



SHIRE OF BEVERLEY

ANNUAL REPORT 2020/21



YOUR COUNCIL



Elected Council 2019-2021 (L to R): Cr Chris Lawlor, Cr Tim Seed, Cr Don Davis (Shire President) , Cr Darryl Brown, Cr Chris Pepper (Deputy President), Cr David White, Mr Stephen Gollan (CEO), Mr Simon Marshall (Deputy CEO), Cr Susan Martin, Cr Peter Gogol and Cr Terrance McLaughlin.

COUNCIL MEETINGS

An Ordinary meeting of Council is held on the fourth Tuesday of each month excluding January (11 in total). There was one Special Meeting of Council in 2020/21.

Council has four active Committees:

The **Audit and Risk Committee** met five times during the financial year. All Council members are members of the Audit and Risk Committee. The Committee's role is to report to Council and provide appropriate advice and recommendations on matters relevant to Financial Reporting, Internal Control & Risk Management Systems, Annual Business Plans, Internal Audits, External Audits and Other Investigations.

The **Corporate Strategy Committee** met once during the financial year. All Council members are members of the Corporate Strategy Committee. The Committee's role is to report to Council and provide appropriate advice and recommendations on matters relevant to Strategic Planning, Budget, Asset Management, Policies and Integrated Planning.

The **Works Committee** met twice during the financial year. Cr's Davis, Lawlor, Pepper and Seed are members of the Works Committee. The Committee's role is to report to Council and provide appropriate advice and recommendations on matters relevant to Roads, Plant and Equipment, Footpaths, Community Spaces and Environmental matters.

The **Cropping Committee** met twice during the financial year. Crs Seed, Lawlor, McLaughlin and White are members of the Cropping Committee. The Committee's role is to report to Council and provide appropriate advice and recommendations on matters relevant to the Community Cropping Program.



2020/21 MEETING ATTENDANCE

COUNCILLOR	ORDINARY MEETINGS	SPECIAL MEETINGS	COMMITTEE MEETINGS
Cr Darryl Brown*	2	0	2
Cr Don Davis (President)	10	1	8
Cr Peter Gogol	11	1	6
Cr Chris Lawlor	10	1	7
Cr Susan Martin	10	1	6
Cr Terry McLaughlin	11	1	7
Cr Chris Pepper (Deputy President)	10	1	8
Cr Tim Seed	10	1	8
Cr David White	11	1	8

* Resigned from Council at the December 2020 Ordinary Council meeting

2020/21 COUNCILLOR REMUNERATION

POSITION	SITTING FEES	IT ALLOWANCE	TRAVEL ALLOWANCE***	CONFERENCE ALLOWANCE****
President*	17,600	1,185	0	0
Deputy President**	4,975	1,185	0	0
Councillor	3,600	1,185	2,091	0

*Sitting Fees include Presidential Allowance of \$5,500 per annum.

** Sitting Fees include Deputy Presidential Allowance of \$1,375 per annum.

*** Cr McLaughlin claimed a travel allowance during 2020/21.

****2020 WALGA State Conference abandoned due to COVID-19.

In addition, all Councillors are supplied with a fully maintained Electronic Tablet to manage Council meeting documents and Council related email correspondence.



COUNCILLOR TRAINING REPORT 2020/21

From October 2019 all newly and re-elected Councillors are required to complete Council Member Essentials.

WALGA's Council Member Essentials encompasses all five of the required training courses. This training has been specifically developed to deliver the essential skills and knowledge required by an Elected Member to perform their role as defined in the Local Government Act 1995.

The five courses are:

Understanding Local Government;

Conflicts of Interest;

Serving on Council;

Understanding Financial Reports and Budgets; and

Meeting Procedures

Cr T McLaughlin, Cr P Gogol and Cr C Lawlor were required to have completed all five courses by 17 October 2020 and all did so.

During 2020-21 the following additional training courses were completed:

Cr's White and Martin completed Understanding Financial Reports and Budgets held on Thursday 27 August 2020 in Pingelly.

Cr's Davis and Pepper completed Meeting Procedures via E-Learning on 27 May 2021.

Council has a budget allocation of \$5,000.00 to complete the required training. Council adopted 'EMO10 Councillor Training and Professional Development Policy' and through this policy, Councillors are encouraged to request additional training if they so wish.

Mr Stephen Gollan

Chief Executive Officer



ACHIEVEMENTS

During the 2020/21 Financial Year Council achieved the following:

STRATEGIC ACTIVITIES	OUTCOME
1. Maintain moderate Rate increases	<p>In response to the COVID-19 pandemic, Council resolved to freeze Rates and Fees and Charges for the 2020/21 Financial Year.</p> <p>Further, Council maintained its 10% discount for Rates paid on time. The Shire of Beverley is the only Local Government Authority that continues to offer such an incentive in the State.</p>
2. Vincent Street Youth Activity Area – Moort Wabiny Park	<p>Construction of the Youth Activity Area, Moort Wabiny Park, was completed in October 2020. Cr Don Davis, President, officially opened the Park in February 2021.</p> <p>Moort Wabiny Park provides an accessible multi use space for the enjoyment of the local community and visitors to our town.</p>
3. Caravan Park Onsite Cabin Accommodation	<p>Partially funded by the federal Drought Communities Program Extension, Council began construction of six onsite accommodation units at the Beverley Caravan Park.</p> <p>The Cabins are due to be completed in July 2021 and are design to offer complementary options to existing accommodation offerings for visitors to Beverley.</p>
4. Vincent Street Streetscape Project	<p>Final design work and call for tenders for the Vincent Street redevelopment was completed in 2020/21 and Council was successful in securing federal funding from the Building Better Regions Program to progress the project.</p> <p>The project will see the full replacement of existing infrastructure including drainage, footpaths and road as well as the undergrounding of power and the introduction of pedestrian crossings, street trees and garden beds into the main street.</p> <p>Construction work is expected to begin in September 2021.</p>
5. Local Roads and Community Infrastructure (LRCI) Round 1 Projects	<p>Council received \$349,000 in LRCI Round 1 funding.</p> <p>Projects completed during the year included:</p> <ul style="list-style-type: none"> Old Court House Roof replacement; Platform Theatre Green Room painting and artificial turf replacement; Old Court House (Community Gym) swipe card entry upgrade; Lesser Hall Courtyard development; and Town Hall floor replacement and sliding door installation. <p>The planned Recreation Ground playground extension will be completed in 2021/22.</p>



ACHIEVEMENTS *CONTINUED*

STRATEGIC ACTIVITIES	OUTCOME
6. Road Construction	<p>Council invested \$1.20 Million in road construction works during 2020/21.</p> <p>Road construction works for 2020/21 covered 23.8 Km.</p> <p>This represents 37% of Councils capital expenditure for the year.</p>
7. Closing Surplus Position	<p>Council achieved a closing surplus position for the 2020/21 financial year of \$1.65 Million.</p> <p>This includes an advanced payment of \$700,00 in financial assistance grants.</p>
8. Maintain Acceptable Debt Levels	<p>Council did not raise any loans during 2020/21.</p> <p>Council's overall debt as at 30 June 2021 was \$1.38 Million.</p> <p>Council's debt servicing ratio, which compares operating surplus to principal and interest expenses, is a respectable 7.52.</p> <p>Council's internal ratio of Rates to Debt, which expresses Rates raised as a multiple of debt levels was strengthened during the year to 2.03 (2019/20: 1.85).</p> <p>It is expected that Council will raise \$1.00 Million in debt to partially fund the Vincent Street Streetscape project in 2021/22.</p>



KEY STRATEGIC ACTIVITIES FOR 2021/22

The following are the key activities funded in the 2021/22 Annual Budget and these projects will contribute in achieving the strategic vision, goals and outcomes detailed in the Shire's Strategic Community Plan.

STRATEGIC ACTIVITIES	PLANNED WORKS	TIMELINE
Vincent Street Streetscape Project	Redevelopment of Vincent Street including undergrounding of power, footpath renewal and road pavement works.	Preliminary works to begin in October 2021 with project completion by June 2022.
Caravan Park Onsite Accommodation Units	Complete landscaping, car ports and road works.	Complete by January 2022.
Plant Replacement	Ongoing replacement of Plant as per Councils 10 Year Program. 2021/22 replacements include a Grader, Truck and Multi Tyred Roller.	Complete by June 2022.
Bridge Works	Work on Bridge 3203 Kokeby East Road is scheduled to be undertaken in 2021/22.	Complete by March 2022.
Road Construction	Ongoing upgrade and renewal works across the Shire including West Dale and Mawson Roads and the sealing of Taylor Street (industrial land) and a continued 2nd seal, gravel resheeting, roadside spraying and tree lopping program.	Complete by June 2022.



STATEMENT BY THE SHIRE PRESIDENT

To begin the financial year and as part of the COVID-19 response Council resolved for 2020/21 rate revenue to remain at 2019/20 set levels and Council set fees and charges were not increased. Being mindful of new economic challenges, a Hardship Policy was adopted by Council for our constituents who may have faced tough times. A responsible budget was adopted however maintaining our roads, forward planning and capital projects continued.

The ongoing renewal of Council's assets included a strong road capital and maintenance investment programme with almost 45% of the annual budget funding allocated to it. Council completed over 35kms of significant road works which included bitumising, 2nd seals, shoulder renewal and gravel sheeting. Council replaced a maintenance truck, purchased a new skid steer trailer, spent \$65,000 on footpath renewal and refurbished another unit at Hunt Road Village.

Council unexpectedly received \$340,469 in Federal Government Local Roads Community Infrastructure (LRCI) funding to use on shovel ready local road, capital or infrastructure projects. Council were quick to complete the following projects, many which have over the years continually been cut from the budget:

- Courthouse Gym Swipe Card Access \$10,000.
- Platform Theatre Turf Replacement \$10,469 (partially funded);
- Town Hall AV Upgrade \$15,000;
- Platform Theatre Green Room Painting \$20,000;
- Lesser Hall Courtyard Upgrade \$25,000;
- Recreation Ground Playground Extension \$40,000 (still under construction);
- Courthouse Reroofing \$70,000;
- Town Hall Floor Replacement and Lobby upgrades (including new glass sliding doors) \$150,000;

Construction of the Youth Activity Area was swift and smooth thanks to the Shire Project Team and in particular, Deputy CEO Simon Marshall. I was delighted to open the Youth Activity Area as Moort Wabiny Park on 12 February 2021. It is fantastic to see our local youth using the park daily. As promised, the park features a skate park, pump track, half-court basketball court, three shelters, hands free COVID safe drink fountain, BBQ, nature play area, water play to creek bed, accessible pathways, fencing, landscaping and lighting. My personal highlight is the Shire's old rubbish collection truck which was restored by Beverley Mens Shed members.

Council are very pleased to continue to support and be involved in our local community and do so through grass roots programs which this financial year included our Community Grants Program, Citizenship Ceremonies and attendance at public events like Australia Day, ANZAC Day, the Beverley Heroic Race and School Sporting Days. Council were also pleased to provide land for the Beverley Community Garden and judge and provide awards for the Christmas Lights Competition. We also



provided sponsorship to large events that attract regional visitors which were the annual Beverley Agricultural Show and the Beverley Station Arts Easter Art Exhibition.

A minor review of the 2017-2027 Strategic Community Plan was completed. With no community objection, it indicated to Council that we are meeting Community expectations. Councillors have attended various training sessions to understand our role within the Local Government Act.

A small windfall out of COVID-19 has been local tourism to Beverley. With West Australians remaining and holidaying in our own state, the Caravan Park was busy throughout 2020/21 bringing its highest amount of income to date. A decision to build onsite cabins at the Caravan Park using local trades and business has often been questioned but have initially proved very successful. Practical completion of the cabins was completed in May 2021 however due to a large amount of rain, the road and outside landscaping works were delayed. The free 48 hour RV Friendly Park on Lukin Street is very popular with the Grey Nomads. These visitors are another form of economic benefit to our local business.

In my second and final year as Shire President appreciation is extended to my fellow Councillors for their commitment to Council. In particular, I wish to thank Deputy Shire President Cr Chris Pepper for your ongoing support and advice.

Thank you to the Shire's staff for having an open-door policy that provides a conduit to a successful relationship between Council and Community. Staff have again completed all statutory requirements with success and accountability which shows throughout the audit process undertaken by the Office of the Auditor General.

Cr Don Davis
Shire President



STATEMENT BY THE CHIEF EXECUTIVE OFFICER

I am pleased to present the 2020/21 Annual Report to elected members, residents and rate payers. Guided by the Shire of Beverley Community Strategic Plan, below are the some of the various functions carried out and considered in the 2020/21 financial year:

COVID-19

The ongoing COVID-19 pandemic thankfully had a lessor effect on our town than what was feared however Council chose to freeze rate revenue and keep 2020/21 fees and charges at the same 2019/20 levels whilst still delivering capital programs and maintaining high service levels. Council should be commended on their responsible budgeting and forward planning.

Beverley Youth Activity Area – Moort Wabiny Park

The Youth Activity Area was completed and formally opened as Moort Wabiny Park in February 2021. It is an absolute highlight for our town featuring nature play, pump track, basketball court, skatepark and family BBQs. The recreational park is used daily by families and attracts visitors from our neighbouring towns. The Shire continually receives overwhelming positive feedback from all who use the park.

Beverley Caravan Park Cabins

Through the Drought Communities Extension Program, funding was used to complete the construction of 6 on-site accommodation cabins at the Beverley Caravan Park. One of the cabins is universal access throughout. The family friendly cabins were constructed using various local trades and business. A portion of the Local Roads Community Infrastructure funding was also used to complete six carports at the cabins for visitors to use.

Statutory Requirements

During 2020/21 Council completed a minor review of the 2017-2027 Strategic Community Plan. The plan was then formally adopted after the public consultation period closed.

Council continues to fulfil its statutory compliance and obligations by completing returns such as (but not limited to) Annual Budget Review; Compliance Audit Return; Disability Access and Inclusion Reporting; Gift Disclosures; Freedom of Information statistical return; Related Party (AASB 124) Disclosures; Primary & Annual Returns; Integrity and Conduct survey in Local Government; Annual reviews of Policies, Delegations and Code of Conduct; and Building Construction Industry Training Fund returns.

Vincent Street Streetscape Project

Staff worked hard behind the scenes with various stakeholders including the Federal Government through the Building Better Regions Fund, Western Power and local business for the preparation, planning, budgeting and tendering of our main street upgrade. Thanks is extended to the Manager of Planning and Development Services, Stefan de Beer, for his dedication throughout 20/21 to get this project shovel ready and off the ground. Construction is expected to commence in October 2021.

Thank you

Thank you to the Shire President Cr Don Davis and Elected Members for their commitment to the community and for meeting their ongoing training expectations to further their understanding of Local Government.

I extend appreciation to the Project Team for their hard work on our array of large projects, to the Administration Team on their valued customer service and to the Outside Crew for completing the road, garden and construction programs during a higher than usual staff turnover period (mainly due to retirements).

Finally, thanks to the Beverley Community for their support of Council who participate in the decision-making process representing the interests of the electors and Staff who carry out the procedural operations for Council.

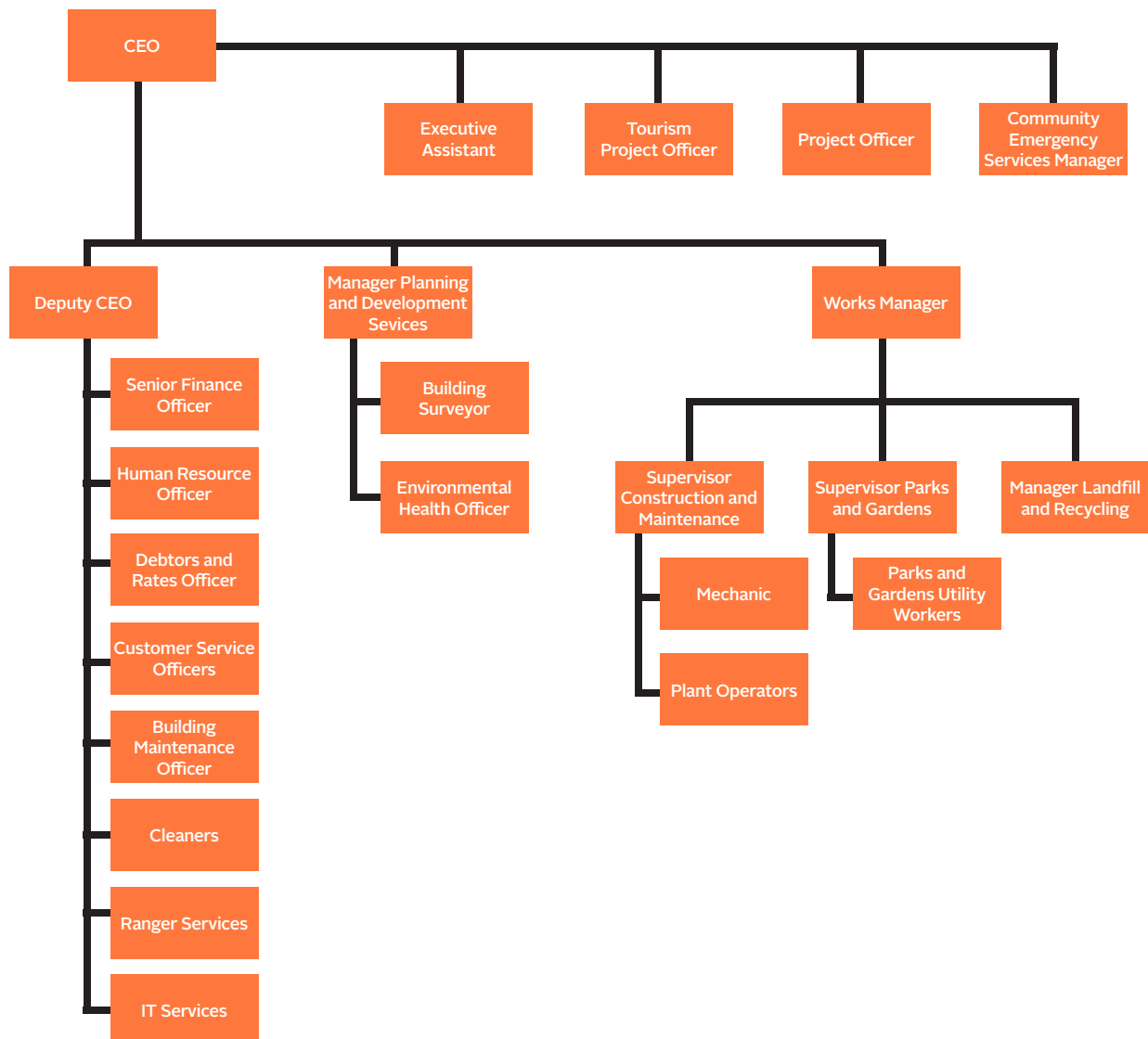
Mr Stephen Gollan
Chief Executive Officer



ORGANISATIONAL STRUCTURE

The Shire of Beverley staff members are part of the corporate structure headed by the Chief Executive Officer. This corporate approach ensures that staff members work towards achieving common goals.

The Shire's staff are organised across four Divisions, Community Services, Corporate Services, Infrastructure Services and Technical Services. Whilst the Chief Executive Officer is responsible for the overall management of the organisation, each Division has its own Senior Officer who oversees the functioning of their respective Division. The Corporate Management Team implements and administers the policies of the Elected Members.



LEGISLATIVE COMPLIANCE

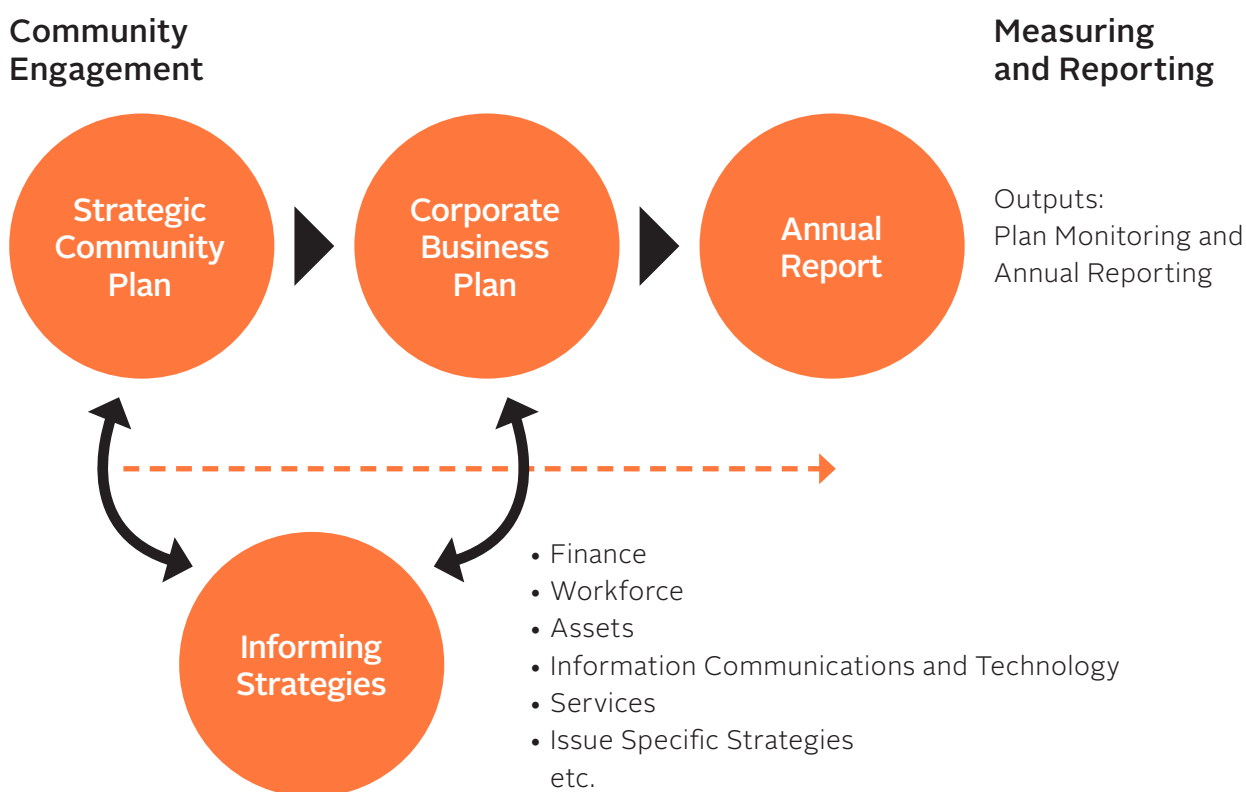
INTEGRATED PLANNING AND REPORTING (IPR) FRAMEWORK

The IPR framework is designed to establish community priorities and linking this information into different parts of a local government's functions.

The IPR framework requirements are outlined in the *Local Government (Administration) Regulations Division 3 – Planning for the Future*.

The minimum requirements of the Regulations stipulate that the Local Government is to produce a Strategic Community Plan covering a period of no less than 10 years and a Corporate Business Plan covering a period of at least four years.

The diagram below illustrates the different elements of the IPR:



ELEMENTS OF INTEGRATED PLANNING AND REPORTING FRAMEWORK



STRATEGIC COMMUNITY PLAN

Our Strategic Community Plan 2017-2027 is a Council visionary forward planning document based on community feedback, our current position and desired position.

REVIEW

Council completed a Minor Review of the Strategic Community Plan in April 2021. The updates were then made available for public comment throughout May and June 2021. The updated document was then formally adopted by Council. The next review is set for 2023.

Council's vision, values, priorities and goals remain as:

OUR VISION:

A vibrant and progressive community which values its history in a welcoming and friendly place to live, work and visit. Beverley is the place to BE!

WE VALUE:

- The contributions made by our community towards an inclusive, active, diverse and friendly community
- Our natural resources and our place in the natural environment
- Economic diversity and opportunistic growth
- Forward thinking leadership and good governance

COUNCIL PRIORITIES:

1. Our investments support or facilitate employment and local business growth.
2. Our people, the community and quality of life are important to our success.
3. Our relationships bring financial, social, health and environmental benefits to the organisation and residents

GOALS:

The Strategic Plan has 12 goals covering Infrastructure, Economic Development, Our People, Our Location and Governance.

Achievements of the 2020/21 financial year are listed on the following pages.

2020/21 STRATEGIC COMMUNITY PLAN ACHIEVEMENTS

The following objectives as outlined in the Shire of Beverley's Strategic Community Plan were achieved during the 2020/21 financial year:

INFRASTRUCTURE – GOAL 1

- **Shire infrastructure is prepared for economic gains and increase in our population:** Council invested \$1.2M in road construction which covered 35km of roads. \$192,000 was invested in plant renewal which included a maintenance truck and a new skid steer loader.

INFRASTRUCTURE – GOAL 2

- **Community infrastructure of significance, economic value and history adds to our identity:** The Shire received funding to assist in the development of the Heritage Trail on Vincent Street. The trail will include a trail head marker, place signage and an interactive QR App.

Council has supported a grant funding application by Noongar Land Enterprises to develop and establish Bush Foods Industry at Avondale Farm.

ECONOMIC DEVELOPMENT – GOAL 3

- **To have land available for domestic and commercial growth:** Council developed a Shire of Beverley Housing Strategy.

Council continues to work with the State Government to develop and expand the industrial area.

ECONOMIC DEVELOPMENT – GOAL 4

- **Vincent Street is activated and aesthetically improved:** The Vincent Street Streetscape Project was successful in receiving \$1.5M in Building Better Regions Funding. During 2020/21 a tender for the civil works was awarded. The project will see the undergrounding of power, construction of new drainage, roads and footpaths; plus the beautification of the street with lighting, seating and inclusion of a heritage trail.



ECONOMIC DEVELOPMENT – GOAL 5

- **Existing businesses can grow in Beverley and new business are attracted:** The offices at the Cornerstone building continue to be leased, with one new business starting in the 20/21 period. The main street continues to attract new small business.

ECONOMIC DEVELOPMENT – GOAL 6

- **Beverley has a unique identity in the region and is well visited:** Council supported the growing tourism by constructing six new onsite (self-contained) cabins at the Beverley Caravan Park. Council continues to support community events including the annual Beverley Agricultural Show and Beverley Rose Show.

The Tourism Project Officer continues to help progress the Tourism Strategy as guided by the Tourism Steering Committee. A new working group formed in 2020 to plan for the “Springback to Beverley 2022” event which will celebrate 150 years of the Dead Finish Museum and 150 years of the Beverley Roads Board.

OUR PEOPLE – GOAL 7

- **Increase all forms of club participation:** the Shire allocates \$20,000 to two rounds of Community Grants that are open to all incorporated groups. In 2020/21, \$15,683 was distributed to a total of eight community groups and clubs.

OUR PEOPLE – GOAL 8

- **Beverley continues to be an inclusive, friendly and caring community:** Council continues to work towards providing universal access to all Council facilities. In 2020/21 the Town Hall had large glass electronic sliding doors installed. Council continued its 10 year footpath renewal plan by spending \$65,000 on new footpaths. The Youth Activity Area located in the main street, known as Moort Wabiny Park was completed in 2020/21. The park adds a vital recreational outlet for the youth and families

of Beverley and attracts many regional visitors.

OUR PEOPLE – GOAL 9

- **We have a healthy and safe community:** The Local Emergency Management Group meets quarterly and is well represented by Council, Fire Control Officers, Beverley Police, Beverley Hospital, Beverley District High School and the Beverley CWA. The Local Emergency Plan is updated at each meeting.

Council has a representative on the Early Years Network Committee, the Alex Miles Lodge Committee and the Local Health Advisory Group.

OUR LOCATION – GOAL 10

- **Rivers, lakes and reserves are an attraction for locals and visitors:** A new wildflower trail opened at the Brooking Street Reserve. Included at the trail is new seating, footpaths and signage.

Council continues to liaise with Department of Conservation, Biodiversity and Attractions to formalise a lease agreement for Yenyening Lakes.

OUR LOCATION – GOAL 11

- **We aim to protect, manage and preserve our natural environment:** Water captured by Council's Storm Water Harvesting Dams and treated water provided by the Water Corporation is continuing to sustain the Town Oval and the main street gardens. Solar power systems on the Shire Administration Building and Cornerstone Community Centre are working well, reducing Council's use of non-renewable power sources and at the same time reducing operating expenses. Council is committed to incorporating solar power on all future building developments and is investigating ways of utilising roof space on other Council owned assets for the purpose of harvesting solar energy.



GOVERNANCE – GOAL 12

- Council leads the organisation and engages with the community in an accountable and professional manner:**
 Council completed a minor review (and adopted) of the Strategic Community Plan 2017 - 2027 .
 Council works closely with its Auditors to ensure all legislative requirements are met.
 Council has engaged with multiple state government departments and commercial companies to lobby for improvements to services in the Beverley district. These included hosting visits from state and federal political representatives and strengthening ongoing relationships with the National Trust, Lotterywest, Water Corporation and Main Roads WA.

CORPORATE BUSINESS PLAN (4 YEARS)

The Shire of Beverley's Corporate Business Plan demonstrates how Council is going to achieve the Communities aspirations as identified in the Strategic Community Plan covering a medium term, four year time frame.

The Corporate Business Plan was adopted in 2014 and provides direction to the CEO regarding medium term operational and capital investment parameters.

A desktop review of the Corporate Business Plan is completed annually as part of the annual budgeting process.

The Corporate Business Plan is currently under review.

2020/21 CORPORATE BUSINESS PLAN MODIFICATIONS

There were no modifications made to the Shire of Beverley's Corporate Business Plan in the 2020/21 financial year.

INFORMING STRATEGIES

10 YEAR LONG TERM FINANCIAL PLAN (LTFP) adopted in 2019.

The LTFP reflects detailed financial workings based on achieving the objectives of the Strategic Community Plan and incorporating elements of workforce planning and asset management.

The LTFP was revised and adopted in 2019.

4 YEAR WORKFORCE PLAN (WFP) adopted in 2013 and reviewed in 2015.

The WFP provides a detailed management plan of Council's workforce which reflects the staffing requirements required to achieve the objectives of the Strategic Community Plan.

The WFP was reviewed as part of the LTFP review process.

10 YEAR INFRASTRUCTURE ASSET MANAGEMENT PLAN (IAMP) adopted in 2013.

The IAMP reflects the renewal requirements of Council's infrastructure assets.

The 10 Year Infrastructure Asset Management Plan was reviewed in 2019/20 to assist in informing the review of the 10 year Long Term Financial Plan.

10 YEAR BUILDINGS ASSET MANAGEMENT PLAN (BAMP) adopted in 2012.

The BAMP reflects the renewal requirements of Council's building assets.

The 10 Year Building Asset Management Plan was reviewed in 2019/20. The BAMP assists in informing the review of the 10 Year Long Term Financial Plan.

10 YEAR PLANT REPLACEMENT PROGRAM (PRP) adopted in 2015 and reviewed annually.

The PRP reflects Council's Plant replacement requirements.



NATIONAL COMPETITION POLICY

The introduction of the National Competition Policy requires all local governments to include in the Annual Report, statements relating to the following:

THE STRUCTURAL REFORM OF PUBLIC MONOPOLIES

The intention of the Structural Reform of Public Monopolies, is that:

- There is a separation of regulatory and commercial functions of Public Monopolies.
- There is a separation of natural monopolistic operations and potentially competitive activities of Public Monopolies.
- There is a separation of potential competitive activities into a number of smaller, essentially independent business units.

The Shire of Beverley is not considered a natural monopoly, nor does it conduct any business activity that can be considered a Public Monopoly. Therefore the principle of structural reform of Public Monopolies does not apply to the Shire of Beverley.

COMPETITIVE NEUTRALITY

For significant local government business enterprises, which are classified as 'Public Financial Enterprises', local government will, where appropriate:

- Adopt a corporatisation model for those local government business enterprises.
- Impose on significant business enterprises:
 - Full Commonwealth, State and Territory taxes on tax equivalent systems;
 - Debt guarantee fees directed towards off-setting the competitive advantages provided by government guarantees; and
 - Those regulations to which private sector businesses are normally subject, such as those relating to the protection of the environment and planning and approval processes, on an equivalent basis to private sector competitors.

These principles have been designed to ensure that a local government has no unfair advantage over any competitor in the market place.

These principles only apply to business activities that receive more than \$200,000 in annual income, of which the Shire of Beverley has none, and therefore do not apply to the Shire of Beverley.

Council has not received any allegations of non compliance with Competitive Neutrality Principles from the private sector.

LEGISLATION REVIEW

In accordance with the National Competition Policy, all Local Laws are currently being reviewed.



DISABILITY ACCESS AND INCLUSION PLAN

The Disability Services Act 1993 was amended in December 2004, creating a requirement of public authorities to develop and implement Disability Access and Inclusion Plans (DAIPs). These Plans had to be fully developed by July 2007, and replaced and built on the achievements of Disability Service Plans (DSPs).

A complete review of the 2013-2018 plan was completed in November 2018 with Council adopting the DAIP 2018-2023 in December 2018.

A DAIP progress report is completed annually and forwarded to the Disability Services Commission. The 2020/21 progress report was completed and submitted in May 2021.

The following overarching strategies have been developed to address each of the seven desired outcome areas of the Disability Services Act from feedback gained in the consultation process.

OUTCOME 1

People with disability have the same opportunities as other people to access the services of, and any events organised by the Shire of Beverley.

STRATEGY

Ensure that people with Disability are consulted on their needs for services and the accessibility of current services.

Monitor Shire services to ensure equitable access and inclusion.

Develop links between the DAIP and other Shire Integrated plans.

Shire organised or funded events are accessible to people with Disability.

Promote Disability Services and programs available within our Shire and neighbouring Shires.



OUTCOME 2

People with disability have the same opportunities as other people to access the buildings and other facilities of the Shire of Beverley.

STRATEGY

Ensure that all Shire buildings and facilities are physically accessible to people with Disability.

Ensure that all new or redevelopment work to public buildings and applications incorporates universal access and meets BCA standards.

Improvements to the accessibility and safe crossing on the main roads (Vincent Street) in Beverley.

Advocate to local businesses the requirements for and benefits flowing from the provision of accessible venues.

Ensure that all recreational areas are accessible.

Ensure that ACROD parking meets the needs of people with disability in terms of visibility, quantity and location.

OUTCOME 3

People with disability receive information from the Shire of Beverley in a format that will enable them to access the information as readily as other people are able to access it.

STRATEGY

Improve community awareness of Shire information being available in alternative formats.

Improve employee awareness of accessible information needs and how to provide information in other formats.

Ensure that the Shire's website meets accessibility guidelines.

OUTCOME 4

People with disability receive the same level and quality of service from the employees of a public authority as other people receive from the employees of the Shire of Beverley.

STRATEGY

Ensure that all employees, current and new, are aware of disability and access issues and have the skills to provide appropriate service and information.

Ensure that all elected members are aware of the Disability Access and Inclusion Plan and Shire's commitment to it.



OUTCOME 5

People with disability have the same opportunities as other people to make complaints to a public authority.

STRATEGY

Ensure that feedback and grievance mechanisms are known and accessible for people with Disability and are acted upon.

OUTCOME 6

People with disability have the same opportunities as other people to participate in any public consultation by a public authority.

STRATEGY

Ensure that people with disability are actively consulted about the DAIP and any other significant Shire planning processes.

Ensure that all Shire public consultations, forums, workshops and meetings are inclusive and accessible and people with disability are aware of them.

OUTCOME 7

People with disability have the same opportunities as other people to maintain employment with the Shire of Beverley.

STRATEGY

Ensure that inclusive recruitment practices are undertaken when advertising all employment positions.

Improve methods of attracting, recruiting and retaining people with disability.



PUBLIC INTEREST DISCLOSURE

PUBLIC INTEREST

Public Interest Disclosure Act 2003 (the Act), aims to facilitate and encourage the disclosure of public interest information, and to provide protection for those who have made disclosures, and for those about whom disclosures are made.

The Shire of Beverley does not tolerate corrupt or other improper conduct, including mismanagement of public resources, and the exercise of the public functions of the Shire and its officers, employees and contractors.

The Shire is committed to the aims and objectives of the Act, and recognises the value and importance of contributions of staff to enhance administrative and management practices, and supports disclosures being made by staff regarding corrupt or other improper conduct.

During the 2020/21 Financial Year there were no disclosures made under the Act.



RECORD KEEPING PLAN

The State Records Act 2000 requires that the Shire maintains and disposes of all records in the prescribed manner.

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

RATIONALE

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

MINIMUM COMPLIANCE REQUIREMENTS

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

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

The Shire of Beverley has complied with items 1 to 4.

In the updated Plan 2020-25, the Shire of Beverley has committed to increasing staff awareness of the disposal program for records kept offsite, including understanding and awareness on how to access offsite records; and the development of a Records Disaster Recovery Plan, to include the following strategies:

- Centralised storage location of Vital Records for easy removal or recovery.
- A Register of Vital Records, listing where vital records are stored in hardcopy and electronically and how they would be recovered after a disaster.
- Coordinating details for the salvaging and documenting of damaged records, along with planning an alternative work area.
- Installation of a Records Disaster Recovery Bin.



REGISTER OF MINOR COMPLAINTS

Section 5.121 of the Local Government Act 1995 (Register of Certain Complaints of Minor Breaches), requires the Complaints Officer for each local government to maintain a Register of Complaints which records all complaints that result in action under Section 5.110(6) (b) or (c) of the Act (Conduct of Certain Officials).

Section 5.53 (2) (hb) of the Local Government Act 1995 requires disclosure in the Annual Report of details of entries made under Section 5.121 during the financial year in the Register of Complaints, including:

- i. The number of complaints recorded on the register of complaints;
- ii. How the recorded complaints were dealt with; and
- iii. Any other details that the Regulations may require.

In accordance with these requirements, it is advised that no complaints or minor breaches under the Local Government Act 1995 were received during 2020/21.



FREEDOM OF INFORMATION

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

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

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

The Shire of Beverley maintains records relating to the function and administration of the Shire, each property within the Shire, and includes such documents as the Minutes of Meetings, Rate Book, Town Planning Scheme, Local Laws, Codes of Conduct, Register of Financial Interests, Register of Delegated Authority, Financial Statements, and Electoral Rolls. These documents can be inspected free of charge at the Shire Office, 136 Vincent Street, Beverley, during office hours.

No Freedom of Information requests were received in 2020/21.



**2020/21 ANNUAL
FINANCIAL REPORT**



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

**LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the 8th day of February, 2022



S.P. Gollan
Chief Executive Officer

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

	NOTE	2020/21 Actual \$	2020/21 Budget \$	2019/20 Actual \$
Revenue				
Rates	24(a)	2,796,908	2,800,847	2,813,252
Operating Grants, Subsidies and Contributions	30	1,637,341	1,034,159	1,899,398
Fees and Charges	29	694,412	587,348	630,881
Interest Earnings	2(a)	50,043	41,992	117,455
Other Revenue		492,457	523,360	483,785
		<u>5,671,161</u>	<u>4,987,706</u>	<u>5,944,771</u>
Expenses				
Employee Costs		(2,065,363)	(2,068,715)	(2,056,018)
Materials and Contracts		(1,539,506)	(2,118,414)	(1,570,890)
Utility Charges		(219,427)	(197,423)	(230,369)
Depreciation on Non-Current Assets	2(a)	(2,359,536)	(2,313,194)	(2,330,127)
Interest Expenses	2(a)	(65,624)	(70,964)	(82,572)
Insurance Expenses		(201,256)	(197,440)	(195,150)
Other Expenditure		(93,604)	(84,325)	(110,361)
		<u>(6,544,316)</u>	<u>(7,050,475)</u>	<u>(6,575,487)</u>
		(873,155)	(2,062,769)	(630,716)
Non-Operating Grants, Subsidies and Contributions	30	2,326,087	3,012,200	824,214
Profit on Asset Disposals	22	-	65,000	-
Loss on Asset Disposal	22	(21,293)	(62,636)	(40,052)
Net Result		1,431,639	951,795	153,446
Other Comprehensive Income				
Changes on revaluation of non-current assets	14	8,393,340	-	-
Total Other Comprehensive Income		8,393,340	-	-
Total Comprehensive Income		9,824,979	951,795	153,446

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



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

	NOTE	2020/21 Actual \$	2020/21 Budget \$	2019/20 Actual \$
Revenue				
General Purpose Funding		3,707,196	3,260,334	3,741,567
Governance		23,554	10,100	53,682
Law, Order, Public Safety		264,769	229,857	212,127
Health		1,910	300	582
Housing		126,792	137,492	130,888
Community Amenities		225,962	206,278	223,806
Recreation and Culture		172,148	135,027	260,516
Transport		650,004	377,512	727,773
Economic Services		124,265	119,676	176,097
Other Property and Services		52,014	34,098	71,286
		<u>5,348,614</u>	<u>4,510,674</u>	<u>5,598,324</u>
Expenses				
General Purpose Funding		(172,081)	(173,512)	(145,995)
Governance		(244,253)	(254,954)	(209,513)
Law, Order, Public Safety		(358,407)	(417,800)	(415,298)
Health		(151,554)	(171,727)	(144,873)
Education and Welfare		(71,281)	(98,098)	(72,603)
Housing		(192,335)	(213,750)	(181,650)
Community Amenities		(695,774)	(669,229)	(648,050)
Recreation and Culture		(1,390,484)	(1,442,356)	(1,414,829)
Transport		(2,483,962)	(2,563,701)	(2,518,082)
Economic Services		(397,711)	(479,909)	(409,781)
Other Property and Services		1,698	(17,443)	14,206
		<u>(6,156,144)</u>	<u>(6,502,479)</u>	<u>(6,146,468)</u>
Finance Costs				
Community Amenities		(514)	(567)	(1,706)
Recreation and Culture		(65,110)	(70,397)	(80,866)
	2(a)	<u>(65,624)</u>	<u>(70,964)</u>	<u>(82,572)</u>
Non-Operating Grants, Subsidies and Contributions				
Law, Order, Public Safety		-	70,000	26,950
Recreation and Culture		1,096,073	760,056	38,847
Transport		650,013	2,182,144	758,417
Economic Services		580,000	-	-
		<u>2,326,086</u>	<u>3,012,200</u>	<u>824,214</u>
Profit/(Loss) on Disposal of Assets				
Governance		(3,025)	(9,000)	(15,530)
Recreation & Culture		(3,532)	-	-
Other Property and Services		(14,736)	11,364	(24,522)
	22	<u>(21,293)</u>	<u>2,364</u>	<u>(40,052)</u>
Net Result		1,431,639	951,795	153,446
Other Comprehensive Income				
Changes on revaluation of non-current assets	14	8,393,340	-	-
Total Other Comprehensive Income		8,393,340	-	-
Total Comprehensive Income		9,824,979	951,795	153,446

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

**SHIRE OF BEVERLEY
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2021**

	NOTE	2020/21 Actual \$	2019/20 Actual \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	5,446,092	1,931,559
Trade and Other Receivables	4	374,613	416,379
Other Financial Assets	5	-	2,582,024
Contract Assets	2(a)	100,000	17,795
Inventories	6	10,281	9,345
TOTAL CURRENT ASSETS		5,930,986	4,957,102
NON-CURRENT ASSETS			
Other Receivables	4	145,806	150,441
Other Financial Assets	5	55,355	53,416
Property, Plant and Equipment	7(a)	32,400,881	23,069,483
Infrastructure	8(a)	60,266,729	60,366,533
TOTAL NON-CURRENT ASSETS		92,868,771	83,639,873
TOTAL ASSETS		98,799,757	88,596,975
CURRENT LIABILITIES			
Trade and Other Payables	9	450,588	444,812
Other Liabilities	10	462,862	-
Long Term Borrowings	11	102,055	137,938
Employee Related Provisions	12	359,518	352,111
Lease Liability	17	6,833	-
TOTAL CURRENT LIABILITIES		1,381,856	934,861
NON-CURRENT LIABILITIES			
Trade and Other Payables	9	292,066	304,054
Other Liabilities	10	-	-
Long Term Borrowings	11	1,277,172	1,379,225
Employee Related Provisions	12	98,416	67,240
Lease Liability	17	13,673	-
TOTAL NON-CURRENT LIABILITIES		1,681,327	1,750,519
TOTAL LIABILITIES		3,063,183	2,685,380
NET ASSETS		95,736,574	85,911,595
EQUITY			
Retained Surplus		44,609,993	43,427,040
Reserves - Cash Backed	13	2,830,711	2,582,025
Revaluation Surplus	14	48,295,870	39,902,530
TOTAL EQUITY		95,736,574	85,911,595

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



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

		RESERVES		
	NOTE	RETAINED	CASH/ INVESTMENT	REVALUATION
		SURPLUS	BACKED	SURPLUS
		\$	\$	\$
Balance as at 1 July 2019		43,482,751	2,372,868	39,902,530
Comprehensive Income				
Net Result		153,446	-	-
Total Comprehensive Income		153,446	-	-
Reserve Transfers		(209,157)	209,157	-
Balance as at 30 June 2020		43,427,040	2,582,025	39,902,530
Comprehensive Income				
Net Result		1,431,639	-	-
Changes on Revaluation of Non-Current Assets	14	-	-	8,393,340
Total Other Comprehensive Income		1,431,639	-	8,393,340
Reserve Transfers		(248,686)	248,686	-
Balance as at 30 June 2021		44,609,993	2,830,711	48,295,870

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

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

	NOTE	2020/21 Actual \$	2020/21 Budget \$	2019/20 Actual \$
Cash Flows From Operating Activities				
Receipts				
Rates		2,796,908	2,800,847	2,813,252
Operating Grants, Subsidies and Contributions		1,637,341	1,034,159	1,899,398
Fees and Charges		694,412	587,348	630,882
Interest Earnings		50,044	41,992	117,456
Other Revenue		899,350	523,360	439,848
		<u>6,078,055</u>	<u>4,987,706</u>	<u>5,900,836</u>
Payments				
Employee Costs		(2,026,781)	(2,068,715)	(2,004,892)
Materials and Contracts		(1,539,506)	(2,118,414)	(1,570,890)
Utility Charges		(219,427)	(197,423)	(230,369)
Insurance Expenses		(201,256)	(197,440)	(195,150)
Interest expenses		(66,010)	(70,964)	(101,836)
Other Expenditure		(87,441)	(84,325)	(253,893)
		<u>(4,140,421)</u>	<u>(4,737,281)</u>	<u>(4,357,030)</u>
Net Cash Provided By (Used In) Operating Activities	15(b)	<u>1,937,634</u>	<u>250,425</u>	<u>1,543,806</u>
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment	7(b)	(2,027,351)	(2,878,475)	(978,364)
Payments for Construction of Infrastructure	8(b)	(1,269,914)	(4,775,270)	(1,517,042)
Non-Operating Grants, Subsidies and Contributions	30	2,326,087	3,012,200	663,197
Proceeds from Sale of Plant & Equipment	22	78,182	267,364	169,982
Proceeds (to) financial assets at amortised cost - Bonds		(11,988)	-	316,042
Payments from financial assets at amortised cost - Term Deposits		2,582,024	-	(2,582,024)
		<u>2,582,024</u>	<u>-</u>	<u>(2,582,024)</u>
Net Cash Provided By (Used In) Investing Activities		<u>1,677,040</u>	<u>(4,374,181)</u>	<u>(3,928,209)</u>
Cash Flows from Financing Activities				
Repayment of Debentures	23	(137,937)	(137,937)	(153,429)
Repayment of Finance Leases		20,508	-	-
Proceeds from Self Supporting Loans		17,288	17,288	16,271
Proceeds from New Debentures	23	-	2,000,000	-
		<u>-</u>	<u>2,000,000</u>	<u>-</u>
Net Cash Provided By (Used In) Financing Activities		<u>(100,141)</u>	<u>1,879,351</u>	<u>(137,158)</u>
Net Increase (Decrease) in Cash Held		<u>3,514,533</u>	<u>(2,244,405)</u>	<u>(2,521,561)</u>
Cash at Beginning of Year		1,931,559	4,197,541	4,453,120
Cash and Cash Equivalents at the End of the Year	15(a)	<u><u>5,446,092</u></u>	<u><u>1,953,136</u></u>	<u><u>1,931,559</u></u>

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



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

	NOTE	2020/21 Actual \$	2020/21 Budget \$	2019/20 Actual \$
Revenue				
General Purpose Funding		910,288	458,986	928,315
Governance		23,554	1,100	53,682
Law, Order, Public Safety		264,769	299,857	239,077
Health		1,910	300	582
Housing		126,792	137,492	130,888
Community Amenities		225,962	206,278	223,806
Recreation and Culture		1,268,221	895,083	299,363
Transport		1,300,017	2,559,656	1,486,190
Economic Services		704,265	119,676	176,097
Other Property and Services		52,014	45,462	71,286
		<u>4,877,792</u>	<u>4,723,890</u>	<u>3,609,286</u>
Expenses				
General Purpose Funding		(172,081)	(173,012)	(145,995)
Governance		(247,278)	(254,954)	(225,043)
Law, Order, Public Safety		(358,407)	(417,800)	(415,298)
Health		(151,554)	(171,727)	(144,873)
Education and Welfare		(71,281)	(98,098)	(72,603)
Housing		(192,335)	(213,750)	(181,650)
Community Amenities		(696,288)	(669,796)	(649,756)
Recreation and Culture		(1,459,126)	(1,512,753)	(1,495,695)
Transport		(2,483,962)	(2,563,701)	(2,518,082)
Economic Services		(397,711)	(479,909)	(409,781)
Other Property and Services		(13,038)	(17,443)	(10,316)
		<u>(6,243,061)</u>	<u>(6,572,943)</u>	<u>(6,269,092)</u>
Net Result Excluding Rates		(1,365,269)	(1,849,053)	(2,659,806)
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
(Profit)/Loss on Asset Disposals	21	21,293	(2,364)	40,052
Movements in Non-Current to Current Items		3,330	-	10,917
Depreciation and Amortisation on Assets	2(a)	2,359,536	2,313,195	2,330,127
Total Non-Cash Expenditure and Revenue		2,384,159	2,310,831	2,381,096
Capital Expenditure and Revenue				
Purchase Land and Buildings	7(b)	(1,805,071)	(2,061,000)	(423,598)
Purchase Plant and Equipment	7(b)	(191,731)	(802,475)	(554,765)
Purchase Furniture and Equipment	7(b)	(30,549)	(15,000)	-
Purchase Infrastructure Assets - Roads	8(b)	(1,203,986)	(4,669,434)	(1,276,983)
Purchase Infrastructure Assets - Other	8(b)	(65,928)	(105,835)	(240,059)
Proceeds from Disposal of Assets	21	78,182	267,364	169,983
Repayment of Debentures	22	(137,937)	(137,937)	(153,429)
Proceeds from New Debentures	22	-	2,000,000	-
Self-Supporting Loan Principal Income		17,288	17,288	16,271
Transfers to Reserves (Restricted Assets)	12	(279,356)	(295,903)	(537,901)
Transfers from Reserves (Restricted Assets)	12	30,670	1,113,874	328,744
Total Capital Expenditure and Revenue		(3,588,418)	(4,689,058)	(2,671,737)
ADD Surplus/(Deficit) July 1 B/Fwd.	24(b)	1,426,432	1,426,433	1,563,627
LESS Surplus/(Deficit) June 30 C/Fwd.	24(b)	1,653,812	-	1,426,432
Total (Deficit) to be covered by General Rate	24(a)	(2,796,908)	(2,800,847)	(2,813,252)

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

(a) Basis of Preparation

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

The *Local Government (Financial Management) Regulations 1996* (FM Regs) take precedence over Australian Accounting Standards. Prior to 1 July 2019, Regulation (Reg) 16 arbitrarily prohibited a local government from recognising as assets Crown land that is a public thoroughfare, i.e. land under roads, and land not owned by but under control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets pertaining to vested land, including land under roads acquired on or after 1 July 2008, were not recognised in previous financial reports of the Shire. This was not in accordance with the requirements of AASB 1051 *Land Under Roads paragraph 15* and AASB 116 *Property, Plant and Equipment paragraph 7*.

From 1 July 2019, the Shire has applied AASB 16 Leases which requires leases to be included by lessees in the balance sheet. Also, the FM regs have been amended to specify that vested land is a right of use (ROU) asset to be measured at cost. All ROU assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the balance sheet) rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

Except for cash flow and rate setting information, the report has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of the selected non-current assets, financial assets and liabilities.

Critical Accounting Estimates

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

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

(b) The Local Government Reporting Entity

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

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

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 21 to these financial statements.



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

1. SIGNIFICANT ACCOUNTING POLICIES

(c) 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.

(d) Cash and Cash Equivalents

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

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

(e) Restricted Assets

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

(f) Trade and Other Receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business. Information about impairment of trade receivables and their exposure to credit risk can be found in Note 34.

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

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Trade and Other Receivables (continued)

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

Revenue Category	Nature of Goods and Services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General rates	Over time	Payment dates adopted by Council during the year	None	Adopted by Council annually	When taxable event occurs	N/A	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 local government	Over time	Fixed term transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with funding body	Based on the progress of works matched to performance obligations	Returns limited to repayment of transaction price of terms	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	N/A	N/A	Cash received	On receipt of funds	N/A	When assets are controlled
Fees and charges- licences, registrations, approvals	Building, planning, development and animal management, having the same nature as a licence	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost provision	Base don timing of issue of the associated rights	No refunds	On payment of the licence, registration or approval



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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Trade and Other Receivables (continued)

Revenue Category	Nature of Goods and Services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Fees and charges- Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annual fee	None	Set by State legislation	Apportioned equally across the inspection cycle	N/A	After inspection complete based on a four year cycle
Fees and charges- Other inspections	Regulatory food, health and safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost provision	Applied fully at time of inspection	N/A	After inspection complete
Fees and charges- Waste management	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by Council annually	Apportioned equally over the collection period	N/A	Output method based on regular weekly and fortnightly periods as proportionate to collection service
Fees and charges- Property hire	Use of Halls and other facilities	Single point in time	Payment in full in advance	Refund if event cancelled	Adopted by Council annually	Based on timing of entry to facility	Returned limited to repayment of transaction	On entry or at conclusion of hire
Fees and charges- Commercial lease	Lease of office facilities	Over time	Fixed term transfer of funds based on agreed lease terms	None	As per lease agreement	Based on timing of entry to facility	N/A	Output method over lease term matched to access right

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Trade and Other Receivables (continued)

Revenue Category	Nature of Goods and Services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Fees and charges-Memberships	Community Gym and Pool Memberships	Over time	Payment in full in advance	None	Adopted by Council annually	Apportioned equally over the access period	Returned limited to repayment of transaction	Output method over 12 months matched to access right
Fees and charges-Other goods and services	Cemetery services, Library fees, private works	Single point in time	Payment in full in advance	None	Adopted by Council annually	Applied fully based on timing of provision	N/A	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	Adopted by Council annually	When taxable event occurs	N/A	When fine notice is issued
Other Revenue-Commissions	Commissions on transport licencing and building levies	Single point in time	Payment in full on sale	None	Set by mutual agreement with customer	On receipt of funds	N/A	When assets are controlled
Other Revenue-Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with customer	When claim is agreed	N/A	When claim is agreed



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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Inventories

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 purchased for development and/or 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. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in the statement of comprehensive income at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

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

(h) Fixed Assets

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

Recognition and measurement

All assets are initially recognised at cost where the fair value of the asset at date of acquisition is equal to or above \$5,000. All assets are subsequently revalued in accordance with the mandatory measurement framework.

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Fixed Assets (Continued)

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

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under control prior to 1 July 2019

In accordance with the then *Local Government (Financial Management) Regulation 16 (a)*, the Shire was previously required to include as an asset (by 30 June 2013), vested Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land.

Land under roads prior to 1 July 2019

In Western Australia, most land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB1051 *Land Under Roads* and the then *Local Government (Financial Management) Regulation 16(a)(i)* which arbitrarily prohibited local governments from recognising such land as an asset. This regulation has now been deleted.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, the then *Local Government (Financial Management) Regulation 16(a)(i)* prohibited local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail. Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.



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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Fixed Assets (Continued)

Land under roads from 1 July 2019

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

Vested improvements from 1 July 2019

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

Depreciation of Non-Current Assets

All non-current assets having a limited useful life (excluding freehold and vested land) are separately and systematically depreciated over their useful lives in a manner which reflects the Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period.

Major depreciation periods are:

Land	not depreciated
Buildings	25 to 50 years
Furniture and Equipment	3 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
- Formation	not depreciated
- Pavement	40 years
- Bituminous seals	15 years
Gravel roads	
- Formation	not depreciated
- Pavement	40 years
- Gravel sheet	20 years
Formed roads (unsealed)	
- Formation	not depreciated
- Pavement	40 years
Bridges	100 years
Footpaths - slab	48 years
Water supply piping & drainage systems	54 years
Parks and Ovals	25 years

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Fair Value of Assets and Liabilities (Continued)

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

Council 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 Council 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 an asset at its current service capacity.

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, Council 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.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 5 years.



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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Impairment

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

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

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

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

(k) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

(l) Employee Benefits

Short-term employee benefits

Provision is made for Council'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.

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

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at 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.

Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where Council 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 BEVERLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2021**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) 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.

(n) Provisions

Provisions are recognised when:

- a) the Council has a present legal or constructive obligation as a result of past events;
- b) for which it is probable that an outflow of economic benefits will result; and
- c) that outflow can be reliably measured.

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

(o) Leases

At the inception of the 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.

Right of use assets are subsequently measured under the revaluation model as they relate to asset classes that are also revalued.

Right of use assets are depreciated over the lease term or useful life of the underlying assets, whichever is the shortest. Where a lease transfers ownership to 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.

All contracts that are classified as short-term leases (i.e. a lease with a remaining 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.

Lease for right of use assets are secured over the asset being leased.

Right of use asset - valuation

ROU assets are measured at cost. This means that all ROU assets (other than vested improvements) under zero cost concessionary lease are measured at zero cost (i.e. not included on the balance sheet). The exception is vested improvements which are reported at fair value.



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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Investments in Associates

The Council has no investments held in any third party entities.

(q) Joint Venture

The Council has no interest in any Joint Venture.

(r) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.

(s) Superannuation

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

(t) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where the Council 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 even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on Council's intentions to release for sale.

(u) 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.

(v) Comparative Figures

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

When the council applied an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement that has a material effect on the statement of financial position, a statement of financial position as at the beginning of the earliest period will be disclosed.

(w) 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.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Council.

Management's assessment of the new and amended pronouncement that are relevant to the Council, applicable to future reporting periods and which have not yet been adopted are set out as follows.

	Title and Topic	Issued	Applicable (*)	Impact
(i)	AASB 2020-1 Amendments to Australian Accounting Standards – Classification of liabilities as current or non-current	January 2020	1 January 2022	AASB 2020-1 Amendments to Australian Accounting Standards – Classification of liabilities as current or non-current is not expected to impact the financial report.
(ii)	AASB 2020-3 Amendments to Australian Accounting Standards – Annual improvements 218-2020 and other amendments	May 2020	1 January 2022	AASB 2020-1 2020-3 Amendments to Australian Accounting Standards – Annual improvements 218-2020 and other amendments is not expected to impact the financial report.
(iii)	AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of accounting policies or definition of accounting estimates	February 2021	1 January 2023	AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of accounting policies or definition of accounting estimates is not expected to impact the financial report.

Notes:

(*) Applicable to reporting periods commencing on or after the given date.



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

2. REVENUE AND EXPENSES

2020/21
Actual
\$

2019/20
Actual
\$

(a) Net Result

The Net Result includes:

(i) Charging as an Expense:

Auditors Remuneration

Audit Expenses	22,810	11,132
Other Services	400	7,392

Depreciation

Buildings	683,587	666,323
Furniture and Equipment	16,438	15,527
Plant and Equipment	289,793	278,559
Roads	822,389	822,389
Bridges	385,142	385,142
Footpaths	37,944	37,944
Drainage	49,658	49,658
Parks and Gardens	74,585	74,585
	<u>2,359,536</u>	<u>2,330,127</u>

Interest Expenses (Finance Costs)

Debentures (refer Note 23(a))	65,624	82,572
	<u>65,624</u>	<u>82,572</u>

Rental Charges

- Operating Leases	-	6,364
	<u>-</u>	<u>6,364</u>

(ii) Crediting as Revenue:

2020/21
Actual
\$

2020/21
Budget
\$

2019/20
Actual
\$

Interest Earnings

Investments			
- Reserve Funds	12,013	15,492	42,458
- Other Funds	5,741	6,000	34,208
Other Interest Revenue (refer Note 28)	32,289	20,500	40,789
	<u>50,043</u>	<u>41,992</u>	<u>117,455</u>

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

REVENUE AND EXPENSES (Continued)	2020/21 Actual	2020/21 Budget	2019/20 Actual
(ii) Crediting as Revenue (Continued):	\$	\$	\$
Contracts With Customers			
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:			
Operating grants, subsidies and contributions	1,637,341	1,034,159	1,899,398
Fees and charges	694,412	587,348	630,881
Other revenue	492,457	523,360	483,785
Non-operating grants, subsidies and contributions	<u>2,326,087</u>	<u>3,012,200</u>	<u>824,214</u>
	5,150,297	5,157,067	3,838,278

Additional detail on Fees and Charges and Grants can be found in notes 29 and 30.

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:

Revenue from contracts with customers included as contract liability at the start of the period	462,862	-	-
Revenue from contracts with customers recognised during the year	4,687,435	5,157,067	3,838,278
Revenue from transfers intended for acquiring or constructing recognisable non financial assets held as a liability at the start of the period	-	-	-
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	<u>-</u>	<u>-</u>	<u>-</u>
	5,150,297	5,157,067	3,838,278

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

Trade and other receivables from contracts with customers	-	-
Contract Assets	100,000	17,795
Contract Liabilities from contracts with customers	-	-
Financial assets held from transfers for recognisable financial assets	-	-
Grant liabilities from transfers for recognisable non financial assets	-	-

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

Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance for which revenue is recognised over time as the performance obligations are met. Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less.

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

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



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

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis and for each of its broad activities/programs.

Council operations as disclosed in this report encompass the following service orientated activities/programs:

GOVERNANCE

Member of Council Allowances and Reimbursements, Civic Functions, Election Expenses and Administration Expenses.

GENERAL PURPOSE FUNDING

Rates Levied, Interest on Late Payment of Rates, General Purpose Grants and Interest Received on Investments.

LAW, ORDER, PUBLIC SAFETY

Supervision of various Local Laws, Fire Prevention and Animal Control.

HEALTH

Subsidisation of the Beverley Medical Practice, Environmental Health, Food Control and Pest Control.

EDUCATION AND WELFARE

Pre-Schools and other Education. Care of Families and Children.

HOUSING

Aged Persons Residence and Staff Housing.

COMMUNITY AMENITIES

Refuse Collection Services, Landfill Site Operations, Protection of the Environment. Administration of the Town Planning Scheme and Urban Stormwater and Drainage Works.

RECREATION AND CULTURE

Maintenance of Halls, Swimming Pool, Recreation Ground, Reserves, Libraries and Other Culture.

TRANSPORT

Maintenance of Roads, Drainage Works, Footpaths, Street Lighting, Crossovers, Verge Maintenance and Street Sweeping.

ECONOMIC SERVICES

Weed Control, Area Promotion, Implementation of Building Controls, Swimming Pool Inspections.

OTHER PROPERTY & SERVICES

Private Works, Public Works Overheads, Plant Operations, Materials, Salaries and Wages Controls and Other Unclassified Activities.

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

	2020/21 Actual \$	2019/20 Actual \$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	1,848,465	1,615,517
Restricted	3,597,627	316,042
	<u>5,446,092</u>	<u>1,931,559</u>

The following restrictions have been imposed by regulations or other externally imposed requirements:

Reserve Funds - Cash Backed (<i>refer Note 13</i>)	2,830,711	-
Unspent Grants	462,862	-
ILU Retention Fees - Bond	304,054	316,042
	<u>3,597,627</u>	<u>316,042</u>

4. TRADE AND OTHER RECEIVABLES

Current

Rates Outstanding	257,252	295,769
Sundry Debtors	103,076	103,322
Loans - Clubs/Institutions	14,285	17,288
	<u>374,613</u>	<u>416,379</u>

Non-Current

Rates Outstanding - Pensioners	134,838	125,188
Loans - Clubs/Institutions	10,968	25,253
	<u>145,806</u>	<u>150,441</u>

5. OTHER FINANCIAL ASSETS

Current

Investment - Reserve Funds	-	2,582,024
	<u>-</u>	<u>2,582,024</u>

Non-Current

Investment - Local Government House*	55,355	53,416
	<u>55,355</u>	<u>53,416</u>

*The Shire of Beverley holds three units in the Local Government House Trust.

6. INVENTORIES

Current

Fuel and Materials	10,281	9,345
	<u>10,281</u>	<u>9,345</u>



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

	2020/21 Actual \$	2019/20 Actual \$
7. PROPERTY, PLANT AND EQUIPMENT		
(a) Land and Buildings		
Freehold Land at Fair Value	2,457,196	2,679,196
Total Land	2,457,196	2,679,196
Buildings at Fair Value	35,840,573	33,792,949
Less Accumulated Depreciation	(7,923,506)	(15,612,705)
Total Buildings	27,917,067	18,180,244
Total Land and Buildings	30,374,263	20,859,440
Plant and Equipment		
Plant and Equipment at Fair Value	4,048,028	3,972,266
Less Accumulated Depreciation	(2,145,766)	(1,872,468)
Total Plant and Equipment	1,902,262	2,099,798
Furniture and Equipment		
Furniture and Equipment at Fair Value	222,897	192,348
Less Accumulated Depreciation	(98,541)	(82,103)
Total Furniture and Equipment	124,356	110,245
Total Property, Plant and Equipment	32,400,881	23,069,483

Land and Buildings:

A valuation of land and building assets was undertaken by an external consultant in April 2021 and the valuation was adopted as the fair value in June 2021.

The revaluation of land and building assets resulted in an increase on revaluation of \$8,393,343 in the net value of land and buildings.

All of this increase was credited to the revaluation surplus (refer Note 13) and was recognised as Changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

Plant and Equipment:

A valuation of plant and machinery assets was undertaken by an external consultant in June 2019 and the valuation was adopted as the fair value in June 2019.

The revaluation of plant and machinery assets resulted in a increase on revaluation of \$238,272 in the net value of plant and machinery.

All of this increase was credited to the revaluation surplus (refer Note 13) and was recognised as Changes on Revaluation of Non-Current Assets in the Statement of Comprehensive Income.

Furniture and Equipment:

Furniture and Equipment items were valued in 2017 as part of the mandatory requirements as per Local Government (Financial Management) Regulation 17A.

The Furniture and Equipment currently on the Council's asset register was identified during a stocktake in 2021 and is replaced on a regular basis. Based on this, the cost approach is deemed to be the most appropriate and a very conservative fair value measurement.

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

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	<u>Land</u>	<u>Non-Specialised Buildings</u>	<u>Specialised Buildings</u>	<u>Total Buildings</u>	<u>Total Land and Buildings</u>	<u>Plant and Equipment</u>	<u>Furniture and Equipment</u>	<u>Total</u>
Fair Value Hierarchy Valuation Approach Last Valued	Level 2 Market 2021	Level 2/3 Market/Cost 2021	Level 3 Cost 2021			Level 3 Cost 2021	Level 3 Cost 2021	
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Balance as at the beginning of the year	2,679,196	7,670,412	10,509,832	18,180,244	20,859,440	2,099,798	110,245	23,069,483
Additions	-	22,210	1,782,861	1,805,071	1,805,071	191,731	30,549	2,027,351
(Disposals)	-	-	-	-	-	(115,969)	-	(115,969)
Revaluation - Increments	-	1,446,954	7,168,386	8,615,340	8,615,340	-	-	8,615,340
- (Decrements)	(222,000)	-	-	-	(222,000)	-	-	(222,000)
Impairment - (Losses)	-	-	-	-	-	-	-	-
- Reversals	-	-	-	-	-	-	-	-
Depreciation (Expense)	-	(207,782)	(475,806)	(683,588)	(683,588)	(273,298)	(16,438)	(973,324)
Carrying amount at the end of year	<u>2,457,196</u>	<u>8,931,794</u>	<u>18,985,273</u>	<u>27,917,067</u>	<u>30,374,263</u>	<u>1,902,262</u>	<u>124,356</u>	<u>32,400,881</u>

The fair value of property, plant and equipment is determined at least every three years in accordance with legislative requirements. Additions since the date of valuation are shown as cost, given they were acquired at arm's length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires property, plant and equipment to be shown at fair value.



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

7 PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Land and buildings					
Freehold land	2	Market approach using recent observable market data for similar properties.	Independent Registered Valuer	June 2021	Inputs, other than quoted prices, that are observable for the asset, either directly or indirectly e.g. local land sales.
Non-specialised buildings	2/3	Market approach using recent observable market data for similar properties & Cost approach using depreciated replacement cost.	Independent Registered Valuer	June 2021	Inputs, other than quoted prices, that are observable for the asset, either directly or indirectly e.g. local property sales and Depreciated replacement cost to acquire a modern equivalent that would provide equal utility.
Specialised buildings	3	Cost approach using depreciated replacement cost.	Independent Registered Valuer	June 2021	Depreciated replacement cost to acquire a modern equivalent that would provide equal utility.
Plant and Equipment	-	Deemed Cost	Deemed Cost	N/A	Purchase Cost
Furniture and Equipment	-	Deemed Cost	Deemed Cost	N/A	Purchase Cost

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

	2020/21 Actual \$	2019/20 Actual \$
8. INFRASTRUCTURE		
(a) Roads - Valuation	38,871,940	37,667,954
Less Accumulated Depreciation	<u>(11,896,927)</u>	<u>(11,074,538)</u>
	26,975,013	26,593,416
 Bridges - Valuation	 42,227,546	 42,227,546
Less Accumulated Depreciation	<u>(13,097,872)</u>	<u>(12,712,730)</u>
	29,129,674	29,514,816
 Footpaths - Valuation	 1,893,308	 1,827,380
Less Accumulated Depreciation	<u>(1,225,370)</u>	<u>(1,187,426)</u>
	667,938	639,954
 Drainage - Valuation	 2,703,200	 2,703,200
Less Accumulated Depreciation	<u>(670,291)</u>	<u>(620,633)</u>
	2,032,909	2,082,567
 Parks & Ovals - Valuation	 2,034,941	 2,034,941
Less Accumulated Depreciation	<u>(573,746)</u>	<u>(499,161)</u>
	1,461,195	1,535,780
	<u><u>60,266,729</u></u>	<u><u>60,366,533</u></u>

Infrastructure:

A full road asset network revaluation was undertaken by external consultants in December 2017. The fair value is determined as the current replacement cost (CRC) less accumulated depreciation to reflect the already consumed or expired economic benefits. This approach is consistent with AASB 116 and following review of current market rates were adopted as the fair value at 30 June 2018.

A full bridge asset valuation was undertaken by external consultants in December 2017. The fair value is determined as the current replacement cost (CRC) less accumulated depreciation to reflect the already consumed or expired economic benefits. This approach is consistent with AASB 116 and were adopted as the fair value at 30 June 2018.

A full footpath asset network revaluation was undertaken by external consultants in December 2017. The fair value is determined as the current replacement cost (CRC) less accumulated depreciation to reflect the already consumed or expired economic benefits. This approach is consistent with AASB 116 and were adopted as the fair value at 30 June 2018.

A full drainage asset network valuation was undertaken by external consultants in December 2017. The fair value is determined as the current replacement cost (CRC) less accumulated depreciation to reflect the already consumed or expired economic benefits. This approach is consistent with AASB 116 and were adopted as the fair value at 30 June 2018.

A full parks and ovals asset valuation was undertaken by external consultants in December 2017. The fair value is determined as the current replacement cost (CRC) less accumulated depreciation to reflect the already consumed or expired economic benefits. This approach is consistent with AASB 116 and were adopted as the fair value at 30 June 2018.



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

8. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	<u>Roads</u>	<u>Bridges</u>	<u>Footpaths</u>	<u>Drainage</u>	<u>Parks & Ovals</u>	<u>Total</u>
Fair Value Hierarchy	Level 3	Level 3	Level 3	Level 3	Level 3	
Valuation Approach	Cost	Cost	Cost	Cost	Cost	
Last Valued	2018	2018	2018	2018	2018	
	\$	\$	\$	\$	\$	\$
Balance at the beginning of the year	26,593,416	29,514,816	639,954	2,082,567	1,535,780	60,366,533
Additions	1,203,986	-	65,928	-	-	1,269,914
(Disposals)	-	-	-	-	-	-
Revaluation - Increments	-	-	-	-	-	-
- (Decrements)	-	-	-	-	-	-
Impairment - (Losses)	-	-	-	-	-	-
- Reversals	-	-	-	-	-	-
Depreciation (Expense)	(822,389)	(385,142)	(37,944)	(49,658)	(74,585)	(1,369,718)
Carrying amount at the end of year	26,975,013	29,129,674	667,938	2,032,909	1,461,195	60,266,729

The fair value of infrastructure is determined at least every three years in accordance with legislative requirements. Additions since the date of valuation are shown at cost, given they were acquired at arm's length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires infrastructure to be shown at fair value.

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

INFRASTRUCTURE (Continued)**Fair Value Measurements**

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Roads	3	Cost approach using depreciated replacement cost.	Independent Valuation	June 2018	Sample assessment of Road assets conducted.
Bridges	3	Cost approach using depreciated replacement cost.	Independent Valuation	June 2018	Full pick up and condition assessment of Bridge assets conducted.
Footpaths	3	Cost approach using depreciated replacement cost.	Independent Valuation	June 2018	Sample assessment of Footpath assets conducted.
Drainage	3	Cost approach using depreciated replacement cost.	Independent Valuation	June 2018	Full pick up and condition assessment of Drainage assets conducted.
Parks & Ovals	3	Cost approach using depreciated replacement cost.	Independent Valuation	June 2018	Full pick up and condition assessment of Parks & Ovals assets conducted.

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

	2020/21 Actual \$	2019/20 Actual \$
9. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	387,308	382,949
GST Payable	1,815	10,743
ILU Retention Fee - Bond	11,988	11,988
Accrued Interest on Debentures	5,238	5,626
Accrued Salaries and Wages	44,239	33,506
	<u>450,588</u>	<u>444,812</u>
Non-Current		
ILU Retention Fee - Bond	292,066	304,054
	<u>292,066</u>	<u>304,054</u>

10. OTHER LIABILITIES

Current		
Contract Liabilities	462,862	-
	<u>462,862</u>	<u>-</u>
Non-Current		
Contract Liabilities	-	-
	<u>-</u>	<u>-</u>

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

	Contract Liabilities
Less than 1 year	462,862
	<u>462,862</u>

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.

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

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

11. LONG-TERM BORROWINGS

Current		
Secured by Floating Charge		
Debentures	102,055	137,938
	<u>102,055</u>	<u>137,938</u>
Non-Current		
Secured by Floating Charge		
Debentures	1,277,172	1,379,225
	<u>1,277,172</u>	<u>1,379,225</u>

Additional detail on borrowings is provided in Note 23.

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

	2020/21	2019/20
	Actual	Actual
	\$	\$
12. PROVISIONS		
Analysis of Total Provisions		
Current Provisions	359,518	352,111
Non Current Provisions	98,416	67,240
	<u>457,934</u>	<u>419,351</u>
	Provision for	
	Annual	
	Leave	
	\$	
Opening balance as at 1 July 2020	198,907	
Additional provisions	76,737	
Amounts used	<u>(23,565)</u>	
Balance at 30 June 2021	<u>252,079</u>	
	Provision for	
	Long Service	
	Leave	
	\$	
Opening balance as at 1 July 2020	220,444	
Additional provisions	46,285	
Amounts used	<u>(60,874)</u>	
Balance at 30 June 2021	<u>205,855</u>	



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

	2020/21 Actual \$	2020/21 Budget \$	2019/20 Actual \$
13. RESERVES - CASH BACKED			
(a) Annual Leave Reserve			
<i>Purpose - to be used to fund annual leave requirements.</i>			
Opening Balance	139,052	139,053	136,589
Amount Set Aside / Transfer to Reserve	637	834	2,463
Amount Used / Transfer from Reserve	-	-	-
	<u>139,689</u>	<u>139,887</u>	<u>139,052</u>
(b) Avon River Development Reserve			
<i>Purpose - to be used to develop the Avon River pool and surrounding environment.</i>			
Opening Balance	25,842	25,383	25,384
Amount Set Aside / Transfer to Reserve	118	508	458
Amount Used / Transfer from Reserve	-	-	-
	<u>25,960</u>	<u>25,891</u>	<u>25,842</u>
(c) Building Reserve			
<i>Purpose - to be used to fund the construction of new and renovation of existing Council buildings.</i>			
Opening Balance	288,997	288,997	352,638
Amount Set Aside / Transfer to Reserve	1,324	1,734	6,359
Amount Used / Transfer from Reserve	-	(144,000)	(70,000)
	<u>290,321</u>	<u>146,731</u>	<u>288,997</u>
(d) Community Bus Reserve			
<i>Purpose - to be used for the replacement of the Community Bus.</i>			
Opening Balance	37,843	37,842	36,075
Amount Set Aside / Transfer to Reserve	173	1,384	1,768
Amount Used / Transfer from Reserve	-	-	-
	<u>38,016</u>	<u>39,226</u>	<u>37,843</u>
(e) Cropping Committee Reserve			
<i>Purpose - to be used to fund Community Based projects and assist Community Groups.</i>			
Opening Balance	159,096	159,095	134,139
Amount Set Aside / Transfer to Reserve	31,607	38,683	40,397
Amount Used / Transfer from Reserve	-	(20,000)	(15,440)
	<u>190,703</u>	<u>177,778</u>	<u>159,096</u>
(f) Emergency Services Reserve			
<i>Purpose - to be used to acquire Emergency Service support equipment.</i>			
Opening Balance	28,570	28,570	126,293
Amount Set Aside / Transfer to Reserve	131	171	2,277
Amount Used / Transfer from Reserve	-	-	(100,000)
	<u>28,701</u>	<u>28,741</u>	<u>28,570</u>
(g) LSL and Gratuity Reserve			
<i>Purpose - to be used to fund Long Service Leave and Gratuity payment obligations.</i>			
Opening Balance	30,567	30,569	43,299
Amount Set Aside / Transfer to Reserve	103	183	781
Amount Used / Transfer from Reserve	(30,670)	(30,752)	(13,513)
	<u>-</u>	<u>-</u>	<u>30,567</u>

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

	2020/21 Actual \$	2020/21 Budget \$	2019/20 Actual \$
13. RESERVES - CASH BACKED (Continued)			
(h) Office Equipment Replacement Reserve			
<i>Purpose - to be used for the replacement of office equipment.</i>			
Opening Balance	-	-	94
Amount Set Aside / Transfer to Reserve	-	-	1
Amount Used / Transfer from Reserve	-	-	(95)
	<u>-</u>	<u>-</u>	<u>-</u>
(i) Plant Replacement Reserve			
<i>Purpose - to be used for the purchase of major plant.</i>			
Opening Balance	367,264	367,263	488,157
Amount Set Aside / Transfer to Reserve	51,706	52,204	8,803
Amount Used / Transfer from Reserve	-	(245,000)	(129,696)
	<u>418,970</u>	<u>174,467</u>	<u>367,264</u>
(j) Recreation Ground Reserve			
<i>Purpose - to be used for the upgrade or maintenance of recreation areas and buildings, including the Swimming Pool.</i>			
Opening Balance	432,413	432,413	419,842
Amount Set Aside / Transfer to Reserve	145,047	145,594	12,571
Amount Used / Transfer from Reserve	-	-	-
	<u>577,460</u>	<u>578,007</u>	<u>432,413</u>
(k) Road Construction Reserve			
<i>Purpose - to be used to fund the construction and maintenance of roads.</i>			
Opening Balance	513,661	513,661	495,740
Amount Set Aside / Transfer to Reserve	37,369	3,082	17,921
Amount Used / Transfer from Reserve	-	(326,286)	-
	<u>551,030</u>	<u>190,457</u>	<u>513,661</u>
(l) Airfield Emergency Lighting Reserve			
<i>Purpose - to be used for the upgrade and maintenance of the Airfield runway lighting.</i>			
Opening Balance	39,947	39,947	39,239
Amount Set Aside / Transfer to Reserve	183	240	708
Amount Used / Transfer from Reserve	-	-	-
	<u>40,130</u>	<u>40,187</u>	<u>39,947</u>
(m) Senior's Housing Reserve			
<i>Purpose - to be used for the future development and current maintenance of Senior's Housing.</i>			
Opening Balance	152,773	152,773	75,379
Amount Set Aside / Transfer to Reserve	9,281	49,443	77,394
Amount Used / Transfer from Reserve	-	(20,000)	-
	<u>162,054</u>	<u>182,216</u>	<u>152,773</u>
(n) Mainstreet Redevelopment Reserve			
<i>Purpose - to be used to fund the redevelopment of Vincent Street including undergrounding of power supply.</i>			
Opening Balance	306,000	306,000	-
Amount Set Aside / Transfer to Reserve	1,402	1,836	306,000
Amount Used / Transfer from Reserve	-	(307,836)	-
	<u>307,402</u>	<u>-</u>	<u>306,000</u>



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

	2020/21 Actual \$	2020/21 Budget \$	2019/20 Actual \$
13. RESERVES - CASH BACKED (Continued)			
(o) Avondale Machinery Museum Reserve			
<i>Purpose - to be used to fund Avondale Machinery Museum upgrades and special projects.</i>			
Opening Balance	60,000	60,000	-
Amount Set Aside / Transfer to Reserve	275	360	60,000
Amount Used / Transfer from Reserve	-	(20,000)	-
	<u>60,275</u>	<u>40,360</u>	<u>60,000</u>
(n) Summary			
Opening Balance	2,582,025	2,581,566	2,372,868
Amount Set Aside / Transfer to Reserve	279,356	296,256	537,901
Amount Used / Transfer from Reserve	(30,670)	(1,113,874)	(328,744)
Total Reserves	<u>2,830,711</u>	<u>1,763,948</u>	<u>2,582,025</u>

All of the reserve accounts are supported by money held in financial institutions and match the amounts shown as restricted cash in this financial report.

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

	2020/21 Actual \$	2019/20 Actual \$
14. ASSET REVALUATION SURPLUS		
Asset revaluation surplus have arisen on revaluation of the following classes of non-current assets:		
(a) Land and Buildings		
Opening balance	9,522,871	9,621,871
Changes in recognition of assets due to changes to Regulations	-	(99,000)
Revaluation Increment	8,393,340	-
	<u>17,916,211</u>	<u>9,522,871</u>
(b) Plant and Equipment		
Opening Balance	<u>436,388</u>	<u>436,388</u>
	<u>436,388</u>	<u>436,388</u>
(c) Infrastructure - Footpaths		
Opening Balance	<u>538,684</u>	<u>538,684</u>
	<u>538,684</u>	<u>538,684</u>
(d) Infrastructure - Bridges		
Opening Balance	<u>25,921,379</u>	<u>25,921,379</u>
	<u>25,921,379</u>	<u>25,921,379</u>
(e) Infrastructure - Drainage		
Opening Balance	<u>1,798,258</u>	<u>1,798,258</u>
	<u>1,798,258</u>	<u>1,798,258</u>
(f) Infrastructure - Parks & Ovals		
Opening Balance	<u>1,684,950</u>	<u>1,684,950</u>
	<u>1,684,950</u>	<u>1,684,950</u>
TOTAL ASSET REVALUATION RESERVES	<u><u>48,295,870</u></u>	<u><u>39,902,530</u></u>



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

15. 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:

	2020/21 Actual \$	2020/21 Budget \$	2019/20 Actual \$
Cash and Cash Equivalents	<u>5,446,092</u>	<u>1,953,136</u>	<u>1,931,559</u>

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

Net Result	1,431,639	951,795	153,446
Amortisation	-	-	-
Depreciation	2,359,536	2,313,194	2,330,127
(Profit)/Loss on Sale of Asset	21,292	(2,364)	40,050
(Increase)/Decrease in Receivables	407,444	-	(66,355)
(Increase)/Decrease in Inventories	(937)	-	3,157
Increase/(Decrease) in Payables	6,164	-	(143,532)
Increase/(Decrease) in Employee Provisions	38,583	-	51,127
Grants/Contributions for the Development of Assets	(2,326,087)	(3,012,200)	(824,214)
Net Cash from Operating Activities	<u>1,937,634</u>	<u>250,425</u>	<u>1,543,806</u>

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Credit Card limit	15,500	10,000
Credit Card Balance at Balance Date	(11,317)	(3,571)
Total Amount of Credit Unused	<u>4,183</u>	<u>6,429</u>

Loan Facilities

Loan Facilities - Current	102,055	137,938
Loan Facilities - Non-Current	1,277,172	1,379,225
Total Facilities in Use at Balance Date	<u>1,379,227</u>	<u>1,517,163</u>

Unused Loan Facilities at Balance Date	<u>-</u>	<u>-</u>
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16. CONTINGENT LIABILITIES

Council does not have any known contingent liabilities as at 30 June 2021.

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

	2020/21 Actual \$	2019/20 Actual \$
17. LEASE LIABILITY AND CAPITAL COMMITMENTS		
(a) Lease Liabilities		
Payable:		
- Current	6,833	-
- Non-current	13,673	-
	<u>20,506</u>	<u>-</u>

(b) Capital Expenditure Commitments

Council does not have any known Capital expenditure commitments as at 30 June 2021.

Contracted for:		
- capital expenditure projects	96,170	734,027
- plant & equipment purchases	506,980	95,475
	<u>603,150</u>	<u>829,502</u>
Payable:		
- not later than one year	603,150	829,502
	<u>603,150</u>	<u>829,502</u>

18. JOINT VENTURE

The Shire of Beverley did not participate in any joint venture in the 2020/21 financial year.

19. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

Governance	1,013,303	1,013,303
Law, Order, Public Safety	187,730	187,730
Health	466,468	466,468
Housing	3,312,129	3,312,129
Community Amenities	98,067	98,067
Recreation and Culture	10,962,294	10,962,294
Transport	65,063,432	65,063,432
Economic Services	570,509	570,509
Other Property and Services	1,861,084	1,861,084
Unallocated	15,264,741	5,061,959
	<u>98,799,757</u>	<u>88,596,975</u>



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

	2020/21	2019/20	2018/19
20. FINANCIAL RATIOS			
Current Ratio	1.88	2.73	2.26
Asset Sustainability Ratio	0.48	0.61	2.17
Debt Service Cover Ratio	7.52	7.38	8.04
Operating Surplus Ratio	(0.21)	(0.15)	(0.20)
Own Source Revenue Coverage Ratio	0.63	0.67	0.64
Asset Consumption Ratio	0.71	0.65	0.75
Asset Renewal Funding Ratio	1.09	1.94	1.56

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset Sustainability Ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expense}}$
Debt Service Cover Ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$
Asset Consumption Ratio	$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciable assets}}$
Asset Renewal Funding Ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

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

21. TRUST FUNDS

Funds held at balance date over which the Shire has no control and which are not included in the financial statements are as follows:

All funds held in trust are required by law or are held by agreement with fund owners.

Description	Balance 1-Jul-20 \$	Amounts Received \$	Amounts Paid (\$)	Reclassification Municipal Fund (\$)	Balance 30-Jun-21 \$
Unclaimed Monies	134	185	-	-	319
Nomination Deposits	-	-	-	-	-
Second Hand Housing Deposits	5,000	-	-	-	5,000
Housing Rental Bonds	5,552	500	(960)	-	5,092
Subdivision Bonds	10,000	-	-	-	10,000
Key Bonds	2,230	1,750	(1,630)	-	2,350
Cleaning Bonds	1,500	1,950	(1,800)	-	1,650
Funds held on behalf of the Community	11,382	-	(11,382)	-	-
Moort Wabiny Park Retention Fee Fund	-	57,069	(23,107)	-	33,962
Cornerstone Commercial Tenancy Bond	7,308	1,200	-	-	8,508
	<u>43,105</u>				<u>66,881</u>



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

22. DISPOSAL OF ASSETS

	2020/21 Actual Net Book Value	2020/21 Actual Sales Proceeds	2020/21 Actual Profit	2020/21 Actual (Loss)	2020/21 Budget Net Book Value	2020/21 Budget Sales Proceeds	2020/21 Budget Profit	2020/21 Budget (Loss)	2019/20 Actual Net Book Value	2019/20 Actual Sales Proceeds	2019/20 Actual Profit	2019/20 Actual (Loss)
Buildings - Specialised	-	-	-	-	-	-	-	-	4,874	-	-	(4,874)
Plant and Equipment	99,475	78,182	-	(21,293)	265,000	267,364	65,000	(62,636)	205,160	169,982	-	(35,178)
	99,475	78,182	-	(21,293)	265,000	267,364	65,000	(62,636)	210,034	169,982	-	(40,052)

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance						
2019 Holden Acadia SUV	41,207	50,000	38,182	41,000	(3,025)	(9,000)
Recreation & Culture						
2016 Chlorshield Chlorine Gas Emergency Shutdown Device	3,532	-	-	-	(3,532)	-
Other Property & Services						
2014 Fuso Canter Truck	40,996	40,000	26,364	26,364	(14,632)	(13,636)
2014 Holden Colorado Utility	13,740	50,000	13,636	20,000	(104)	(30,000)
2010 Holden Colorado Utility	-	30,000	-	20,000	-	(10,000)
2013 Isuzu Giga Tandem Truck	-	35,000	-	60,000	-	25,000
2013 John Deere 670GP Grader	-	60,000	-	100,000	-	40,000
	99,475	265,000	78,182	267,364	(21,293)	2,364

	2020/21 Actual \$	2019/20 Actual \$
Profit on Asset Disposal	-	-
(Loss) on Asset Disposal	(21,293)	(40,052)
	(21,293)	(40,052)

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

23. INFORMATION ON BORROWINGS**(a) Repayments - Debentures**

Particulars	Principal	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments		Principal	New Loans	Principal Repayments	Principal Outstanding	Interest Repayments
	1-Jul-20	30-Jun-21	30-Jun-21		30-Jun-21		30-Jun-21		1-Jul-19	30-Jun-20	30-Jun-20	30-Jun-20	30-Jun-20
	Actual \$	Actual \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Actual \$	Actual \$	Actual \$	Actual \$
Recreation & Culture													
Loan 117 - Bowling Greens*	26,334	-	17,287	17,288	9,047	9,046	1,466	1,597	42,604	-	16,270	26,334	2,892
<i>Loan Date: 22 November 2006</i>													
<i>Term: 15 Years</i>													
<i>Fixed Interest Rate: 6.16%</i>													
Loan 118 - Recreation Centre	743,686	-	44,974	44,974	698,712	698,712	36,823	39,265	807,364	-	63,678	743,686	44,261
<i>Loan Date: 10 May 2013</i>													
<i>Term: 20 Years</i>													
<i>Fixed Interest Rate: 4.68%</i>													
Loan 120 - Cornerstone Centre	715,807	-	44,339	44,339	671,468	671,468	26,821	29,535	758,634	-	42,827	715,807	33,713
<i>Loan Date: 12 April 2018</i>													
<i>Term: 15 Years</i>													
<i>Fixed Interest Rate: 3.50%</i>													
Community Amenities													
Loan 119 - Storm Water Dams	31,337	-	31,337	31,336	-	-	514	567	61,990	-	30,653	31,337	1,706
<i>Loan Date: 23 June 2016</i>													
<i>Term: 5 Years</i>													
<i>Fixed Interest Rate: 2.21%</i>													
	1,517,164	-	137,937	137,937	1,379,227	1,379,226	65,624	70,964	1,670,592	-	153,428	1,517,164	82,572

(*) Self supporting loan financed by payments from third parties. All other loan repayments were financed by general purpose revenue.

(b) New Debentures

Council did not raise any new debentures during the 2020/21 financial year.

(c) Unspent Debentures

Council had no unspent debentures at the balance date.

(d) Overdraft

Council did not utilise an overdraft facility in the 2020/21 financial year.



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

24. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2020/21 Rateable Value \$	2020/21 Rate Revenue \$	2020/21 Interim Rates \$	2020/21 Back Rates \$	2020/21 Total Revenue \$	2020/21 Budget Rate Revenue \$	2020/21 Budget Interim Rate \$	2020/21 Budget Back Rate \$	2020/21 Budget Total Revenue \$	2019/20 Total Revenue \$
General Rate												
General Rate - GRV	0.110717	500	5,840,594	646,653	(1,321)	-	645,332	645,233	1,000	-	646,233	644,847
General Rate - UV	0.008644	627	247,818,950	2,142,147	7,715	-	2,149,862	2,142,640	1,000	-	2,143,640	2,166,386
General Rate - UV Mining	0.008644	-	-	-	-	-	-	-	-	-	-	-
Sub-Totals		1,127	253,659,544	2,788,800	6,394	-	2,795,194	2,787,873	2,000	-	2,789,873	2,811,233
Minimum Rates	Minimum \$											
Minimum Rates - GRV	853	162	591,387	138,186	-	-	138,186	138,186	-	-	138,186	138,186
Minimum Rates - UV	853	129	6,838,000	110,037	-	-	110,037	110,037	-	-	110,037	84,447
Minimum Rates - UV Mining	853	4	67,382	3,412	-	-	3,412	3,412	-	-	3,412	3,412
Sub-Totals		295	7,496,769	251,635	-	-	251,635	251,635	-	-	251,635	226,045
Discounts (refer note 27)							3,046,829				3,041,508	3,037,278
							(252,411)				(243,161)	(226,269)
Total Amount Raised from General Rate							2,794,418				2,798,347	2,811,009
Ex-Gratia Rates							3,449				3,000	3,219
Rates Written Off							(959)				(500)	(976)
Specified Area Rate (refer note 25)							-				-	-
Total Rates							2,796,908				2,800,847	2,813,252

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

24. RATING INFORMATION (Continued)

(b) Information on Surplus/(Deficit) Brought Forward	2020/21 (30 June 2021 Carried Forward) \$	2020/21 (1 July 2020 Brought Forward) \$	2019/20 (30 June 2020 Carried Forward) \$
Surplus/(Deficit) - Rate Setting Statement	<u>1,653,812</u>	<u>1,426,432</u>	<u>1,426,432</u>
<u>Comprises:</u>			
Cash - Unrestricted	1,848,465	1,615,517	1,615,517
Cash - Restricted Grant Funds	462,862	-	-
Cash - Restricted Reserves	2,830,711	2,582,024	2,582,024
Rates - Current	257,252	295,769	295,769
Sundry Debtors	103,076	103,323	103,323
Contract Asset	100,000	17,795	17,795
Inventories			
- Fuel and Materials	10,281	9,345	9,345
Less:			
Reserves - Cash Backed	(2,830,711)	(2,582,024)	(2,582,024)
Sundry Creditors	(389,123)	(393,693)	(393,693)
Contract Liability	(462,862)	-	-
Lease Liability	(6,833)	-	-
Accrued Interest on Debentures	(5,238)	(5,626)	(5,626)
Accrued Salaries and Wages	(44,239)	(33,506)	(33,506)
Current Employee Benefits Provision	(359,518)	(352,111)	(352,111)
Employee Benefits - Cash Backed	139,689	169,619	169,619
Surplus/(Deficit)	<u>1,653,812</u>	<u>1,426,432</u>	<u>1,426,432</u>
Difference:	-	-	-

There was no difference between the Surplus/(Deficit) 1 July 2020 Brought Forward position used in the 2020/21 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2019/20 audited financial report.



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

25. SPECIFIED AREA RATE

Council has not levied any Specified Area Rates during 2020/21 financial year.

26. SERVICE CHARGES

Council has not levied any Service Charges during the 2020/21 financial year.

27. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	10.00%	252,411	243,161
Minimum Rate	Discount	10.00%	252,411	243,161

A discount on rates is granted to all who pay their rates in full within 35 days of the date of service appearing on the rate notice.

28. INTEREST CHARGES AND INSTALMENTS

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	8.00%	-	25,820	14,500
Interest on Deferred Pensioner Rates	2.26%	-	3,691	2,000
Interest on Instalments Plan	5.50%	-	2,778	4,000
Admin. Charge on Instalments Plan	0.00%	10	2,990	4,000
			35,279	24,500

Ratepayers had the option of paying rates in four equal instalments, due on 7th September 2020, 9th November 2020, 11th January 2021 and 11th March 2021. Administration charges and interest applied to the final three instalments.

29. FEES & CHARGES

	2020/21 Actual \$	2019/20 Actual \$
General Purpose Funding	30,855	14,992
Governance	4,595	11
Law, Order, Public Safety	18,988	10,828
Health	327	382
Housing	104,054	108,919
Community Amenities	234,859	231,464
Recreation and Culture	152,189	142,892
Transport	7,195	7,195
Economic Services	122,190	105,479
Other Property and Services	19,160	8,719
	<u>694,412</u>	<u>630,881</u>

All fees are generally set on a cost recovery basis.

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

GRANT REVENUE

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

	2020/21	2019/20
	Actual	Actual
	\$	\$
By Nature and Type:		
Operating Grants, Subsidies and Contributions*	1,637,341	1,899,398
Non-Operating Grants, Subsidies and Contributions	2,326,087	824,214
	<u>3,963,428</u>	<u>2,723,612</u>
By Program:		
General Purpose Funding	829,389	795,868
Governance	2,071	20,307
Law, Order, Public Safety	159,472	190,671
Housing	10,750	9,981
Community Amenities	3,091	4,329
Recreation and Culture	1,116,059	156,376
Transport	1,258,218	1,447,103
Economic Services	581,755	70,377
Other Property and Services	2,623	28,600
	<u>3,963,428</u>	<u>2,723,612</u>

* Operating Grants, Subsidies and Contributions total includes Reimbursements of \$130,826.



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

31. ELECTED MEMBERS REMUNERATION	2020/21 Actual \$	2020/21 Budget \$	2019/20 Actual \$
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees			
Cr Darryl Brown	1,800	3,600	3,600
Cr Don Davis	12,100	12,100	12,100
Cr Peter Gogol	3,600	3,600	3,600
Cr Chris Lawlor	3,600	3,600	3,600
Cr Sue Martin	3,600	3,600	3,600
Cr Terrance McLaughlin	3,600	3,600	3,600
Cr Chris Pepper	3,600	3,600	3,600
Cr Tim Seed	3,600	3,600	3,600
Cr David White	3,600	3,600	3,600
	<u>39,100</u>	<u>40,900</u>	<u>40,900</u>
President's Allowance			
Cr Don Davis	5,500	5,500	5,500
	<u>5,500</u>	<u>5,500</u>	<u>5,500</u>
Deputy President's Allowance			
Cr Chris Pepper	1,375	1,375	1,375
	<u>1,375</u>	<u>1,375</u>	<u>1,375</u>
Travel Allowance			
Cr Terrance McLaughlin	2,091	5,000	2,490
	<u>2,091</u>	<u>5,000</u>	<u>2,490</u>
Telecommunications Allowance			
Cr Darryl Brown	500	1,239	1,698
Cr Don Davis	1,122	1,239	1,698
Cr Peter Gogol	1,122	1,239	1,698
Cr Chris Lawlor	1,122	1,239	1,698
Cr Sue Martin	1,122	1,239	1,698
Cr Terrance McLaughlin	1,122	1,239	1,698
Cr Chris Pepper	1,122	1,239	1,698
Cr Tim Seed	1,122	1,239	1,698
Cr David White	1,122	1,239	1,698
	<u>9,476</u>	<u>11,151</u>	<u>15,282</u>
32. EMPLOYEE NUMBERS	2020/21 Actual \$	2019/20 Actual \$	
The number of full-time equivalent employees at balance date	<u>28</u>	<u>28</u>	
Number of Employees earning \$100,000+ Gross Salary per annum.	<u>2</u>	<u>2</u>	

The Chief Executive Officer and Deputy Chief Executive Officer earned a gross salary of \$100,000+ in 2020/21.

33. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during the 2020/21 financial year.

34. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2020/21

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

35. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk**Cash and cash equivalents**

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk.

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 are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2020/21					
Cash and cash equivalents	0.18%	5,142,037	2,830,709	2,311,028	300
2019/20					
Cash and cash equivalents	0.67%	4,197,539	3,293,124	904,115	300

Sensitivity

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

	2020/21	2019/20
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	54,461	19,316

* 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 23.



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

35. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit Risk

Trade 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 a 10% rate discount incentive.

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 also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

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 loss allowance as at 30 June 2021 was determined as follows for rates and trade receivables:

No expected credit loss was forecast on 30 June 2021 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates.

No expected credit loss was forecast on 30 June 2021 for trade receivables.

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

35. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
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. Council 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.

The contractual undiscounted cash flows of Council's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
2020/21					
Payables	450,588	-	-	450,588	450,588
Borrowings	9,047	-	1,370,180	1,379,227	1,379,227
	<u>459,635</u>	<u>-</u>	<u>1,370,180</u>	<u>1,829,815</u>	<u>1,829,815</u>
2019/20					
Payables	444,812	-	-	444,812	444,812
Borrowings	31,337	26,334	1,459,492	1,517,163	1,517,163
	<u>476,149</u>	<u>26,334</u>	<u>1,459,492</u>	<u>1,961,975</u>	<u>1,961,975</u>



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

35. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings (Continued)

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs. Council 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 following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
Year Ended 30 June 2021								
Fixed Rate								
Debentures	9,047	-	-	-	-	1,370,180	1,379,227	4.07%
Weighted Average Effective Interest Rate	6.16%	0.00%	0.00%	0.00%	0.00%	4.10%		
Year Ended 30 June 2020								
Fixed Rate								
Debentures	31,337	26,334	-	-	-	1,459,493	1,517,164	4.13%
Weighted Average Effective Interest Rate	2.21%	6.16%	0.00%	0.00%	0.00%	4.11%		

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

36. RELATED PARTY DISCLOSURES

(a) Key Management Personnel Compensation

Key Management Personnel (KMP) <i>Executive Staff with decision making responsibilities regarding the allocation of Council's resources.</i>	Short Term Benefits *	Post- Employment Benefits **	Other Long Term Benefits ***	Termination Benefits ****
Executive Staff Total	472,394	55,202	59,828	-

*** Short-term employee benefits**

These amounts include all gross salary, paid leave, fringe benefits and cash bonuses awarded to KMP.

Details in respect to fees and benefits paid to Elected Members may be found at Note 31.

**** Post-employment benefits**

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

***** Other long term benefits**

These amounts represent long service benefits accruing during the year.

****** Termination benefits**

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



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

36. RELATED PARTY DISCLOSURES (Continued)

(b) Related Party Disclosures

i) Ordinary Citizen Transactions

Use of facilities or any other Council provided service where a discount or special terms were applied that would not otherwise be offered to any other person.

KMP/Elected Member	Related Party	Nature	Value
Chief Executive Officer	N/A	Subsidised Gym Membership	200
Deputy Chief Executive Officer	N/A	Subsidised Gym Membership	200
Manager of Works	N/A	Subsidised Gym Membership	200
Manager of Planning and Development Services	N/A	Subsidised Gym Membership	200

ii) Leasing Agreements - Domestic Residential

Use of Council owned Domestic Residential Property whether by lease agreement or provisions under any other special terms that would not otherwise be offered to any other member of the public.

KMP/Elected Member	Related Party	Nature	Value
Chief Executive Officer	N/A	Subsidised Housing Lease	13,000
Deputy Chief Executive Officer	N/A	Subsidised Housing Lease	13,000
Manager of Planning and Development Services	N/A	Subsidised Housing Lease	13,000

iii) Leasing Agreements - Commercial

Use of Council owned Commercial Property whether by lease agreement or provisions under any other special terms that would not otherwise be offered to any other member of the public.

KMP/Elected Member	Related Party	Nature	Value
Manager of Planning and Development Services	Fun 2B Kids Family Day Care	Commercial lease of Office Space.	17,744

iv) Trading Arrangements - Provision of Goods or Services

Provision of Goods and/or Services to the Shire of Beverley.

KMP/Elected Member	Related Party	Nature	Value
Cr C Pepper	Beverley Supermarket & Liquor (IGA)	Supply of groceries/consumables.	8,743

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

37. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

(a) AASB 2018-7 Amendments to Australian Accounting Standards - Materiality

The Shire adopted AASB 2018-7 Amendments to Australian Accounting Standards - Materiality on 1 July 2020 resulting in changes in accounting policies.

(b) AASB 1059 Service Concession Arrangements: Grantors

The Shire adopted AASB 1059 Service Concession Arrangements: Grantors on 1 July 2020 resulting in changes in accounting policies.

After assessing, no service concession arrangements as per AASB 1059 are reportable.





Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Beverley

To the Councillors of the Shire of Beverley

Report on the audit of the annual financial report

Opinion

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

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

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

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

Basis for opinion

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

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

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



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

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

Auditor's responsibility for the audit of the financial report

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

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

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

Report on other legal and regulatory requirements

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

- (i) In my opinion, the following material matters indicates a significant adverse trend in the financial position of the Shire:
 - a) The Asset Sustainability Ratio as reported in Note 20 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries standard for the past 2 financial years.
 - b) The Operating Surplus Ratio as reported in Note 20 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries standard for the past 3 financial years.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

Other information

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

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



Matters relating to the electronic publication of the audited financial report

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



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



**SHIRE OF BEVERLEY
COUNCILLOR'S DECLARATION
FOR THE YEAR ENDED 30TH JUNE 2021**

In accordance with a resolution of the Councillors of the Shire of Beverley, we state that:

1. In the opinion of the Councillors:
 - 1.1 the financial statements and notes of the Shire of Beverley are in accordance with the Local Government Act 1995 and Regulations, including:
 - (a) giving a true and fair view of the Shire of Beverley's financial position as at 30 June 2021 and of its performance for the year ended on that date; and,
 - (b) complying with applicable Australian Accounting Standards; and
 - 1.2 there are reasonable grounds to believe that the Shire of Beverley will be able to pay its debts as and when they become due and payable.

On behalf of the Council:



Cr D White
President



Cr C Lawlor
Deputy President

Dated this 22nd day of February 2022



