	500
	1,000	1,000	3,070
	29,104	25,750	30,935
Fees, expenses and allowances to be paid or reimbursed to elected council members.	29,104	25,750	30,935
	29,104	25,750	30,935

17(b)

**SHIRE OF SANDSTONE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**16 RELATED PARTY TRANSACTIONS (Continued)**

**(b) Key Management Personnel (KMP) Compensation**

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

	<b>2022 Actual</b>	<b>2021 Actual</b>
	\$	\$
Short-term employee benefits	301,234	208,418
Post-employment benefits	47,259	23,703
Employee - other long-term benefits	33,541	19,183
Council member costs	29,104	30,935
17(a)	411,138	282,239

*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.

*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:

	<b>2022 Actual</b>	<b>2021 Actual</b>
	\$	\$
Purchase of goods and services	8,236	107,371

**(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*

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.

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

**18. 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.

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

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

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

**(a) Interest rate risk**

**Cash and cash equivalents**

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

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

	<b>Weighted Average Interest Rate</b> %	<b>Carrying Amounts</b> \$	<b>Fixed Interest Rate</b> \$	<b>Variable Interest Rate</b> \$	<b>Non Interest Bearing</b> \$
<b>2022</b>					
Cash and cash equivalents	0.02%	8,177,237	6,822,977	520,396	833,865
<b>2021</b>					
Cash and cash equivalents	0.55%	6,787,664	5,826,516	520,136	441,012

**Sensitivity**

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

	<b>2022</b>	<b>2021</b>
Impact of a 1% movement in interest rates on profit and loss and equity*	\$ 5,204	\$ 5,201

\* Holding all other variables constant

**SHIRE OF SANDSTONE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**18. 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
<b>30 June 2022</b>						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0%	
Gross carrying amount	16,798	12,438	725	0	29,961	
Loss allowance	0	0	0	0	0	5
<b>30 June 2021</b>						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	10,070	22,942	656	0	33,668	
Loss allowance	0	0	0	0	0	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	
<b>30 June 2022</b>						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	17,948	379	110	1,803	20,240	
Loss allowance	0	0	0	0	0	5
<b>30 June 2021</b>						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	6,330	0	1,803	0	8,133	
Loss allowance	0	0	0	0	0	5

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

**18. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

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

**18. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Liquidity risk**

**Payables**

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b><u>2022</u></b>					
Trade and other payables	491,742	0	0	491,742	494,970
	491,742	0	0	491,742	494,970
<b><u>2021</u></b>					
Trade and other payables	246,841	0	0	246,841	278,276
	246,841	0	0	246,841	278,276



**SHIRE OF SANDSTONE  
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**19. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

The Shire did not have any events occurring after the reporting date that have a significant effect on the financial statements.

**20. 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 SANDSTONE  
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**21. FUNCTION AND ACTIVITY**

**(a) Service objectives and descriptions**

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

<b>Objective</b>	<b>Description</b>
<p><b>Governance</b> To Provide a decision making process for the efficient allocation of Scarce resources</p>	Includes the activities of members, council and the administrative support available to the council for the provision of governance of the district. Other costs related to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
<p><b>General purpose funding</b> To collect revenue to allow for the provision of</p>	Rates, general purpose grants and interest revenue
<p><b>Law, order, public safety</b> To provide services to help ensure a safer and environmentally conscious community</p>	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
<p><b>Health</b> To provide an operational framework for environmental and community health</p>	Inspection of food outlets and their control, provision of meat inspection service, noise control and waste disposal compliance.
<p><b>Education and welfare</b> To provide services to disadvantaged persons, the elderly, children and youth.</p>	Maintenance of child minding centre, playground centre, senior citizens centre and aged care centre. Provision and maintenance of home and community care programs and youth services.
<p><b>Housing</b> To provide and maintain elderly residents</p>	Provision and maintenance of elderly residential housing.
<p><b>Community amenities</b> To provide services required by the community</p>	Rubbish Collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban stormwater drains, protection of the environment and administration of town planning scheme, cemetery and public conveniences.
<p><b>Recreation and culture</b> To establish and effectively manage infrastructure and resources which will help the social well-being of the community.</p>	Maintenance of public halls, civic centres, aquatic centres, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.
<p><b>Transport</b> To provide safe, efficient transport services to the community.</p>	Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.
<p><b>Economic services</b> To help promote the Shire and its economic well being</p>	Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building control.
<p><b>Other property and services</b> To monitor and control the Shire's overheads operating account.</p>	Private works operations, plant repairs and operation costs and engineering operating costs.

**SHIRE OF SANDSTONE**  
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**21. FUNCTION AND ACTIVITY**

**(b) Income and expenses**

	<b>2022 Actual</b>	<b>2022 Budget</b>	<b>2021 Actual</b>
	\$	\$	\$
<b>Income excluding grants, subsidies and contributions</b>			
General purpose funding	1,212,190	1,185,380	1,142,166
Law, order, public safety	160	550	330
Health	0	0	327
Housing	14,407	2,472	4,835
Community amenities	14,299	10,180	10,382
Recreation and culture	184,901	150,750	20,931
Transport	32,154	35,496	119,181
Economic services	826,158	629,500	754,725
Other property and services	316,375	49,742	110,690
	<b>2,600,644</b>	<b>2,064,070</b>	<b>2,163,567</b>
<b>Grants, subsidies and contributions</b>			
Governance	0	0	1,000
General purpose funding	2,738,274	950,305	2,003,260
Law, order, public safety	12,389	11,970	10,738
Housing	0	0	1,008
Recreation and culture	71,331	0	0
Transport	706,671	959,062	2,114,483
Economic services	26,284	0	0
Other property and services	909	250	13,747
	<b>3,555,858</b>	<b>1,921,587</b>	<b>4,144,236</b>
<b>Total Income</b>	<b>6,156,502</b>	<b>3,985,657</b>	<b>6,307,803</b>
<b>Expenses</b>			
Governance	(223,100)	(307,133)	(179,410)
General purpose funding	(150,783)	(151,768)	(122,721)
Law, order, public safety	(149,617)	(187,117)	(153,911)
Health	(31,617)	(41,427)	(28,028)
Housing	(230)	99,802	(8,964)
Community amenities	(170,550)	(187,539)	(160,358)
Recreation and culture	(446,212)	(519,906)	(439,562)
Transport	(2,079,026)	(2,812,513)	(2,946,977)
Economic services	(1,325,744)	(1,286,079)	(1,311,417)
Other property and services	(278,629)	(313,589)	(106,024)
<b>Total expenses</b>	<b>(4,855,508)</b>	<b>(5,707,269)</b>	<b>(5,457,372)</b>
<b>Net result for the period</b>	<b>1,300,994</b>	<b>(1,721,612)</b>	<b>850,434</b>

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**21 FUNCTION AND ACTIVITY (Continued)**

	<b>2022 Actual</b>	<b>2022 Budget</b>	<b>2021 Actual</b>
	\$	\$	\$
<b>(b) Fees and Charges</b>			
General purpose funding	2,799	3,200	3,219
Law, order, public safety	160	550	330
Health	0	0	327
Community amenities	9,299	10,180	10,382
Recreation and culture	184,900	150,750	20,931
Economic services	206,396	150,000	160,168
Other property and services	157,401	3,500	7,689
	560,955	318,180	203,045
<b>(c) Total Assets</b>			
Law, order, public safety	48,690	39,660	
Housing	2,185,800	1,500,788	
Community amenities	22,567	17,105	
Recreation and culture	2,402,147	1,980,054	
Transport	45,383,369	38,837,771	
Economic services	698,868	592,297	
Other property and services	4,458,933	4,468,686	
Unallocated	8,572,312	7,452,301	
	63,772,686	54,888,662	

SHIRE OF SANDSTONE  
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22. RATING INFORMATION

(a) General Rates

RATE TYPE			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	
Rate Description	Basis of valuation	Rate in \$	Number of Properties	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Townsite		0.0658	33	221,193	14,263	281	(141)	14,403			14,546	14,867	
Transient Workers Accommodation		0.37195	4	72,020	26,788			26,788			26,788	26,788	
Rural		0.0609	19	779,894	42,393	(645)	(5,732)	36,016			47,478	47,478	
Miningg		0.26891	159	3,982,519	1,085,276	16,167	1,151	1,102,594			1,075,943	1,049,487	
<b>Sub-Total</b>			215	5,055,626	1,168,720	15,803	(4,722)	1,179,801	1,159,755	5,000	0	1,164,755	1,138,620
<b>Minimum payment</b>		<b>Minimum \$</b>											
Townsite	0	200	35	14,191	6,800			6,800	7,000		7,000	6,820	
Transient Workers Accommodation	0	200	0					0			0	0	
Rural	0	345	6	7,933	2,070			2,070	2,070		2,070	2,010	
Miningg	0	345	59	42,644	20,010			20,010	20,355		20,355	18,425	
<b>Sub-Total</b>			100	64,768	28,880	0	0	28,880	29,425	0	0	29,425	27,255
			315	5,120,394	1,197,600	15,803	(4,722)	1,208,681	1,189,180	5,000	0	1,194,180	1,165,875
Discounts on general rates (Refer note 0(b))								(18,749)			(50,000)	(64,660)	
Concessions on general rates (Refer note 0(b))								(702)			0	(78)	
<b>Total amount raised from general rates</b>								1,189,230			1,144,180	1,101,137	
								<b>1,189,230</b>			<b>1,144,180</b>	<b>1,101,137</b>	

\* Rateable value is based on the value of properties at the time the rate is raised.

(b) Total Rates

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 SANDSTONE  
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22. RATING INFORMATION (Continued)

(b) 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 Early Payment	Rate	3.50%		\$ 18,749	\$ 50,000	\$ 64,660	Early Payment
				18,749	50,000	64,660	

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
Rates	Rate	Concession			\$ 702	\$ 0	\$ 78
					702	0	78
Total discounts/concessions (Note 22a)					19,451	50,000	64,738

SHIRE OF SANDSTONE  
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22. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option One</b>				
Single full payment	07/10/2021	0.0	0.00%	7.00%
<b>Option Two</b>				
First instalment		0.0	0.00%	7.00%
Second instalment		10.0	0.00%	7.00%
<b>Option Three</b>				
First instalment	07/10/2021	0.0	0.00%	7.00%
Second instalment	08/12/2021	10.0	3.00%	7.00%
Third instalment	08/02/2022	10.0	3.00%	7.00%
Fourth instalment	11/04/2022	10.0	3.00%	7.00%

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Interest on unpaid rates	2,683	4,000	4,238
Interest on instalment plan	2,332	4,500	4,112
Charges on instalment plan	2,760	3,200	3,180
	7,775	11,700	11,530



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**FOR THE YEAR ENDED 30 JUNE 2022**

**23. 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	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	9(b) (46,401)	(40,210)	(117,767)
Less: Movement in liabilities associated with restricted cash	0	0	(57,458)
Add: Loss on disposal of assets	9(b) 0	20,685	0
Add: Depreciation	9(a) 1,616,094	2,306,368	1,459,088
Non-cash movements in non-current assets and liabilities:			
Financial assets at fair value through profit or loss	7 (2,855)	0	0
Employee benefit provisions	27,949	(96,744)	7,201
<b>Non-cash amounts excluded from operating activities</b>	<b>1,594,787</b>	<b>2,190,099</b>	<b>1,291,064</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
<b>Adjustments to net current assets</b>			
Less: Reserve accounts	24 (4,933,489)	(5,011,328)	(5,021,632)
Add: Current liabilities not expected to be cleared at end of year			
- Employee benefit provisions	96,748	6,528	96,745
<b>Total adjustments to net current assets</b>	<b>(4,836,741)</b>	<b>(5,004,800)</b>	<b>(4,924,887)</b>
<b>Net current assets used in the Rate Setting Statement</b>			
Total current assets	8,551,938	5,480,159	6,964,429
Less: Total current liabilities	(1,118,342)	(468,831)	(487,665)
Less: Total adjustments to net current assets	(4,836,741)	(5,004,800)	(4,924,887)
<b>Net current assets used in the Rate Setting Statement</b>	<b>2,596,855</b>	<b>6,528</b>	<b>1,551,877</b>

**SHIRE OF SANDSTONE  
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**24. 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by council</b>												
(a) Leave reserve	225,506	20,580	0	246,086	225,506	20,909	0	246,415	223,510	1,996	0	225,506
(b) Plant Replacement Reserve	1,172,127	202,965	(384,105)	990,987	1,172,130	204,724	(500,000)	876,854	171,214	1,000,913	0	1,172,127
(c) Buildings Reserve	1,407,335	3,431	0	1,410,766	1,407,331	5,445	0	1,412,776	1,345,577	61,758	0	1,407,335
(d) Airport Reserve	295,511	737	0	296,248	295,512	1,190	0	296,702	292,894	2,617	0	295,511
(e) Roads Reserve	689,923	1,721	0	691,644	689,923	2,778	0	692,701	684,969	4,954	0	689,923
(f) ICT Reserve	48,463	50,145	0	98,608	48,463	50,195	0	98,658	48,034	429	0	48,463
(g) Refuse Disposal Reserve	41,674	104	0	41,778	41,674	168	0	41,842	41,305	369	0	41,674
(h) Housing Reserve	322,995	200,602	0	523,597	322,995	200,997	0	523,992	320,723	2,272	0	322,995
(i) Community Development Reserve	818,098	2,041	(186,364)	633,775	818,098	3,290	0	821,388	813,096	5,002	0	818,098
	5,021,632	482,326	(570,469)	4,933,489	5,021,632	489,696	(500,000)	5,011,328	3,941,322	1,080,310	0	5,021,632

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

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

<b>Name of Reserve</b>	<b>Anticipated date of use</b>	<b>Purpose of the reserve</b>
(a) Leave reserve	On going	To be used to fund annual and long service leave requirements
(b) Plant Replacement Reserve	On going	To be used to used for the purchase of plant
(c) Buildings Reserve	On going	To be used for the construction and maintenance of council buildings
(d) Airport Reserve	On going	To be used to fund Sandstone Airport upgrades
(e) Roads Reserve	On going	To be used to fund road infrastructure and rehabilitation of borrow pits and to fund flood damage
(f) ICT Reserve	On going	To be used to maintain and replace computer systems
(g) Refuse Disposal Reserve	On going	To be used to fund the development of refuse disposal
(h) Housing Reserve	On going	To be used to fund maintenance and replacement of council employee housing requirements
(i) Community Development Reserve	On going	To be used for projects to benefit the community a determined from time to time

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**25. TRUST FUNDS**

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

	<u>1 July 2021</u>	<u>Amounts Received</u>	<u>Amounts Paid</u>	<u>30 June 2022</u>
	\$	\$	\$	\$
Housing Bonds	6,300	3,200	(3,900)	5,600
Nomination Deposits	0	320	(320)	0
Overpaid Rates	0	2,433	0	2,433
Other Bonds	0	33,000	0	33,000
	<u>6,300</u>	<u>38,953</u>	<u>(4,220)</u>	<u>41,033</u>