

## **UNCONFIRMED MINUTES**

**PLEASE NOTE:** These Minutes have yet to be confirmed by Council as a true record of proceedings.



**MINUTES**

**FOR THE AUDIT AND RISK  
COMMITTEE MEETING**

**5 DECEMBER 2024**

## **MINUTES**

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## **MINUTES FOR AUDIT AND RISK COMMITTEE MEETING HELD ON THURSDAY 5 DECEMBER 2024 AT 4:41PM**

### **1. DECLARATION OF OPENING**

The presiding Member, Cr Patrick Hill, declared the Committee Meeting open at 4:41PM.

### **2. RECORD OF ATTENDANCE**

#### **2.1 PRESENT**

Cr P Hill	Member
Cr R Weldon	Member
Cr R Wedge	Member
Cr B Conway-Cox	Member
Cr P Ovans	Member
Cr M Pedder	Member
Mr P Marshall	Chief Executive Officer
Mr P Kerp	Manager of Works and Services

#### **2.2 APOLOGIES**

Cr S Weldon	Member
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#### **2.3 LEAVE OF ABSENCE**

Nil

#### **2.4 VISITORS**

Shruti Maharaj and Amit Kabra (via Zoom) from RSM Australia and Carly Meagher (via Zoom) from OAG, presented at 12:05PM.

### **3. CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

<b>3.1 MINUTES OF AUDIT COMMITTEE MEETING HELD 15<sup>TH</sup> FEBRUARY 2024</b>
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#### **ATTACHMENT**

ARC051224.3.1.A      Minutes of Audit and Risk Committee Meeting 15<sup>th</sup> February 2024

<b>RESOLUTION</b>	<b>COUNCIL DECISION</b>
MOVED: <u>Cr R Weldon</u> SECONDED: <u>Cr P Ovans</u>	
That the Minutes of the Audit and Risk Committee Meeting (Attachment ARC051224.3.1.A) held on 15 <sup>th</sup> February 2024, be confirmed as a true and accurate record of proceedings.	
<b>CARRIED 6/0</b>	



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## 4. REPORTS OF COMMITTEE AND OFFICERS

### 4.1 AUDIT REPORTS FOR THE YEAR ENDING 30<sup>TH</sup> JUNE 2024

<b>REPORT TO WHICH MEETING/COMMITTEE</b>	Audit and Risk Committee, 5 <sup>th</sup> December 2024
<b>DISCLOSURE OF INTEREST</b>	The author has no financial interest in the matter presented to the Council
<b>OWNER/APPLICANT</b>	Not Applicable
<b>AUTHOR</b>	Phil Marshall, Chief Executive Officer
<b>RESPONSIBLE OFFICER</b>	Phil Marshall, Chief Executive Officer
<b>PREVIOUS MEETING REFERENCE IF APPLICABLE</b>	The 2023 Audit report was reported to the Committee on the 15 <sup>th</sup> February 2024.

### MATTER FOR CONSIDERATION BY THE COUNCIL

That the Audit and Risk Committee to receive and consider the following documents and recommend to the Council for adoption:

- Management Letter from the Office of Auditor General (OAG)
- Independent Audit report for the year ending 30 June 2024
- Findings identified during the Final Audit 30 June 2024

### ATTACHMENTS

ARC051224.4.1.A	Independent Auditors report for the year ending 30 June 2024.
ARC051224.4.1.B	Management Letter for the year ending (to the Shire President and CEO) 30 June 2024
ARC051224.4.1.C	Findings identified during the Final audit 30 June 2024

### BACKGROUND

In accordance with section 7.9 of the Local Government Act 1995, the audit was conducted by the OAG and RSM.

### STATUTORY IMPLICATIONS

#### *Local Government Act 1995*

#### 1.3. *Content and intent*

(2) *This Act is intended to result in —*

- (a) *better decision-making by local governments; and*
- (b) *greater community participation in the decisions and affairs of local governments; and*
- (c) *greater accountability of local governments to their communities; and*
- (d) *more efficient and effective local government.*

- (3) *In carrying out its functions a local government is to use its best endeavours to meet the needs of current and future generations through an integration of environmental protection, social advancement, and economic prosperity.*

## **2.7. Role of council**

- (1) *The council —*
- (a) *governs the local government's affairs; and*
  - (b) *is responsible for the performance of the local government's functions.*
- (2) *Without limiting subsection (1), the council is to —*
- (a) *oversee the allocation of the local government's finances and resources; and*
  - (b) *determine the local government's policies.*

## **3.1. General function**

- (1) *The general function of a local government is to provide for the good government of persons in its district.*
- (2) *The scope of the general function of a local government is to be construed in the context of its other functions under this Act or any other written law and any constraints imposed by this Act or any other written law on the performance of its functions.*
- (3) *A liberal approach is to be taken to the construction of the scope of the general function of a local government.*

## **LOCAL GOVERNMENT ACT 1995 - SECT 7.9**

### **7.9. Audit to be conducted**

(1) An auditor is required to examine the accounts and annual financial report submitted for audit and, by the 31 December next following the financial year to which the accounts and report relate or such later date as may be prescribed, to prepare a report thereon and forward a copy of that report to —

- (a) the mayor or president; and
- (b) the CEO of the local government; and
- (c) the Minister.

(2) Without limiting the generality of subsection (1), where the auditor considers that —

- (a) there is any error or deficiency in an account or financial report submitted for audit; or
- (b) any money paid from, or due to, any fund or account of a local government has been or may have been misapplied to purposes not authorised by law; or

(c) there is a matter arising from the examination of the accounts and annual financial report that needs to be addressed by the local government,

details of that error, deficiency, misapplication or matter, are to be included in the report by the auditor.

(3) The Minister may direct the auditor of a local government to examine a particular aspect of the accounts and the annual financial report submitted for audit by that local government and to —

(a) prepare a report thereon; and

(b) forward a copy of that report to the Minister,

and that direction has effect according to its terms.

(4) If the Minister considers it appropriate to do so, the Minister is to forward a copy of the report referred to in subsection (3), or part of that report, to the CEO of the local government.

## **LOCAL GOVERNMENT ACT 1995 - SECT 7.12A**

### **7.12A. Duties of local government with respect to audits**

(1) A local government is to do everything in its power to —

(a) assist the auditor of the local government to conduct an audit and carry out the auditor's other duties under this Act in respect of the local government; and

(b) ensure that audits are conducted successfully and expeditiously.

(2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.

(3) A local government must —

(aa) examine an audit report received by the local government; and

(a) determine if any matters raised by the audit report, require action to be taken by the local government; and

(b) ensure that appropriate action is taken in respect of those matters.

(4) A local government must —

(a) prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and

(b) give a copy of that report to the Minister within 3 months after the audit report is received by the local government.

(5) Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government's official website.

## **LOCAL GOVERNMENT (AUDIT) REGULATIONS 1996 - REG 16**

### **16. Functions of audit committee**

An audit committee has the following functions —

- (a) to guide and assist the local government in carrying out —
  - (i) its functions under Part 6 of the Act; and
  - (ii) its functions relating to other audits and other matters related to financial management;
- (b) to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;
- (c) to review a report given to it by the CEO under [regulation 17\(3\)](#) (the *CEO's report*) and is to —
  - (i) report to the council the results of that review; and
  - (ii) give a copy of the CEO's report to the council;
- (d) to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under —
- (e) to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;
- (f) to oversee the implementation of any action that the local government —
  - (i) is required to take by section 7.12A(3); and
  - (ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and
  - (iii) has accepted should be taken following receipt of a report of a review conducted under [regulation 17\(1\)](#); and
  - (iv) has accepted should be taken following receipt of a report of a review conducted under the [Local Government \(Financial Management\) Regulations 1996 regulation 5\(2\)\(c\)](#);

(g) to perform any other function conferred on the audit committee by these regulations or another written law.

## STRATEGIC PLAN IMPLICATIONS

Civic Leadership Objective - A financially strong and knowledgeable Shire, leading an empowered community.

- Outcome 4.3 Improved planning
- 4.3.1 Continue to review and improve organisational plans.
- 4.3.2 Seek high level of statutory compliance.

## POLICY IMPLICATIONS

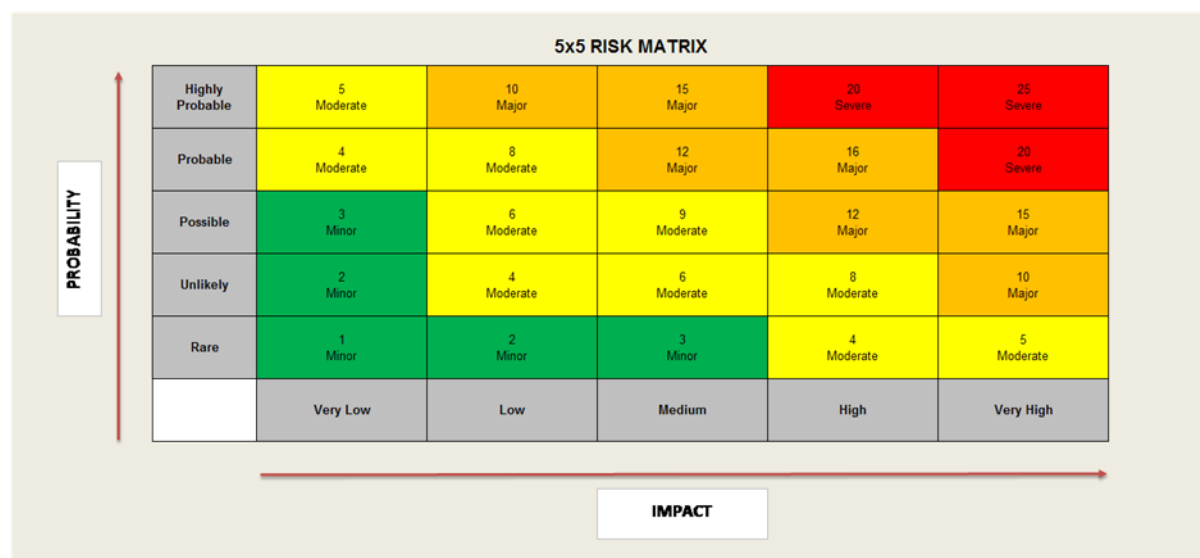
There are no policy implications to the Council.

## FINANCIAL IMPLICATIONS

A budget allocation of \$75,000.00 for the cost of the 23/24 financial year audit in the 24/25 budget.

## RISK MANAGEMENT

As the Council is meeting the requirements of the Local Government Act in both the acceptance of the Auditors Report and The Management Letter and with a non qualified audit, the level of Risk is considered Minor.



## CONSULTATION

Nil

## COMMENT

The findings identified during the audit and of importance is that there were no significant findings. The administration is mindful of several moderate issues including:

- Portable and attractive assets, this is an administration issue and not completed when requested. This is being undertaken now to ensure completeness.
- Accounts payable cut off issues, as described in the comments, the council held the creditors open to ensure payments could be directed to the 22/23 financial year. As a risk result, the comments are appropriate.

In the 22/23 financial year, the following items were raised in the audit.

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
<b>PRIOR YEAR FINDING</b>			
1. Purchasing policy – obtaining quotations	<b>P</b>		
<b>CURRENT YEAR FINDINGS</b>			
2. Fair value of Infrastructure, land and building assets - Frequency of Valuations	<b>P</b>		
3. Inventory management – lack of formal process		<b>P</b>	
4. Related party disclosures – lack of consistent process		<b>P</b>	
5. Purchasing policy – conflict of interests		<b>P</b>	
6. Credit card policy – frequency of review		<b>P</b>	
7. Cash count sheet – segregation of duties		<b>P</b>	

In 23/24 the following two items have been raised.

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Timely lodgement of Annual Returns	No		✓		
2. Unrecorded Liabilities	No			✓	✓

Please see attachment OMC 051224.4.1.C for the comments from the CEO.

The overall audit picture is good and whilst the administration will beg to disagree with the auditor's opinions, at some point the need to move forward to the next audit year.

The staff involved in the audit and through the council's consultancy has been strong in their endeavours to clarify and provide all relevant information.

I recommend the auditor's report to the Audit and Risk Committee for recommendation to the council for adoption.

**RESOLUTION**

**COUNCIL DECISION**

**MOVED:** Cr B Conway-Cox **SECONDED:** Cr M Pedder

**That the Audit and Risk Committee recommends to the Council that the:**

- **Independent Auditors report for the year ending 30 June 2024. Shown as Attachment ARC051224.4.1.A**
- **Management Letter for the year ending (to the Shire President and CEO) 30 June 2024. Shown as Attachment OMC051224.4.1.B**
- **Findings identified during the Final audit 30 June 2024. Shown as Attachment OMC051224.4.1.C**

**And as prepared by the Office of Auditor General and RSM be accepted and that the reports be published on the Shire of Laverton website in accordance with the Local Government Act 1995.**

**CARRIED 6/0**



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## Auditor General

### INDEPENDENT AUDITOR'S REPORT

2024

Shire of Laverton

To the Council of the Shire of Laverton

#### Opinion

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

- the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of financial activity for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial report:

- is based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2024 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

#### Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

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

#### Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2024, but not the financial report and my auditor's report.

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

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

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

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

The Chief Executive Officer (CEO) of the Shire is responsible for:

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

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

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

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

### **Auditor's responsibilities for the audit of the financial report**

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

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

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

### **My independence and quality management relating to the report on the financial report**

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

### **Matters relating to the electronic publication of the audited financial report**

This auditor's report relates to the financial report of the Shire of Laverton for the year ended 30 June 2024 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.



Carly Meagher  
Acting Senior Director Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
6 December 2024







Our Ref: 7942-002

7th Floor, Albert Facey House  
469 Wellington Street, Perth

Mr Phil Marshall  
Chief Executive Officer  
Shire of Laverton  
9 MacPherson Place  
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Dear Mr Marshall

#### **ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024**

The Office has completed the audit of the annual financial report for your Shire. In accordance with section 7.12AD (2) of the *Local Government Act 1995*, we enclose the Auditor General's auditor's report, together with the audited annual financial report.

We have also forwarded the reports to the President and the Minister for Local Government, as required by the Act. You are required to publish the annual report, including the auditor's report and the audited financial report, on your Shire's official website within 14 days after the annual report has been accepted by your Council.

#### **Management control issues**

While the result of the audit was generally satisfactory, I would like to draw your attention to the attached listing of deficiencies in internal control and other matters that were identified during the audit. These matters have been discussed with management and their comments have been included in the attachment. Also attached is a copy of my interim management letter issued on 10 July 2024 following the completion of the interim audit.

Please note that the purpose of our audit was to express an opinion on the financial report. The audit included consideration of internal control relevant to the preparation of the financial report in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

An audit is not designed to identify all internal control deficiencies that may require management attention. The matters being reported are limited to those deficiencies that have been identified during the audit that are of sufficient importance to warrant being reported. It is possible that other irregularities and deficiencies may have occurred and not been identified as a result of our audit.

The date the financial statements submitted by your entity and considered to be of audit ready quality is 23 September 2024. This date will be reported in our local government sector audit results report to be tabled in Parliament. I am providing this date for completeness of our Office's procedural fairness process.

If you have any queries in relation to this date, please contact me on 6557 7640 within 14 days of the date of this letter. If we do not hear from you, we will take this as confirmation of the date.

This letter has been provided for the purposes of the Shire and the Minister for Local Government and may not be suitable for other purposes.

I would like to take this opportunity to thank you, the management and the staff of the Shire for their cooperation with the audit team during our audit.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Carly Meagher', written in a cursive style.

Carly Meagher  
Acting Senior Director  
Financial Audit  
6 December 2024

Attach



Our Ref: 7942-002

7th Floor, Albert Facey House  
469 Wellington Street, Perth

Mr Patrick Hill  
President  
Shire of Laverton  
PO Box 42  
LAVERTON WA 6440

Mail to: Perth BC  
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PERTH WA 6849

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Email: [info@audit.wa.gov.au](mailto:info@audit.wa.gov.au)

Email: [crphill@laverton.wa.gov.au](mailto:crphill@laverton.wa.gov.au)

Dear Mr Hill

## **ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024**

The Office has completed the audit of the annual financial report for your local government. In accordance with section 7.12AD (2) of the *Local Government Act 1995*, we enclose the Auditor General's auditor's report, together with the audited annual financial report.

We have also forwarded the reports to the CEO and the Minister for Local Government, as required by the Act.

The CEO is required to publish the annual report, including the auditor's report and the audited financial report, on your Shire's official website within 14 days after the annual report has been accepted by your Council.

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I would like to take this opportunity to thank you, the management and the staff of the Shire for their cooperation with the audit team during our audit.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Carly Meagher', with a stylized, cursive script.

Carly Meagher  
Acting Senior Director  
Financial Audit  
6 December 2024

Attach

## ATTACHMENT

### SHIRE OF LAVERTON

PERIOD OF AUDIT: 1 JULY 2023 TO 30 JUNE 2024

### FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. No formal evidence of review of monthly reports	No		✓		✓
2. Evidence of cash count review	No		✓		

#### Key to ratings

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

**Significant -** Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However even if the issue is not likely to impact the audit opinion, it should be addressed promptly.

**Moderate -** Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.

**Minor -** Those findings that are not of primary concern but still warrant action being taken.

## ATTACHMENT

### SHIRE OF LAVERTON

PERIOD OF AUDIT: 1 JULY 2023 TO 30 JUNE 2024

### FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

#### 1. No formal evidence of review of monthly reports

##### Finding

During the course of the interim audit, we noted there is no formal evidence of review over the various monthly financial close processes such as:

- Bank Reconciliations
- Fixed Asset Register

We were advised that the CEO reviews these reports, however no formal evidence of the review is retained. This finding was first raised in FY 2023.

During the current year, we also noted that the bank reconciliations are also performed by the CEO. We acknowledge that the Shire has not been able to find a suitable replacement since the departure of the Deputy CEO last year.

**Rating: Moderate (2023: Moderate)**

##### Implication

Without documented evidence of the review, there is a risk that errors, discrepancies, or irregularities could go unnoticed. The documentation of the reviews also provides assurance to stakeholders and auditors about the effectiveness of internal controls.

##### Recommendation

We recommend that the CEO's review be formally documented and evidenced. This documentation may include signed or initialled review notes, electronic approval workflows or any other suitable means of capturing the review process.

##### Management comment

*Bank Reconciliation – is undertaken by the CEO*

*Fixed asset register Reconciliation – is undertaken and the CEO takes a cursory glance over the balance.*

*The staff of the Council and the Consultant, to me as the CEO are well versed in the way they conduct themselves and the business of the council with limited resources. Noted and endeavour to separate responsibilities.*

**Responsible person:** CEO  
**Completion date:** Immediate

**ATTACHMENT**

**SHIRE OF LAVERTON**

**PERIOD OF AUDIT: 1 JULY 2023 TO 30 JUNE 2024**

**FINDINGS IDENTIFIED DURING THE INTERIM AUDIT**

**2. Evidence of cash count review**

**Finding**

From our walkthrough of the daily cash count process for the Great Beyond Centre for 15 February 2024 we noted that, there was no evidence of review.

**Rating: Minor**

**Implication**

Without formal reviews, errors and omissions can go undetected. This may lead to potential misappropriation of cash and cash equivalents.

**Recommendation**

It is recommended that all daily balance sheet should be prepared and reviewed in a timely manner, signed and dated by both the preparer and reviewer to reinforce the assignment of responsibilities.

**Management comment**

*The cash floats will be prepared and reviewed as suggested.*

<b>Responsible person:</b>	CEO
<b>Completion date:</b>	Immediate



**ATTACHMENT****SHIRE OF LAVERTON****PERIOD OF AUDIT: 1 JULY 2023 TO 30 JUNE 2024****FINDINGS IDENTIFIED DURING THE FINAL AUDIT**

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Timely lodgement of Annual Returns	No		✓		
2. Unrecorded Liabilities	No			✓	✓

**Key to ratings**

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

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**Moderate -** Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.

**Minor -** Those findings that are not of primary concern but still warrant action being taken.

## ATTACHMENT

### SHIRE OF LAVERTON

PERIOD OF AUDIT: 1 JULY 2023 TO 30 JUNE 2024

### FINDINGS IDENTIFIED DURING THE FINAL AUDIT

#### 1. Timely lodgement of Annual Returns

##### Finding:

Through enquiries with management, we noted that most of FY24 annual returns were not lodged during the period July 2024 – August 2024. As per the *Local Government Act 1995*, an annual return must be lodged no later than 31 August in any year.

**Rating: Moderate**

##### Implication:

Failure to lodge the annual returns by the due date can result in non-compliance with the *Local Government Act 1995*. This non-compliance may lead to potential penalties, reputational damage, and a lack of transparency in the financial reporting process. It can also affect the council's ability to make informed decisions based on accurate and timely financial information.

##### Recommendation:

1. **Implement a Compliance Calendar:** Establish a compliance calendar that includes all critical deadlines, such as the due date for lodging annual returns. This calendar should be regularly reviewed and updated to ensure all statutory obligations are met on time.
2. **Assign Responsibility:** Designate a specific individual or team responsible for monitoring and ensuring the timely submission of annual returns. This person or team should be accountable for tracking deadlines and coordinating the necessary documentation.
3. **Regular Training:** Provide regular training for staff on the requirements of the *Local Government Act 1995* and the importance of timely submission of annual returns. This will help ensure that all relevant personnel are aware of their responsibilities and the consequences of non-compliance.

##### Management comment:

*The finding is noted, the administration tried to prompt early lodgements to be made on time and this will be undertaken as at the 30<sup>th</sup> of June yearly. The matter is within the compliance calendar, responsibility rests with the CEO and training is not required as the Act is clear.*

**Responsible Person:** Chief Executive Officer

**Completion Date:** 30<sup>th</sup> November 2024



## ATTACHMENT

### SHIRE OF LAVERTON

PERIOD OF AUDIT: 1 JULY 2023 TO 30 JUNE 2024

### FINDINGS IDENTIFIED DURING THE FINAL AUDIT

#### 2. Unrecorded Liabilities

##### Finding

During the final audit, from our procedures and testing over subsequent payments and liabilities, we noted that there were a few issues relating to accounts payables as of 30 June 2024.

We initially tested 13 samples, from subsequent bank payments for the period 1<sup>st</sup> July 2024 to 31 August 2024 and have noted that 9 of the 13 samples have been recorded in the incorrect financial year. The invoices for the samples were for services provided during FY24, however no accrual was made to record the payable as of 30 June 2024. It was deemed that the samples were incorrectly excluded from payables as of 30 June 2024. The total value of the samples that were not recorded as of 30 June 2024 was \$96,193 which was not considered to be material.

**Rating: Minor**

##### Implication

1. **Financial Misstatement:** The exclusion of \$96,193 from the accounts payables as of 30 June 2024 results in a misstatement of the financial position of the company. This misstatement could affect the accuracy and reliability of the financial statements.
2. **Compliance Risk:** Failure to record liabilities accurately may lead to non-compliance with accounting standards and regulatory requirements, potentially resulting in penalties or other legal consequences.
3. **Operational Impact:** Inaccurate financial records can hinder effective decision-making and financial planning, impacting the company's operational efficiency and strategic initiatives.

##### Recommendation

1. **Review and Rectify:** Conduct a thorough review of all accounts payables as of 30 June 2024 to identify and rectify any unrecorded liabilities. Ensure that all invoices for services provided during FY24 are accurately recorded in the correct financial year.
2. **Strengthen Controls:** Implement stronger internal controls and procedures to ensure timely and accurate recording of accounts payables. This may include regular reconciliations, periodic reviews, and enhanced oversight of the accounts payable process.
3. **Training and Awareness:** Provide training to relevant staff on the importance of accurate financial reporting and the procedures for recording accounts payables. Increase awareness of the implications of financial misstatements and the need for compliance with accounting standards.



**ATTACHMENT**

**SHIRE OF LAVERTON**

**PERIOD OF AUDIT: 1 JULY 2023 TO 30 JUNE 2024**

**FINDINGS IDENTIFIED DURING THE FINAL AUDIT**

4. **Continuous Monitoring:** Establish a continuous monitoring system to regularly review and assess the accuracy of financial records. This will help in early detection and correction of any discrepancies in accounts payables.

**Management Comment;**

*The finding is noted and that the administration has a process in place for the 30<sup>th</sup> of June yearly to follow and any matter under \$5,000 is considered immaterial for the financial statements.*

**Responsible Person:** Chief Executive Officer

**Completion Date:** 30<sup>th</sup> November 2024

## 4.2 ANNUAL REPORT FOR YEAR ENDING 30<sup>TH</sup> JUNE 2024

<b>Report to which meeting/committee</b>	Audit and Risk Committee Meeting, 5 <sup>th</sup> December 2024
<b>Disclosure of interest</b>	The author has no financial interest in the matter presented to the Council
<b>Owner/applicant</b>	Not applicable
<b>Author</b>	Phil Marshall Chief Executive Officer
<b>Responsible Officer</b>	Phil Marshall Chief Executive Officer
<b>Previous meeting Reference if Applicable</b>	Last Annual Report was considered at the 15 <sup>th</sup> February 2024 meeting of the Audit and Risk Committee

### MATTER FOR CONSIDERATION BY THE COUNCIL

That the Audit and Risk Committee receive and consider the Annual report for the year ending 30 June 2024 and recommend to the full Council meeting for adoption of the Annual Report and setting of the Annual Electors meeting date.

### ATTACHMENTS

ARC051224.4.2.A	Shire of Laverton Financial Statements for the 30 June 2024
ARC051224.4.2.B	Representation Letter in Respect of the Shire of Laverton Annual Financial Report

### BACKGROUND

The Audit Report for the 2023/2024 Annual Financial Statements is to be received from the Office of Auditor General (OAG) on the 5<sup>th</sup> December 2024. The Annual Report is to be accepted by the Shire of Laverton no later than two months after the Auditor's Report becomes available in accordance with the Local Government Act 1995, section 5.27(2) refers.

### STATUTORY IMPLICATIONS

#### *Local Government Act 1995*

#### **1.3. Content and intent**

- (2) *This Act is intended to result in —*
- (a) *better decision-making by local governments; and*
  - (b) *greater community participation in the decisions and affairs of local governments; and*
  - (c) *greater accountability of local governments to their communities; and*
  - (d) *more efficient and effective local government.*
- (3) *In carrying out its functions a local government is to use its best endeavours to meet the needs of current and future generations through an integration of environmental protection, social advancement, and economic prosperity.*

## **2.7. Role of council**

- (1) *The council —*
  - (a) *governs the local government's affairs; and*
  - (b) *is responsible for the performance of the local government's functions.*
- (2) *Without limiting subsection (1), the council is to —*
  - (a) *oversee the allocation of the local government's finances and resources; and*
  - (b) *determine the local government's policies.*

## **3.1. General function**

- (1) *The general function of a local government is to provide for the good government of persons in its district.*
- (2) *The scope of the general function of a local government is to be construed in the context of its other functions under this Act or any other written law and any constraints imposed by this Act or any other written law on the performance of its functions.*
- (3) *A liberal approach is to be taken to the construction of the scope of the general function of a local government.*

## **LOCAL GOVERNMENT ACT 1995 - SECT 5.53**

### **5.53 Annual reports**

- (1) The local government is to prepare an annual report for each financial year.
- (2) The annual report is to contain —
  - (a) a report from the mayor or president; and
  - (b) a report from the CEO; and
  - (c) an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year; and
  - (d) the financial report for the financial year; and
  - (e) such information as may be prescribed in relation to the payments made to employees; and
  - (f) the auditor's report prepared under section 7.9(1) or 7.12AD(1) for the financial year; and
  - (g) a matter on which a report must be made under section 29(2) of the *Disability Services Act 1993* ; and

- (hb) details of entries made under section 5.121 during the financial year in the register of complaints, including —
  - (i) the number of complaints recorded in the register of complaints; and
  - (ii) how the recorded complaints were dealt with; and
  - (iii) any other details that the regulations may require;and
  - (i) such other information as may be prescribed.

## **LOCAL GOVERNMENT ACT 1995 - SECT 5.54**

### **5.54 Acceptance of annual reports**

- (1) Subject to subsection (2), the annual report for a financial year is to be accepted\* by the local government no later than 31 December after that financial year.

*\* Absolute majority required.*

- (2) If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

## **LOCAL GOVERNMENT ACT 1995 - SECT 5.55**

### **5.55 Notice of annual reports**

The CEO is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government.

## **LOCAL GOVERNMENT ACT 1995 - SECT 5.27**

### **5.27 Electors' general meetings**

- (1) A general meeting of the electors of a district is to be held once every financial year.
- (2) A general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year.

## **STRATEGIC PLAN IMPLICATIONS**

Civic Leadership Objective - A financially strong and knowledgeable Shire, leading an empowered community.

- 4.3.2 Seek high level of statutory compliance.

## POLICY IMPLICATIONS

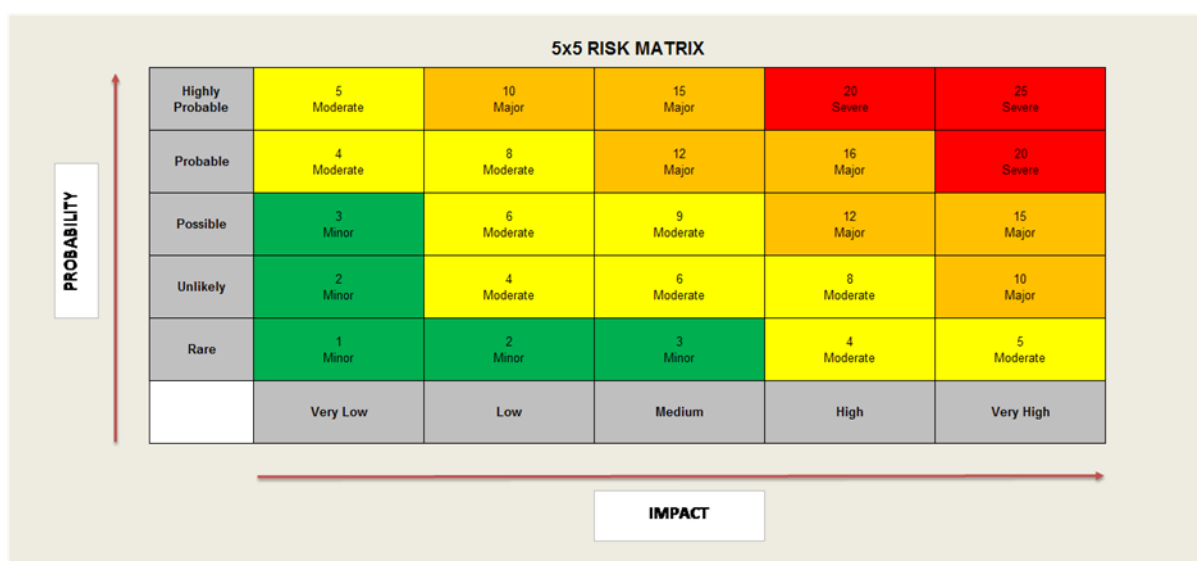
There are no policy implications to this report.

## FINANCIAL IMPLICATIONS

The Council at the time of receiving the report has not received the final accounts for the audit.  
A Budget allocation of \$75,000 under account no 2140484 Admin- Audit Fees

## RISK MANAGEMENT

As the Council is meeting the requirements of the Local Government Act, the level of risk is very low.



## CONSULTATION

Nil

## COMMENT

The purpose of the Annual Report and acceptance is to meet statutory reporting requirements and to set a date for the Annual Electors meeting to be within 56 days of the 5<sup>th</sup> December 2024, and the intended date of is well within this timeline.

**RESOLUTION**

**COUNCIL DECISION**

**MOVED:** Cr R Wedge **SECONDED:** Cr P Ovans

- 1. That the Audit and Risk Committee recommends to the Council that by an absolute majority in accordance with section 5.54 of the Local Government Act 1995 ACCEPT the Financial Statements for the year ending 30 June 2024 as shown as Attachment ARC051224.4.2.A**
- 2. That the Audit and Risk Committee recommends to the Council to set the Electors General Meeting in accordance with section 5.27 of the Local Government Act 1995 to be held on the 23<sup>rd</sup> January 2025 at 5.00pm in the Council Chambers to present the Annual Report for the year ending 30 June 2024.**

**CARRIED 6/0**

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**SHIRE OF LAVERTON**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

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

*The Shire will endeavour to provide the community services and facilities to meet the needs of the members of the community and enable them to enjoy a pleasant and healthy way of life.*

Principal place of business:  
9 MacPherson Place  
PO Box 42  
Laverton WA 6440



**SHIRE OF LAVERTON  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

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

**STATEMENT BY CEO**

The accompanying financial report of the Shire of Laverton has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2024 and the financial position as at 30 June 2024.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the

5<sup>TH</sup>

day of

DECEMBER

2024

CEO

Phillip Marshall  
Name of CEO



**SHIRE OF LAVERTON**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
<b>Revenue</b>				
Rates	2(a),25	6,610,316	7,163,352	6,477,731
Grants, subsidies and contributions	2(a)	4,394,732	3,813,860	4,903,731
Fees and charges	2(a)	1,133,128	1,281,723	1,041,516
Interest revenue	2(a)	971,935	640,012	609,481
Other revenue	2(a)	466,496	168,417	464,611
		<u>13,576,607</u>	<u>13,067,364</u>	<u>13,497,070</u>
<b>Expenses</b>				
Employee costs	2(b)	(4,032,657)	(4,126,900)	(3,491,126)
Materials and contracts		(4,362,518)	(6,840,901)	(1,865,379)
Utility charges		(431,816)	(385,066)	(391,576)
Depreciation		(2,112,136)	(2,378,991)	(2,870,536)
Finance costs		(46,348)	(82,657)	(45,323)
Insurance		(198,555)	(335,754)	(176,942)
Other expenditure	2(b)	(1,030,202)	0	(595,893)
		<u>(12,214,232)</u>	<u>(14,150,269)</u>	<u>(9,436,775)</u>
		1,362,375	(1,082,905)	4,060,295
Capital grants, subsidies and contributions	2(a)	1,915,464	3,445,152	757,132
Profit on asset disposals		8,173	0	28,947
Loss on asset disposals		(162,111)	(89,000)	(71,242)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	1,682	0	3,686
		<u>1,763,208</u>	<u>3,356,152</u>	<u>718,523</u>
<b>Net result for the period</b>		<b>3,125,583</b>	<b>2,273,247</b>	<b>4,778,818</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	16	3,918,479	0	24,281,928
<b>Total other comprehensive income for the period</b>	16	<b>3,918,479</b>	<b>0</b>	<b>24,281,928</b>
<b>Total comprehensive income for the period</b>		<b>7,044,062</b>	<b>2,273,247</b>	<b>29,060,746</b>

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



**SHIRE OF LAVERTON**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2024**

	NOTE	2024	2023
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	7,373,969	18,283,973
Trade and other receivables	5	497,576	960,848
Other financial assets	4(a)	10,779,621	0
Inventories	6	114,629	109,489
Other assets	7	116,455	51,810
<b>TOTAL CURRENT ASSETS</b>		<b>18,882,250</b>	<b>19,406,120</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	5,888	4,680
Other financial assets	4(b)	83,172	81,490
Property, plant and equipment	8	17,528,375	14,883,277
Infrastructure	9	169,939,569	163,395,868
<b>TOTAL NON-CURRENT ASSETS</b>		<b>187,557,004</b>	<b>178,365,315</b>
<b>TOTAL ASSETS</b>		<b>206,439,254</b>	<b>197,771,435</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	1,303,177	538,453
Other liabilities	13	2,004,806	1,074,677
Borrowings	14	210,633	255,669
Employee related provisions	15	639,340	418,857
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,157,956</b>	<b>2,287,656</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	14	1,040,739	1,251,372
Employee related provisions	15	67,487	103,397
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,108,226</b>	<b>1,354,769</b>
<b>TOTAL LIABILITIES</b>		<b>5,266,182</b>	<b>3,642,425</b>
<b>NET ASSETS</b>		<b>201,173,072</b>	<b>194,129,010</b>
<b>EQUITY</b>			
Retained surplus		92,030,969	89,258,779
Reserve accounts	28	7,089,629	6,736,236
Revaluation surplus	16	102,052,474	98,133,995
<b>TOTAL EQUITY</b>		<b>201,173,072</b>	<b>194,129,010</b>

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



**SHIRE OF LAVERTON  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2022</b>		<b>84,827,136</b>	<b>6,389,061</b>	<b>73,852,067</b>	<b>165,068,264</b>
Comprehensive income for the period					
Net result for the period		4,778,818	0	0	4,778,818
Other comprehensive income for the period	16	0	0	24,281,928	24,281,928
Total comprehensive income for the period		4,778,818	0	24,281,928	29,060,746
Transfers from reserve accounts	28	599,561	(599,561)	0	0
Transfers to reserve accounts	28	(946,736)	946,736	0	0
<b>Balance as at 30 June 2023</b>		<b>89,258,779</b>	<b>6,736,236</b>	<b>98,133,995</b>	<b>194,129,010</b>
Comprehensive income for the period					
Net result for the period		3,125,583	0	0	3,125,583
Other comprehensive income for the period	16	0	0	3,918,479	3,918,479
Total comprehensive income for the period		3,125,583	0	3,918,479	7,044,062
Transfers from reserve accounts	28	400,000	(400,000)	0	0
Transfers to reserve accounts	28	(753,393)	753,393	0	0
<b>Balance as at 30 June 2024</b>		<b>92,030,969</b>	<b>7,089,629</b>	<b>102,052,474</b>	<b>201,173,072</b>

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



**SHIRE OF LAVERTON  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2024**

	<b>NOTE</b>	<b>2024 Actual \$</b>	<b>2023 Actual \$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates		6,899,628	6,478,579
Grants, subsidies and contributions		4,783,832	4,670,999
Fees and charges		1,141,796	785,303
Interest revenue		971,935	609,481
Goods and services tax received		558,322	336,931
Other revenue		466,496	464,611
		<u>14,822,009</u>	<u>13,345,904</u>
<b>Payments</b>			
Employee costs		(3,853,970)	(3,458,541)
Materials and contracts		(3,689,817)	(1,350,234)
Utility charges		(431,816)	(391,576)
Finance costs		(46,348)	(45,323)
Insurance paid		(198,555)	(176,942)
Goods and services tax paid		(772,873)	(379,415)
Other expenditure		(1,012,543)	(595,893)
		<u>(10,005,922)</u>	<u>(6,397,924)</u>
<b>Net cash provided by operating activities</b>		<u>4,816,087</u>	<u>6,947,980</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchase of property, plant & equipment	8(a)	(2,142,893)	(281,907)
Payments for construction of infrastructure	9(a)	(5,833,047)	(2,306,528)
Transfers (to)/from term deposits	7	(10,779,621)	0
Capital grants, subsidies and contributions		2,845,593	1,337,431
Proceeds from sale of property, plant & equipment		439,546	155,929
<b>Net cash (used in) investing activities</b>		<u>(15,470,422)</u>	<u>(1,095,075)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	27(a)	(255,669)	(335,235)
<b>Net cash (used in) financing activities</b>		<u>(255,669)</u>	<u>(335,235)</u>
<b>Net increase (decrease) in cash held</b>		<u>(10,910,004)</u>	<u>5,517,670</u>
Cash at beginning of year		18,283,973	12,766,303
<b>Cash and cash equivalents at the end of the year</b>		<u><u>7,373,969</u></u>	<u><u>18,283,973</u></u>

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



**SHIRE OF LAVERTON**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities</b>				
General rates		6,499,366	7,053,452	6,368,847
Rates excluding general rates		110,950	109,900	108,884
Grants, subsidies and contributions		4,394,732	3,813,860	4,903,731
Fees and charges		1,133,128	1,281,723	1,041,516
Interest revenue		971,935	640,012	609,481
Other revenue		466,496	168,417	464,611
Profit on asset disposals		8,173	0	28,947
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	1,682	0	3,686
		<u>13,586,462</u>	<u>13,067,364</u>	<u>13,529,703</u>
<b>Expenditure from operating activities</b>				
Employee costs		(4,032,657)	(4,126,900)	(3,491,126)
Materials and contracts		(4,362,518)	(6,840,901)	(1,865,379)
Utility charges		(431,816)	(385,066)	(391,576)
Depreciation		(2,112,136)	(2,378,991)	(2,870,536)
Finance costs		(46,348)	(82,657)	(45,323)
Insurance		(198,555)	(335,754)	(176,942)
Other expenditure		(1,030,202)	0	(595,893)
Loss on asset disposals		(162,111)	(89,000)	(71,242)
		<u>(12,376,343)</u>	<u>(14,239,269)</u>	<u>(9,508,017)</u>
Non cash amounts excluded from operating activities	26(a)	2,289,146	2,467,991	2,903,236
<b>Amount attributable to operating activities</b>		<u>3,499,265</u>	<u>1,296,086</u>	<u>6,924,922</u>
<b>INVESTING ACTIVITIES</b>				
<b>Inflows from investing activities</b>				
Capital grants, subsidies and contributions		1,915,464	3,445,152	757,132
Proceeds from disposal of assets		439,546	120,000	155,929
		<u>2,355,010</u>	<u>3,565,152</u>	<u>913,061</u>
<b>Outflows from investing activities</b>				
Purchase of property, plant and equipment	8(a)	(2,142,893)	(8,066,500)	(281,907)
Purchase and construction of infrastructure	9(a)	(5,833,047)	(9,107,000)	(2,306,528)
		<u>(7,975,940)</u>	<u>(17,173,500)</u>	<u>(2,588,435)</u>
<b>Amount attributable to investing activities</b>		<u>(5,620,930)</u>	<u>(13,608,348)</u>	<u>(1,675,374)</u>
<b>FINANCING ACTIVITIES</b>				
<b>Inflows from financing activities</b>				
Proceeds from borrowings	27(a)	0	2,500,000	0
Transfers from reserve accounts	28	400,000	800,000	599,561
		<u>400,000</u>	<u>3,300,000</u>	<u>599,561</u>
<b>Outflows from financing activities</b>				
Repayment of borrowings	27(a)	(255,669)	(294,765)	(335,235)
Transfers to reserve accounts	28	(753,393)	(1,472,812)	(946,736)
		<u>(1,009,062)</u>	<u>(1,767,577)</u>	<u>(1,281,971)</u>
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>				
<b>Surplus or deficit at the start of the financial year</b>	26(b)	11,056,754	10,779,839	6,489,616
Amount attributable to operating activities		3,499,265	1,296,086	6,924,922
Amount attributable to investing activities		(5,620,930)	(13,608,348)	(1,675,374)
Amount attributable to financing activities		(609,062)	1,532,423	(682,410)
<b>Surplus or deficit after imposition of general rates</b>	26(b)	<u>8,326,027</u>	<u>0</u>	<u>11,056,754</u>

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

**SHIRE OF LAVERTON  
FOR THE YEAR ENDED 30 JUNE 2024  
INDEX OF NOTES TO THE FINANCIAL REPORT**

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# SHIRE OF LAVERTON NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

## 1. BASIS OF PREPARATION

The financial report of the Shire of Laverton which is a Class 3 local government comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

**Local Government Act 1995 requirements**  
Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the *Local Government Act 1995*, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board except for disclosure requirements of:  
• AASB 7 Financial Instruments Disclosures  
• AASB 16 Leases paragraph 58  
• AASB 101 Presentation of Financial Statements paragraph 61  
• AASB 107 Statement of Cash Flows paragraphs 43 and 45  
• AASB 116 Property, Plant and Equipment paragraph 79  
• AASB 137 Provisions, Contingent Liabilities and Contingent Assets paragraph 85  
• AASB 140 Investment Property paragraph 75(f)  
• AASB 1052 Disaggregated Disclosures paragraph 11  
• AASB 1054 Australian Additional Disclosures paragraph 16

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

The *Local Government (Financial Management) Regulations 1996* provide that: land and buildings classified as property, plant and equipment; or - infrastructure; or - vested improvements that the local government controls; and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116 Property, Plant and Equipment, which would have required the Shire to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of the non-financial assets.

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

**Critical accounting estimates and judgements**  
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 amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the financial report.

The following are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and further information on their nature and impact can be found in the relevant note:

- Fair value measurement of assets carried at reportable value including:
  - Property, plant and equipment - note 8
  - Infrastructure - note 9
- Expected credit losses on financial assets - note 5
- Measurement of employee benefits - note 15
- Measurement of provisions - note 15

Fair value hierarchy information can be found in note 24

### The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 29 of the financial report.

### Initial application of accounting standards

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates

This standard resulted in terminology changes relating to material accounting policies (formerly referred to as significant accounting policies).

### New accounting standards for application in future years

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

- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current
- AASB 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
- AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

These amendments may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.

- AASB 2023-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements
- These amendments may result in additional disclosures in the case of applicable finance arrangements.



**SHIRE OF LAVERTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**2. REVENUE AND EXPENSES**

**(a) Revenue**

**Contracts with customers**

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and charges - sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

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

**Revenue Recognition**

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

**For the year ended 30 June 2024**

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	0	6,610,316	6,610,316
Grants, subsidies and contributions	4,330,087	0	0	64,645	4,394,732
Fees and charges	1,133,128	0	0	0	1,133,128
Interest revenue	0	0	0	971,935	971,935
Other revenue	0	0	0	466,496	466,496
Capital grants, subsidies and contributions	0	1,915,464	0	0	1,915,464
<b>Total</b>	<b>5,463,215</b>	<b>1,915,464</b>	<b>0</b>	<b>8,113,392</b>	<b>15,492,071</b>

**For the year ended 30 June 2023**

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	0	6,477,731	6,477,731
Grants, subsidies and contributions	4,903,731	0	0	0	4,903,731
Fees and charges	1,041,516	0	0	0	1,041,516
Interest revenue	0	0	0	609,481	609,481
Other revenue	0	0	0	464,611	464,611
Capital grants, subsidies and contributions	0	757,132	0	0	757,132
<b>Total</b>	<b>5,945,247</b>	<b>757,132</b>	<b>0</b>	<b>7,551,823</b>	<b>14,254,202</b>

**SHIRE OF LAVERTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

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

**(a) Revenue (Continued)**

<b>Note</b>	<b>2024 Actual \$</b>	<b>2023 Actual \$</b>
<b>Interest revenue</b>		
Interest on reserve account	483,570	223,973
Trade and other receivables overdue interest	0	53,450
Other interest revenue	<u>488,365</u>	<u>332,058</u>
	971,935	609,481

The 2024 original budget estimate in relation to:  
Trade and other receivables overdue interest was nil.

**Fees and charges relating to rates receivable**

Charges on instalment plan	4,395	2,090
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The 2024 original budget estimate in relation to:  
Charges on instalment plan was \$2,000.

**(b) Expenses**

**Auditors remuneration**

- Audit of the Annual Financial Report	58,280	58,200
- Other services – grant acquittals	<u>2,800</u>	<u>3,000</u>
	61,080	61,200

**Employee Costs**

Employee benefit costs	3,978,678	3,444,920
Other employee costs	<u>53,979</u>	<u>46,206</u>
	4,032,657	3,491,126

**Finance costs**

Interest and financial charges paid/payable for financial liabilities not at fair value through profit or loss	<u>46,348</u>	<u>45,323</u>
	46,348	45,323

**Other expenditure**

Write down of inventories to net realisable value	6	17,659	0
Sundry expenses		<u>1,012,543</u>	<u>595,893</u>
		1,030,202	595,893

SHIRE OF LAVERTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024

3. CASH AND CASH EQUIVALENTS

Note	2024	2023
	\$	\$
Cash at bank and on hand	7,373,969	11,547,737
Term deposits	0	6,736,236
<b>Total cash and cash equivalents</b>	<b>7,373,969</b>	<b>18,283,973</b>
Held as		
- Unrestricted cash and cash equivalents	7,373,969	10,473,060
- Restricted cash and cash equivalents	18 0	7,810,913
	<b>7,373,969</b>	<b>18,283,973</b>

**MATERIAL ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

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

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

**Restricted financial assets**

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

4. OTHER FINANCIAL ASSETS

Note	2024	2023
	\$	\$
<b>(a) Current assets</b>		
Financial assets at amortised cost	10,779,621	0
	<b>10,779,621</b>	<b>0</b>
<b>Other financial assets at amortised cost</b>		
Term deposits	10,779,621	0
	<b>10,779,621</b>	<b>0</b>
Held as		
- Unrestricted other financial assets at amortised cost	3,689,992	0
- Restricted other financial assets at amortised cost	7,089,629	0
	<b>10,779,621</b>	<b>0</b>
<b>(b) Non-current assets</b>		
Financial assets at fair value through profit or loss	83,172	81,490
	<b>83,172</b>	<b>81,490</b>
<b>Non-current financial assets</b>		
Units in Local Government House Trust - opening balance	81,490	77,804
Movement attributable to fair value increment	1,682	3,686
Non-current financial assets - closing balance	<b>83,172</b>	<b>81,490</b>

**MATERIAL ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 24 (f)) due to the observable market rates).

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

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

The Shire has elected to classify the following financial assets at fair value through profit or loss:

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

**SHIRE OF LAVERTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**5. TRADE AND OTHER RECEIVABLES**

Note	2024	2023
	\$	\$
<b>Current</b>		
Rates and statutory receivables	398,607	678,662
Trade receivables	15,477	404,577
GST receivable	308,967	94,416
Allowance for credit losses of rates and statutory receivables	(223,975)	(215,858)
Allowance for credit losses of trade receivables	(1,500)	(949)
	<u>497,576</u>	<u>960,848</u>
<b>Non-current</b>		
Rates and statutory receivables	5,888	4,680
	<u>5,888</u>	<u>4,680</u>

The carrying amounts of the trade and other receivables include receivables which are subject to a factoring arrangement. Under the factoring arrangement, the Shire of Somewhere has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables, late payment and credit risk remains with the Shire of Somewhere, therefore the Shire continues to recognise the transferred assets in their entirety. The amount repayable under the factoring arrangement is presented as a secured borrowing under other loans at Note 14. The Shire considers that the held to collect business model remains appropriate for these receivables and continues measuring them at amortised cost.

**Disclosure of opening and closing balances related to contracts with customers**

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

Note	30 June 2024 Actual	30 June 2023 Actual	1 July 2022 Actual
	\$	\$	\$
Trade and other receivables from contracts with customers	(389,100)	328,891	24,128
Allowance for credit losses of trade receivables	(1,500)	(949)	0
Total trade and other receivables from contracts with customers	<u>(390,600)</u>	<u>327,942</u>	<u>24,128</u>

**MATERIAL ACCOUNTING POLICIES**

**Rates and statutory receivables**

Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

**Trade receivables**

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations or for the construction of recognisable non financial assets as part of the ordinary course of business.

**Other receivables**

Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers and amounts received as grants for the construction of recognisable non financial assets.

**Measurement**

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

**Classification and subsequent measurement**

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

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

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

**SHIRE OF LAVERTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**6. INVENTORIES**

	Note	2024	2023
Current		\$	\$
Fuel and materials		43,342	20,543
Visitor centre stock		71,287	88,946
		<u>114,629</u>	<u>109,489</u>

The following movements in inventories occurred during the year:

Balance at beginning of year		109,489	174,482
Inventories expensed during the year		(266,158)	(246,685)
Write down of inventories to net realisable value	2(b)	(17,659)	0
Additions to inventory		<u>288,957</u>	<u>181,692</u>
Balance at end of year		<u>114,629</u>	<u>109,489</u>

**MATERIAL ACCOUNTING POLICIES**

**General**

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

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

**SHIRE OF LAVERTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**7. OTHER ASSETS**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Other assets - current</b>		
Accrued income	116,455	51,810
	<b>116,455</b>	<b>51,810</b>

**MATERIAL ACCOUNTING POLICIES**

**Other current assets**

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



SHIRE OF LAVERTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Amount Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value - as determined at the last valuation date					
Land and buildings					
Land	2	Market approach using recent observable market data using similar properties/income approach using discounted cashflow methodology	Independent registered valuers	June 2024	Price per hectare/market borrowing rate
Buildings	2	Market approach using recent observable market data using similar properties/income approach using discounted cashflow methodology	Independent registered valuers	June 2024	Price per square metre/market borrowing rates
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. The valuation techniques applied to property subject to lease was the same as that applied to property not subject to lease.					
(ii) Cost					
Buildings - work in progress	3	Cost approach not including depreciation until asset is completed and capitalised	Management valuation	June 2024	Construction costs



**SHIRE OF LAVERTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**9. INFRASTRUCTURE**

**(a) Movements in Balances**

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

	Infrastructure - roads	Infrastructure - footpaths & cycleways	Other Infrastructure	Infrastructure - drains & parks and ovals	Total Infrastructure
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2022</b>	127,892,668	163,687	10,851,734	43,729	138,951,818
Additions	2,258,933	0	47,595	0	2,306,528
Revaluation increments transferred to revaluation surplus	7,595,402	498,567	0	16,187,959	24,281,928
Depreciation	(1,759,310)	(3,433)	(381,663)		(2,144,406)
<b>Balance at 30 June 2023</b>	135,987,693	658,821	10,517,666	16,231,688	163,395,868
<b>Comprises:</b>					
Gross balance at 30 June 2023	135,987,693	658,821	11,588,178	16,233,713	164,468,405
Accumulated depreciation at 30 June 2023	0	0	(1,070,512)	(2,025)	(1,072,537)
<b>Restated balance at 1 July 2023</b>	135,987,693	658,821	10,517,666	16,231,688	163,395,868
Additions	3,781,890	0	2,051,157	0	5,833,047
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	2,042,840	0	2,042,840
Depreciation	(909,577)	(16,470)	(390,035)	(16,104)	(1,332,186)
<b>Balance at 30 June 2024</b>	138,860,006	642,351	14,221,628	16,215,584	169,939,569
<b>Comprises:</b>					
Gross balance at 30 June 2024	139,769,583	658,821	14,221,628	16,233,713	170,865,616
Accumulated depreciation at 30 June 2024	(909,577)	(16,470)	0	(18,129)	(926,047)
<b>Balance at 30 June 2024</b>	138,860,006	642,351	14,221,628	16,215,584	169,939,569

SHIRE OF LAVERTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024

9. INFRASTRUCTURE (Continued)

(b) Carrying Amount Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value - as determined at the last valuation date					
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2023	Construction costs and current condition residual values and remaining useful life assessment inputs
Other Infrastructure - footpaths & cycleways	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2023	Construction costs and current condition residual values and remaining useful life assessment inputs
Other Infrastructure	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2024	Construction costs and current condition residual values and remaining useful life assessment inputs
Other Infrastructure - drainage & parks and ovals	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2023	Construction costs and current condition residual values and remaining useful life assessment inputs

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

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

**SHIRE OF LAVERTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**10. FIXED ASSETS**

**(a) Depreciation**

**Depreciation rates**

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

<b>Asset Class</b>	<b>Useful life</b>
Land - freehold land	no limit
Buildings	30 to 80 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Buildings - work in progress	no depreciation
Infrastructure - roads	40 to 80 years
Other infrastructure Footpaths & cycleways	20 to 50 years
Other infrastructure	10 to 75 years

**Revision of useful lives of plant and equipment**

The useful lives of property plant and equipment is reviewed annually by management.

**(b) Temporarily Idle or retired from use assets**

There are no assets held by the Shire which are temporarily idle or retired from active use or classified as held for sale.

**(c) Fully Depreciated Assets in Use**

The gross carrying amount of assets held by the Shire which are currently in use yet fully depreciated are Nil.

**SHIRE OF LAVERTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**10. FIXED ASSETS (Continued)**

**MATERIAL ACCOUNTING POLICIES**

**Initial recognition**

An item of property, plant and equipment or infrastructure that qualifies for recognition as an asset is measured at its cost.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the 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. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition.

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

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

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the Shire's revaluation policy, are recognised at cost and disclosed as being at reportable value.

**Measurement after recognition**

Plant and equipment including furniture and equipment and right-of-use assets (other than vested improvements) are measured using the cost model as required under *Local Government (Financial Management) Regulation 17A(2)*. Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses being their reportable value.

**Reportable Value**

In accordance with *Local Government (Financial Management) Regulation 17A(2)*, the carrying amount of non-financial assets that are land and buildings classified as property, plant and equipment, investment properties, infrastructure or vested improvements that the local government controls.

Reportable value is for the purpose of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date minus (to the extent applicable) the accumulated depreciation and any accumulated impairment losses in respect of the non-financial asset subsequent to its last valuation date.

**Revaluation**

Land and buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls and measured at reportable value, are only required to be revalued 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 land vested in the Shire.

Whilst the regulatory framework only requires a revaluation to occur every five years, it also provides for the Shire to revalue earlier if it chooses to do so.

For land, buildings and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity.

Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

**Depreciation**

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

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

**Depreciation on revaluation**

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

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

**Impairment**

In accordance with *Local Government (Financial Management) Regulations 17A(4C)*, the Shire is not required to comply with *AASB 136 Impairment of Assets* to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

In other circumstances where it has been assessed that one or more of these non-financial assets are impaired, the asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**Gains or losses on disposal**

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

**SHIRE OF LAVERTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**11. LEASES**

**Lessor - Property, Plant and Equipment Subject to Lease**

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

Less than 1 year

1 to 2 years

2 to 3 years

3 to 4 years

4 to 5 years

<b>2024</b>	<b>2023</b>
<b>Actual</b>	<b>Actual</b>
<b>\$</b>	<b>\$</b>
55,521	49,358
57,742	51,332
0	53,385
0	55,521
0	57,742
<b>113,263</b>	<b>267,338</b>

**Amounts recognised in profit or loss for Property, Plant and Equipment Subject to Lease**

Rental income

0

44,739

**MATERIAL ACCOUNTING POLICIES**

**The Shire as Lessor**

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

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

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

When a contract is determined to include lease and non-lease components, the Shire applies AASB 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component

**SHIRE OF LAVERTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**12. TRADE AND OTHER PAYABLES**

**Current**

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

	2024	2023
	\$	\$
Sundry creditors	1,017,093	337,547
Prepaid rates	93,706	83,241
ATO liabilities	83,615	89,501
Bonds and deposits held	0	705
Accrued salaries and wages	34,808	16,790
Accrued interest on loans	3,033	3,487
Other payables	70,922	7,182
	<u>1,303,177</u>	<u>538,453</u>

**MATERIAL ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

**Prepaid rates**

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

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

	2024	2023
	\$	\$
<b>Current</b>		
Capital grant/contributions liabilities	2,004,806	1,074,677
	<u>2,004,806</u>	<u>1,074,677</u>
<b>Reconciliation of changes in contract liabilities</b>		
Opening balance	1,074,677	494,378
Additions	2,004,806	580,299
Revenue from contracts with customers included as a contract liability at the start of the period	(1,074,677)	0
	<u>2,004,806</u>	<u>1,074,677</u>

The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$2,004,806 (2023: \$1,074,677)

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

**Reconciliation of changes in capital grant/contribution liabilities**

Opening balance	1,074,677	494,378
Additions	2,004,806	580,299
Revenue from capital grant/contributions held as a liability at the start of the period	(1,074,677)	0
	<u>2,004,806</u>	<u>1,074,677</u>

**Expected satisfaction of capital grant/contribution liabilities**

Less than 1 year	2,004,806	1,074,677
	<u>2,004,806</u>	<u>1,074,677</u>

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

**MATERIAL ACCOUNTING POLICIES**

**Capital grant/contribution liabilities**

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

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy.

**SHIRE OF LAVERTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**14. BORROWINGS**

	Note	2024			2023		
		Current	Non-current	Total	Current	Non-current	Total
Unsecured		\$	\$	\$	\$	\$	\$
Loans		210,633	1,040,739	1,251,372	255,669	1,251,372	1,507,041
<b>Total unsecured borrowings</b>	<b>27(a)</b>	<b>210,633</b>	<b>1,040,739</b>	<b>1,251,372</b>	<b>255,669</b>	<b>1,251,372</b>	<b>1,507,041</b>

**MATERIAL ACCOUNTING POLICIES**

**Borrowing costs**

The Shire has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

**Risk**

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



**SHIRE OF LAVERTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**15. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Current provisions</b>		
<b>Employee benefit provisions</b>		
Annual leave	235,871	218,703
Long service leave	219,874	116,641
Other employee leave provisions	183,595	83,513
	<b>639,340</b>	<b>418,857</b>
<b>Total current employee related provisions</b>	<b>639,340</b>	<b>418,857</b>
<b>Non-current provisions</b>		
<b>Employee benefit provisions</b>		
Long service leave	67,487	103,397
	<b>67,487</b>	<b>103,397</b>
<b>Total non-current employee related provisions</b>	<b>67,487</b>	<b>103,397</b>
<b>Total employee related provisions</b>	<b>706,827</b>	<b>522,254</b>

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

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

	<b>Note</b>	<b>2024</b>	<b>2023</b>
		<b>\$</b>	<b>\$</b>
<b>Amounts are expected to be settled on the following basis:</b>			
Less than 12 months after the reporting date		287,981	218,703
More than 12 months from reporting date		418,846	303,551
		<b>706,827</b>	<b>522,254</b>

**MATERIAL ACCOUNTING POLICIES**

**Employee benefits**

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

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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

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

	<b>2024 Opening Balance</b>	<b>Total Movement on Revaluation</b>	<b>2024 Closing Balance</b>	<b>2023 Opening Balance</b>	<b>Total Movement on Revaluation</b>	<b>2023 Closing Balance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revaluation surplus - Land - freehold land	0	(36,100)	(36,100)	0	0	0
Revaluation surplus - Buildings	6,201,246	1,911,739	8,112,985	6,201,246	0	6,201,246
Revaluation surplus - Infrastructure - roads	91,932,749	0	91,932,749	67,650,821	24,281,928	91,932,749
Revaluation surplus - Infrastructure - other	0	2,042,840	2,042,840	0	0	0
	<b>98,133,995</b>	<b>3,918,479</b>	<b>102,052,474</b>	<b>73,852,067</b>	<b>24,281,928</b>	<b>98,133,995</b>

**SHIRE OF LAVERTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**17. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

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

	Note	2024 Actual \$	2023 Actual \$
Cash and cash equivalents	3	7,373,969	18,283,973

**Restrictions**

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

- Cash and cash equivalents	3	0	7,810,913
- Financial assets at amortised cost		9,094,435	0
		<u>9,094,435</u>	<u>7,810,913</u>

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

Restricted reserve accounts	28	7,089,629	6,736,236
Capital grant liabilities	13	2,004,806	1,074,677
<b>Total restricted financial assets</b>		<u>9,094,435</u>	<u>7,810,913</u>

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

Net result		3,125,583	4,778,818
Non-cash items:			
Adjustments to fair value of financial assets at fair value through profit or loss		(1,682)	(3,686)
Depreciation/amortisation		2,112,136	2,870,536
(Profit)/loss on sale of asset		153,938	42,295
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		462,064	(613,822)
(Increase)/decrease in other assets		(64,645)	205,655
(Increase)/decrease in inventories		(5,140)	64,993
Increase/(decrease) in trade and other payables		764,724	365,271
Increase/(decrease) in employee related provisions		184,573	(4,948)
Increase/(decrease) in other liabilities		930,129	580,299
Capital grants, subsidies and contributions		<u>(2,845,593)</u>	<u>(1,337,431)</u>
Net cash provided by/(used in) operating activities		<u>4,816,087</u>	<u>6,947,980</u>

**SHIRE OF LAVERTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**18. RESTRICTIONS OVER FINANCIAL ASSETS**

	<b>Note</b>	<b>2024 Actual \$</b>	<b>2023 Actual \$</b>
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	0	7,810,913
- Financial assets at amortised cost	4	9,094,435	0
		<u>9,094,435</u>	<u>7,810,913</u>
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	28	7,089,629	6,736,236
Capital grant liabilities	13	2,004,806	1,074,677
<b>Total restricted financial assets</b>		<u>9,094,435</u>	<u>7,810,913</u>

**19. UNDRAWN BORROWING FACILITIES AND CREDIT  
STANDBY ARRANGEMENTS**

Bank overdraft limit	0	500,000
Bank overdraft at balance date	0	0
Credit card limit	35,000	25,000
Credit card balance at balance date	0	(19,094)
<b>Total amount of credit unused</b>	<u>35,000</u>	<u>505,906</u>
<b>Loan facilities</b>		
Loan facilities - current	210,633	255,669
Loan facilities - non-current	1,040,739	1,251,372
<b>Total facilities in use at balance date</b>	<u>1,251,372</u>	<u>1,507,041</u>
<b>Unused loan facilities at balance date</b>	0	0

**SHIRE OF LAVERTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**20. CONTINGENT LIABILITIES**

No known contingent liabilities exist at 30 June 2024.

**21. CAPITAL COMMITMENTS**

No capital commitments apply at 30 June 2024

**SHIRE OF LAVERTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**22. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

Fees, expenses and allowances to be paid or reimbursed to elected council members.

	Note	2024 Actual \$	2024 Budget \$	2023 Actual \$
President's annual allowance		38,450	38,450	36,117
President's meeting attendance fees		17,030	21,290	16,395
President's annual allowance for ICT expenses		1,500	8,000	0
		<u>56,980</u>	<u>67,740</u>	<u>52,512</u>
Deputy President's annual allowance		9,613	26,642	9,029
Deputy President's meeting attendance fees		17,030	10,645	16,776
Deputy President's annual allowance for ICT expenses		1,500	2,000	0
		<u>28,143</u>	<u>39,287</u>	<u>25,805</u>
All other council member's meeting attendance fees		84,750	53,215	82,736
All other council member's annual allowance for ICT expenses		7,750	10,000	0
		<u>92,500</u>	<u>63,215</u>	<u>82,736</u>
	22(b)	<u>177,623</u>	<u>170,242</u>	<u>161,053</u>

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

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

Short-term employee benefits	647,033	691,068
Post-employment benefits	78,527	105,239
Employee - other long-term benefits	7,103	37,082
Employee - termination benefits	18,281	0
Council member costs	22(a) <u>177,623</u>	<u>161,053</u>
	<u>928,567</u>	<u>994,442</u>

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

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

*Termination benefits*

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

*Council member costs*

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

**SHIRE OF LAVERTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**22. RELATED PARTY TRANSACTIONS**

**Transactions with related parties**

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

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

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

	<b>2024</b>	<b>2023</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
Sale of goods and services	3,465	0
Purchase of goods and services	165,472	191,393
Payment of council member costs (Refer to Note 23(a))	177,623	161,053
<b>Amounts payable to related parties:</b>		
Trade and other payables	3,713	39,035

**Related Parties**

The Shire's main related parties are as follows:

*i. Key management personnel*

*Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Shire, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 22(a) and 22(b).*

*ii. Other Related Parties*

During the previous year, a company controlled by a related party of a council member, was awarded a contract under the selective tender process on terms and conditions equivalent for those that prevail in arm's length transactions under the Shire's procurement process.

Short-term employee benefits related to an associate person of the CEO who was employed by the Shire under normal employment terms and conditions.

Outside of normal citizen type transactions with the Shire, there were no other related party transactions involving key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

*iii. Entities subject to significant influence by the Shire*

There were no such entities requiring disclosure during the current or previous year.

**SHIRE OF LAVERTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**23. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

There were no events occurring after the end of the reporting period which would be of material impact to the financial statements for the year ended 30 June 2024.



**SHIRE OF LAVERTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**24. OTHER MATERIAL ACCOUNTING POLICIES**

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

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

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

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

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

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

**c) Rounding off figures**

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

**d) Comparative figures**

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

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

**e) Budget comparative figures**

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

**f) Superannuation**

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

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

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

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

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

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

**h) Interest revenue**

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

**i) Fair value hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

**j) Impairment of assets**

In accordance with Australian Accounting Standards the Shire's 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 except for non-financial assets that are:

- land and buildings classified as property, plant and equipment;
- infrastructure; or
- vested improvements that the local government controls, in circumstances where there has been an impairment indication of a general decrease in asset values.

These non-financial assets are assessed in accordance with the regulatory framework detailed in Note 10.

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 *Property, Plant and Equipment*) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

SHIRE OF LAVERTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024

25. RATING INFORMATION

(a) General Rates

RATE TYPE	Basis of valuation	Rate in \$	Number of Properties	2023/24 Rateable Value*	2023/24 Actual Rate	2023/24 Actual Revenue	2023/24 Actual Interim Rates	2023/24 Actual Total Revenue	2023/24 Budget Rate	2023/24 Budget Interim Rate	2023/24 Budget Total Revenue	2022/23 Actual Total Revenue
GRV - Townsite	Gross rental valuation	0.125562	166	2,843,450	\$ 357,029	\$ 363,974	\$ 6,945	\$ 363,974	\$ 362,644	\$	\$ 362,644	\$ 344,778
GRV - Mining	Gross rental valuation	0.100649	14	13,122,500	1,320,767	1,320,767		1,320,767	1,320,767		1,320,767	1,257,870
GRV - Miscellaneous	Gross rental valuation	0.125562	2	14,919	1,873	1,873		1,873	1,873		1,873	1,784
UV - Pastoral	Unimproved valuation	0.105879	15	510,483	54,049	54,049		54,049	51,297		51,297	48,854
UV - Mining	Unimproved valuation	0.2	780	26,973,362	5,394,672	4,729,101	(665,571)	4,729,101	5,394,672		5,394,672	4,693,363
UV - Shared Tenements	Unimproved valuation	0.2	55	1,496,087	299,217	299,217		299,217	299,218		299,218	263,884
<b>Total general rates</b>			<b>1,032</b>	<b>44,960,801</b>	<b>7,427,607</b>	<b>6,768,981</b>	<b>(658,626)</b>	<b>6,768,981</b>	<b>7,430,471</b>	<b>0</b>	<b>7,430,471</b>	<b>6,610,533</b>
<b>Minimum payment</b>		<b>\$</b>										
GRV - Townsite	Gross rental valuation	350	61	15,387	21,350	21,350		21,350	20,300		20,300	19,095
GRV - Mining	Gross rental valuation	350	1	20	350	350		350	350		350	335
GRV - Miscellaneous	Gross rental valuation	350	0	0	0	0		0	0		0	0
UV - Pastoral	Unimproved valuation	350	3	3,000	1,050	1,050		1,050	1,050		1,050	1,005
UV - Mining	Unimproved valuation	350	243	244,843	85,050	85,050		85,050	85,050		85,050	85,425
UV - Shared Tenements	Unimproved valuation	175	18	5,707	3,150	3,150		3,150	3,150		3,150	3,024
<b>Total minimum payments</b>			<b>326</b>	<b>268,957</b>	<b>110,950</b>	<b>110,950</b>	<b>0</b>	<b>110,950</b>	<b>109,900</b>	<b>0</b>	<b>109,900</b>	<b>108,884</b>
<b>Total general rates and minimum payments</b>			<b>1,358</b>	<b>45,229,758</b>	<b>7,538,557</b>	<b>6,879,931</b>	<b>(658,626)</b>	<b>6,879,931</b>	<b>7,540,371</b>	<b>0</b>	<b>7,540,371</b>	<b>6,719,417</b>
Discounts												
<b>Total Rates</b>						<b>(269,615)</b>		<b>(269,615)</b>			<b>(377,019)</b>	<b>(241,686)</b>
											<b>7,163,352</b>	<b>6,477,731</b>
Rate instalment interest												
Rate overdue interest												
											<b>2,000</b>	<b>6,212</b>
											<b>40,200</b>	<b>46,678</b>

The rate revenue was recognised from the rate record as soon as practicable after the Shire resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

\*Rateable Value at time of raising of rate.

**SHIRE OF LAVERTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**26. DETERMINATION OF SURPLUS OR DEFICIT**

		2023/24 (30 June 2024 Carried Forward)	2023/24 Budget (30 June 2024 Carried Forward)	2023/24 (1 July 2023 Brought Forward)	2022/23 (30 June 2023 Carried Forward)
	Note	\$	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>					
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .					
<b>Adjustments to operating activities</b>					
Less: Profit on asset disposals		(8,173)	0	(28,947)	(28,947)
Less: Movement in employee entitlement liabilities		61,872	0	0	0
Less: Fair value adjustments to financial assets at fair value through profit or loss		(1,682)	0	(3,686)	0
Add: Loss on disposal of assets		162,111	89,000	71,242	71,242
Add: Depreciation	10(a)	2,112,136	2,378,991	2,870,536	2,870,536
Non-cash movements in non-current assets and liabilities:					
Pensioner deferred rates		(1,208)	0	(961)	(961)
Employee benefit provisions		(35,910)	0	(4,948)	(4,948)
<b>Non-cash amounts excluded from operating activities</b>		<b>2,289,146</b>	<b>2,467,991</b>	<b>2,903,236</b>	<b>2,906,922</b>
<b>(b) Surplus or deficit after imposition of general rates</b>					
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.					
<b>Adjustments to net current assets</b>					
Less: Reserve accounts	28	(7,089,629)	(7,409,047)	(6,736,236)	(6,736,236)
Less: Rates receivable		0	(226,700)	0	0
Less: Payables		0	(225,000)	0	0
Add: Current liabilities not expected to be cleared at end of year					
- Current portion of borrowings	14	210,633	2,500,000	255,669	255,669
- Current portion of contract liability held in reserve		0	1,074,677	0	0
- Employee benefit provisions held in reserve		480,729	0	418,857	418,857
<b>Total adjustments to net current assets</b>		<b>(6,398,267)</b>	<b>(4,286,070)</b>	<b>(6,061,710)</b>	<b>(6,061,710)</b>
<b>Net current assets used in the Statement of Financial Activity</b>					
Total current assets		18,882,250	8,160,376	19,406,120	19,406,120
Less: Total current liabilities		(4,157,956)	(3,874,306)	(2,287,656)	(2,287,656)
Less: Total adjustments to net current assets		(6,398,267)	(4,286,070)	(6,061,710)	(6,061,710)
<b>Surplus or deficit after imposition of general rates</b>		<b>8,326,027</b>	<b>0</b>	<b>11,056,754</b>	<b>11,056,754</b>

SHIRE OF LAVERTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024

27. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual				Budget			
		Principal		New Loans		Principal		New Loans	
		Principal at 1 July 2022	Repayments During 2022-23	Principal at 30 June 2023	Repayments During 2023-24	Principal at 1 July 2023	Repayments During 2023-24	Principal at 1 July 2023	Repayments During 2023-24
Housing									
Burt Street Units		95,579	(46,674)	48,905	(48,905)	48,904	(48,904)	0	0
DCEO House		170,935	(24,166)	146,769	(24,905)	146,770	(24,906)	121,864	121,864
Recreation and culture									
Community hub		376,059	(53,166)	322,893	(54,793)	322,893	(54,794)	268,099	268,099
Economic services									
Underground power		85,574	(85,574)	0	0	0	(39,096)	2,460,904	2,460,904
Great Beyond visitor centre expansion		1,114,129	(125,655)	988,474	(127,066)	988,474	(127,065)	861,409	861,409
<b>Total Borrowings</b>	14	<b>1,842,276</b>	<b>0</b>	<b>1,507,041</b>	<b>(255,669)</b>	<b>1,507,041</b>	<b>(294,765)</b>	<b>3,712,276</b>	<b>3,712,276</b>

All loan repayments were financed by general purpose revenue.

Borrowing Finance Cost Payments

Purpose	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024
Housing						
Burt Street Units	81	WATC*	4.72%	10/02/2024	(4,686)	(1,738)
DCEO House	82	WATC*	3.04%	2/11/2028	(4,379)	(4,274)
New housing	85	WATC*	4.52%	n/a	0	(56,534)
Recreation and culture						
Community hub	83	WATC*	3.04%	2/11/2018	(13,358)	(9,403)
Economic services						
Underground power	80	WATC*	3.98%	10/05/2023	(3,049)	0
Great Beyond visitor centre expansion	84	WATC*	1.12%	20/11/2030	(19,851)	(10,708)
<b>Total Finance Cost Payments</b>					<b>(45,323)</b>	<b>(82,657)</b>

\* WA Treasury Corporation

SHIRE OF LAVERTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024

27. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2023/24

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate %	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2024 Actual	2024 Budget	2024 Actual	2024 Budget		
Housing	WATC*	Fixed	20	4.52%	\$ 0	\$ 2,500,000	\$ 0	\$ (2,500,000)	\$ 0	\$ 0
					0	2,500,000	0	(2,500,000)	0	0

\* WA Treasury Corporation

SHIRE OF LAVERTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024

28. RESERVE ACCOUNTS

	2024 Actual Opening Balance	2024 Actual Transfer to	2024 Actual Transfer (from)	2024 Actual Closing Balance	2024 Budget Opening Balance	2024 Budget Transfer to	2024 Budget Transfer (from)	2024 Budget Closing Balance	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance
<b>Restricted by council</b>												
(a) Leave reserve	456,770	23,959		480,729	456,769	22,838		479,607	441,300	15,470		456,770
(b) Laverton airport reserve	97,174	5,089		102,263	1,002,670	150,134		1,152,804	93,882	3,292		97,174
(c) Plant reserve	1,002,670	52,586		1,055,256	97,174	4,859		102,033	656,880	345,790		1,002,670
(d) Infrastructure (roads, floodways etc) reserve	1,450,183	76,086		1,526,269	1,450,183	72,509		1,522,692	1,401,068	49,115		1,450,183
(e) Asset development reserve	2,114,330	110,930		2,225,260	2,114,330	105,717		2,220,047	2,042,721	71,609		2,114,330
(f) Lake Wells Road reserve	800,000	22,450	(400,000)	422,450	800,000	676,000	(800,000)	676,000	1,352,160	47,401	(599,561)	800,000
(g) Community projects reserve	815,109	462,293		1,277,402	815,109	440,755		1,255,864	401,050	414,059		815,109
	6,736,236	753,393	(400,000)	7,089,629	6,736,235	1,472,812	(800,000)	7,409,047	6,389,061	946,736	(599,561)	6,736,236
	6,736,236	753,393	(400,000)	7,089,629	6,736,235	1,472,812	(800,000)	7,409,047	6,389,061	946,736	(599,561)	6,736,236

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

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

Name of reserve account	Purpose of the reserve account
<b>Restricted by council</b>	
(a) Leave reserve	To be used to fund annual leave, rostered days off and long service leave requirements
(b) Laverton airport reserve	To be used for the upkeep and major upgrade works to the Laverton Airport
(c) Plant reserve	To be used for the purchase of major plant
(d) Infrastructure (roads, floodways etc) reserve	To be used for the upkeep and major improvements - sealing programs for roads within the Shire of Laverton
(e) Asset development reserve	To be used to fund construction and maintenance of major asset projects
(f) Lake Wells Road reserve	To be used to fund future roadworks and maintenance, renewal and construction amounting and adjacent to Lake Wells Road
(g) Community projects reserve	To be used to fund community projects

**SHIRE OF LAVERTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**29. TRUST FUNDS**

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

	<b>1 July 2023</b>	<b>Amounts Received</b>	<b>Amounts Paid</b>	<b>30 June 2024</b>
	\$	\$	\$	\$
Department of Transport	498	2,384	(2,882)	0
	498	2,384	(2,882)	0

Our Ref:  
Your Ref:

Ms Caroline Spencer  
Auditor General  
Office of the Auditor General  
7<sup>th</sup> Floor, Albert Facey House  
469 Wellington Street  
PERTH WA 6000

Dear Ms Spencer

**REPRESENTATION LETTER IN RESPECT OF THE SHIRE OF LAVERTON'S ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024**

This representation letter is provided in connection with your audit of the Shire of Laverton's annual financial report for the year ended 30 June 2024 for the purpose of expressing an opinion as to whether the annual financial report is fairly presented in accordance with the *Local Government Act 1995*, the Local Government (Financial Management) Regulations 1996 and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

We submit the following representations for the year ended 30 June 2024 after making appropriate enquiries and according to the best of our knowledge and belief. This representation covers all material items in each of the categories listed below.

**1. General**

- (a) We have fulfilled our responsibilities, as set out in the terms of the audit engagement, for the preparation and fair presentation of the annual financial report in accordance with the *Local Government Act 1995*, the Local Government (Financial Management) Regulations 1996 and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.
- (b) We have advised your auditors of all material contentious methods used in the presentation of the financial report.
- (c) There have been no changes in accounting policies or application of those policies that would have a material effect on the financial report.
- (d) The prior period comparative information in the financial report has not been restated.
- (e) Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. We confirm the disclosures related to accounting estimates are complete and appropriate.
- (f) We have established and maintained an adequate internal control structure and adequate financial records as we have determined are necessary to facilitate the preparation of the financial report that is free from material misstatement, whether due to fraud or error.



- (g) We have provided your auditors with:
- (i) Access to all information of which we are aware that is relevant to the preparation of the financial report, such as records, documentation and other matters.
  - (ii) Additional information that your auditors have requested for the purpose of the audit.
  - (iii) Unrestricted access to staff and councillors of the Shire from whom your auditors determined it necessary to obtain audit evidence.
- (h) All transactions have been recorded in the accounting and other records and are reflected in the financial report.
- (i) All internal audit reports and reports resulting from other management reviews, including legal issues and legal opinions which have the capacity to be relevant to the fair presentation of the financial report including, where relevant, minutes of meetings, have been brought to your auditors' attention and made available to them.
- (j) We have advised your auditors of all known instances of non-compliance or suspected non-compliance with laws and regulations, and all known data or security breaches whose effects should be considered when preparing the financial report.
- (k) We have provided to your auditors the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
- (l) No frauds or suspected frauds affecting the Shire involving:
- (i) management
  - (ii) employees who have significant roles in internal control; or
  - (iii) others where the fraud could have a material effect on the financial report
- have occurred to the knowledge of management of the Shire.
- (m) To our knowledge no allegations of fraud or suspected fraud affecting the Shire's financial report has been communicated to us by employees, former employees, analysts, regulators or others.
- (n) We have disclosed to your auditors all known actual or possible litigation and claims whose effects should be considered when preparing the financial report, and they have been accounted for and disclosed in accordance with Australian Accounting Standards.

## **2. Fair value measurements and disclosures**

We confirm that where assets and liabilities are recorded at fair value, the value attributed to these assets and liabilities is the fair value.

We confirm that the carrying amount of each revalued physical non-current asset does not materially differ from its fair value at the end of the reporting period. Significant fair value assumptions, including those with high estimation uncertainty, are reasonable.

We confirm the measurement methods, including related assumptions and data used by management in determining fair values are appropriate and have been consistently applied.

We confirm that the fair value disclosures in the financial report are complete and appropriate.

## **3. Going concern**

We confirm that the going concern basis of accounting is appropriate for the annual financial report.

#### **4. Contingent liabilities**

There are no material contingent liabilities at year end that have not been completely and adequately disclosed in the Notes to the financial report.

#### **5. Commitments for capital expenditure**

Other than those commitments reported in the Notes to the financial report, there were no significant commitments for capital or other expenditure contracts carrying over at year end.

#### **6. Contaminated sites**

We are aware of our obligations under the *Contaminated Sites Act 2003* and have reported to the Department of Water and Environmental Regulation, all land owned, vested or leased by the Shire that is known to be, or is suspected of being, contaminated. All actual liabilities or contingent liabilities, if any, have been recognised and/or disclosed in the financial report as appropriate.

We specifically confirm that the Laverton Rubbish Tip is classified as a Category 89 – Putrescible Landfill facility. The licensing and registration of this site does not impose any obligation on the Shire to rehabilitate the land. As a result, no provision for remediation has been recognised in the books.

#### **7. Related entities**

We acknowledge our responsibility under section 17(1) of the *Auditor General Act 2006* (as applied by section 7.12AL of the *Local Government Act 1995*) to give written notice to you if any of the Shire's functions are being performed in partnership or jointly with another person or body, through the instrumentality of another person or body, and/or by means of a trust. We confirm that we have provided the Auditor General with details of all related entities in existence at 30 June 2024.

#### **8. Related parties**

We have disclosed to your auditors the identity of the Shire's related parties, as defined in Australian Accounting Standards, of which we are aware, and all the related party relationships and transactions of which we are aware. These include the Shire's key management personnel and their related parties, including their close family members and their controlled and jointly controlled entities.

We have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of Australian Accounting Standards.

#### **9. Key management personnel compensation**

We confirm the Shire's key management personnel have not received any other remuneration, consideration or in-kind benefit (except amounts being reimbursements for out-of-pocket expenses) which has not been included in the compensation disclosed in the Notes to the financial report.

**10. Subsequent events**

All events subsequent to the date of the financial report and up to the date of this letter for which Australian Accounting Standards require adjustment or disclosure, have been adjusted or disclosed.

**11. Internal control**

We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

**12. Insurance**

We have established procedures to assess the adequacy of insurance cover on all assets and insurable risks. We believe, where appropriate, assets and insurable risks are adequately covered by insurance.

**13. Risk management**

We confirm that we have established and maintained a risk management framework that is appropriate to the Shire.

**14. Accounting misstatements**

The effects of uncorrected misstatements in the financial report are immaterial, both individually and in the aggregate, to the financial report taken as a whole. A summary of these uncorrected misstatements is listed below.

<b>Account</b>	<b>Reported balance \$</b>	<b>Actual balance \$</b>	<b>Variance \$</b>
<i>Sundry Debtors</i>	(45,521)	43,439	88,960
<i>Airport Landing Fees</i>	(640,151)	(729,111)	(88,960)
<i>Revenue cut-off error – recognized in FY25 rather than FY24</i>			
<i>Admin – Other Expenses</i>	2,114	98,307	96,193
<i>Sundry Creditors</i>	(1,017,093)	(1,113,286)	(96,193)
<i>Liabilities cut-off error – expenses recognized in FY25 rather than FY24</i>			
<i>Other Expenses</i>	4,632,518	4,577,591	(54,927)
<i>Accumulated Surplus</i>	(89,258,779)	(89,203,852)	54,927
<i>Impact of prior year uncorrected misstatement on current year retained earning – Unrecorded liabilities</i>			


**15. Electronic presentation of the audited annual financial report and auditor's report**

- We acknowledge that we are responsible for the electronic presentation of the annual financial report.
- We will ensure that the electronic version of the audited annual financial report and the auditor's report presented on the Shire's website is the same as the final signed versions of the audited annual financial report and the auditor's report.
- We have clearly differentiated between audited and unaudited information in the construction of Shire's website and understand the risk of potential misrepresentation in the absence of appropriate controls.
- We have assessed the security controls over the audited annual financial report and the auditor's report and are satisfied that procedures in place are adequate to ensure the integrity of the information provided.

- (e) We will ensure that where the auditor's report on the annual financial report is provided on the website, the annual financial report is also provided in full.

**16. Other (unaudited) information in the annual report**

We will provide the final version of the annual report to you when available, to enable you to complete your required procedures.

  
\_\_\_\_\_  
**Director Corporate Services (or the equivalent)**  
**SENIOR FINANCE OFFICER**  
Name: **GILLIAN LESLIE**

5/12/2024  
Date

  
\_\_\_\_\_  
**Chief Executive Officer**  
Name: **Paul Marschan**

05.12.2024  
Date



## **5. CLOSURE OF MEETING**

The presiding person declared the meeting closed at 4:47PM.

## **6. CERTIFICATION OF MINUTES**

**I, Patrick Hill, hereby certify that the Minutes of the Audit and Risk Committee Meeting held on 5 December 2024 are confirmed as a true and correct record, by resolution of the meeting of the Audit and Risk Committee held on .....**

**SIGNED:**

**DATED:**

.....

.....