

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

Certification of Financial Report	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Rate Setting Statement	7
Index of Notes to the Financial Report	8
Independent Auditor's Report	50

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

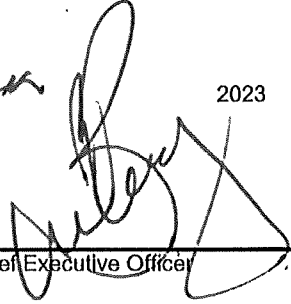
To be a vibrant, prosperous and sustainable community living and working in a respectful, inclusive, fair and equitable community.

Principal place of business:
32 Quinlan Street
Goomalling WA 6460

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

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

Signed on the 13TH day of APRIL 2023



Chief Executive Officer

Peter Bentley

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

	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
Revenue				
Rates	24(a),2(a)	2,310,809	2,103,907	2,196,340
Operating grants, subsidies and contributions	2(a)	1,696,419	1,276,758	1,316,460
Fees and charges	23(c),2(a)	1,399,881	1,636,560	1,302,696
Interest earnings	2(a)	27,804	41,956	40,630
Other revenue	2(a)	193,772	131,000	182,035
		5,628,685	5,190,181	5,038,161
Expenses				
Employee costs		(2,165,067)	(2,061,721)	(2,321,196)
Materials and contracts		(1,346,097)	(1,262,922)	(1,132,548)
Utility charges		(266,580)	(256,101)	(254,909)
Depreciation	9(a)	(1,764,855)	(1,588,999)	(1,644,517)
Finance costs	2(b)	(104,642)	(149,526)	(178,878)
Insurance		(192,904)	(172,679)	(151,054)
Other expenditure	2(b)	(211,344)	(151,100)	(150,624)
		(6,051,489)	(5,643,048)	(5,833,726)
		(422,804)	(452,867)	(795,565)
Capital grants, subsidies and contributions	2(a)	1,976,959	2,623,045	2,334,420
Profit on asset disposals	9(b)	36,559	0	0
Loss on asset disposals	9(b)	(14,500)	0	0
Fair value adjustments to financial assets at fair value through profit or loss		2,998	0	1,939
		2,002,016	2,623,045	2,336,359
Net result for the period	23(b)	1,579,212	2,170,178	1,540,794
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	15	4,104,095	0	0
Share of comprehensive income of associates and joint ventures accounted for using the equity method		0	0	30,050
Total other comprehensive income for the period	15	4,104,095	0	30,050
Total comprehensive income for the period		5,683,307	2,170,178	1,570,844

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

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

	NOTE	2022	2021
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	1,393,994	448,347
Trade and other receivables	5	209,716	268,754
Other financial assets	4(a)	955,941	949,661
Inventories	6	27,731	30,899
TOTAL CURRENT ASSETS		2,587,382	1,697,661
NON-CURRENT ASSETS			
Trade and other receivables	5	73,512	84,895
Other financial assets	4(b)	175,630	214,342
Inventories	6	134,000	530,000
Property, plant and equipment	7	26,761,050	24,109,229
Infrastructure	8	46,102,199	43,394,718
Right-of-use assets	10(a)	67,393	32,011
TOTAL NON-CURRENT ASSETS		73,313,784	68,365,195
TOTAL ASSETS		75,901,166	70,062,856
CURRENT LIABILITIES			
Trade and other payables	11	349,337	359,485
Other liabilities	12	689,109	261,845
Lease liabilities	10(b)	20,870	21,412
Borrowings	13	182,510	304,779
Employee related provisions	14	612,643	564,043
TOTAL CURRENT LIABILITIES		1,854,469	1,511,564
NON-CURRENT LIABILITIES			
Lease liabilities	10(b)	47,302	11,255
Borrowings	13	2,386,060	2,568,546
Employee related provisions	14	6,862	48,325
TOTAL NON-CURRENT LIABILITIES		2,440,224	2,628,126
TOTAL LIABILITIES		4,294,693	4,139,690
NET ASSETS		71,606,473	65,923,166
EQUITY			
Retained surplus		29,253,683	27,678,227
Reserve accounts	27	914,260	910,504
Revaluation surplus	15	41,438,530	37,334,435
TOTAL EQUITY		71,606,473	65,923,166

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

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

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2020		26,141,762	906,175	37,304,385	64,352,322
Comprehensive income for the period					
Net result for the period		1,540,794	0	0	1,540,794
Other comprehensive income for the period	15	0	0	30,050	30,050
Total comprehensive income for the period		1,540,794	0	30,050	1,570,844
Transfers from reserves	27	14,992	(14,992)	0	0
Transfers to reserves	27	(19,321)	19,321	0	0
Balance as at 30 June 2021		27,678,227	910,504	37,334,435	65,923,166
Comprehensive income for the period					
Net result for the period		1,579,212	0	0	1,579,212
Other comprehensive income for the period	15	0	0	4,104,095	4,104,095
Total comprehensive income for the period		1,579,212	0	4,104,095	5,683,307
Transfers to reserves	27	(3,756)	3,756	0	0
Balance as at 30 June 2022		29,253,683	914,260	41,438,530	71,606,473

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

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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		2,377,957	2,103,907	1,966,416
Operating grants, subsidies and contributions		1,730,634	1,085,030	1,357,997
Fees and charges		1,399,881	1,636,560	1,492,287
Interest received		27,804	41,956	40,630
Goods and services tax received		445,997	300,000	435,863
Other revenue		194,421	131,000	182,035
		6,176,694	5,298,453	5,475,228
Payments				
Employee costs		(2,151,395)	(2,061,721)	(2,278,763)
Materials and contracts		(1,344,660)	(1,262,922)	(1,009,441)
Utility charges		(266,580)	(256,101)	(254,909)
Finance costs		(134,983)	(149,526)	(178,878)
Insurance paid		(192,904)	(172,679)	(151,054)
Goods and services tax paid		(462,198)	(300,000)	(437,432)
Other expenditure		(211,344)	(151,100)	(150,624)
		(4,764,064)	(4,354,049)	(4,461,101)
Net cash provided by (used in) operating activities	16(b)	1,412,630	944,404	1,014,127
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	7(a)	(345,304)	(714,500)	(47,980)
Payments for construction of infrastructure	8(a)	(2,397,453)	(2,771,200)	(2,789,852)
Non-operating grants, subsidies and contributions		2,404,223	2,623,045	2,516,397
Proceeds from financial assets at amortised cost - term deposits		(3,756)	0	(4,326)
Proceeds from financial assets at amortised cost - self supporting loans		39,186	39,157	36,729
Proceeds from sale of property, plant & equipment	9(b)	162,291	120,000	0
Net cash provided by (used in) investing activities		(140,813)	(703,498)	(289,032)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	26(a)	(304,755)	(304,780)	(1,318,290)
Payments for principal portion of lease liabilities	26(c)	(21,412)	(21,412)	(22,674)
Proceeds from new borrowings	26(a)	0	0	945,000
Net cash provided by (used in) financing activities		(326,167)	(326,192)	(395,964)
Net increase (decrease) in cash held		945,650	(85,286)	329,131
Cash at beginning of year		448,344	1,365,604	119,216
Cash and cash equivalents at the end of the year	16(a)	1,393,994	1,280,318	448,347

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

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

	NOTE	2022 Actual	2022 Budget	2021 Actual
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	25(b)	\$ (325,028)	\$ (273,269)	\$ (286,328)
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Rates (excluding general rate)	24(b)	234,084	233,350	224,734
Operating grants, subsidies and contributions		1,696,419	1,276,758	1,316,460
Fees and charges		1,399,881	1,439,409	1,302,696
Interest earnings		27,804	41,956	40,630
Other revenue		193,772	131,000	182,035
Profit on asset disposals	9(b)	36,559	0	0
Fair value adjustments to financial assets at fair value through profit or loss		2,998	0	1,939
		3,591,517	3,122,473	3,068,494
Expenditure from operating activities				
Employee costs		(2,165,067)	(2,061,721)	(2,321,196)
Materials and contracts		(1,346,097)	(1,262,922)	(1,132,548)
Utility charges		(266,580)	(256,101)	(254,909)
Depreciation		(1,764,855)	(1,588,999)	(1,644,517)
Finance costs		(104,642)	(149,526)	(178,878)
Insurance		(192,904)	(172,679)	(151,054)
Other expenditure		(211,344)	(151,100)	(150,624)
Loss on asset disposals	9(b)	(14,500)	0	0
		(6,065,989)	(5,643,048)	(5,833,726)
Non-cash amounts excluded from operating activities	25(a)	1,710,168	1,589,999	1,621,850
Amount attributable to operating activities		(764,304)	(1,203,845)	(1,143,382)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		1,976,959	2,623,045	2,334,420
Proceeds from disposal of assets	9(b)	162,291	120,000	0
Proceeds from financial assets at amortised cost - self supporting loans	26(a)	39,186	39,157	36,730
Purchase of property, plant and equipment	7(a)	(345,304)	(714,500)	(47,980)
Purchase and construction of infrastructure	8(a)	(2,397,453)	(2,671,200)	(2,789,852)
		(564,321)	(603,498)	(466,682)
Amount attributable to investing activities		(564,321)	(603,498)	(466,681)
FINANCING ACTIVITIES				
Repayment of borrowings	26(a)	(304,755)	(304,780)	(1,318,290)
Proceeds from borrowings	26(a)	0	0	945,000
Payments for principal portion of lease liabilities	26(c)	(21,412)	(21,412)	(22,674)
Transfers to reserves (restricted assets)	27	(3,756)	(7,500)	(19,321)
Transfers from reserves (restricted assets)	27	0	50,000	14,992
Amount attributable to financing activities		(329,923)	(283,691)	(400,293)
Surplus/(deficit) before imposition of general rates		(1,983,576)	(2,091,034)	(2,296,684)
Total amount raised from general rates	24(a)	2,076,725	2,067,708	1,971,606
Surplus/(deficit) after imposition of general rates	25(b)	93,149	(23,326)	(325,028)

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

**SHIRE OF GOOMALLING
FOR THE YEAR ENDED 30 JUNE 2022
INDEX OF NOTES TO THE FINANCIAL REPORT**

Note 1	Basis of Preparation	9
Note 2	Revenue and Expenses	10
Note 3	Cash and Cash Equivalents	13
Note 4	Other Financial Assets	13
Note 5	Trade and Other Receivables	14
Note 6	Inventories	15
Note 7	Property, Plant and Equipment	16
Note 8	Infrastructure	18
Note 9	Fixed Assets	20
Note 10	Leases	23
Note 11	Trade and Other Payables	24
Note 12	Other Liabilities	25
Note 13	Borrowings	26
Note 14	Employee Related Provisions	27
Note 15	Revaluation Surplus	28
Note 16	Notes to the Statement of Cash Flows	29
Note 17	Contingent Liabilities	30
Note 18	Capital Commitments	30
Note 19	Related Party Transactions	31
Note 20	Financial Risk Management	33
Note 21	Events Occurring After the End of the Reporting Period	36
Note 22	Other Significant Accounting Policies	37
Note 23	Function and Activity	38
Note 24	Rating Information	41
Note 25	Rate Setting Statement Information	44
Note 26	Borrowing and Lease Liabilities	45
Note 27	Reserve accounts	47
Note 28	Trust Funds	48
Note 29	Major Land Transactions	49
Note 30	Trading Undertakings and Major Trading Undertakings	49

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

1. BASIS OF PREPARATION

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

Local Government Act 1995 Requirements

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

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

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

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 28 of the financial report.

Judgements and estimates

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

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

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Pool Inspections	Compliance safety check	Single point in time	Payment in line with inspection	None	Revenue recognised after inspection event occurs
Other Inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	When rates notice is issued
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
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	On entry or at conclusion of hire
Fees and charges for other goods and services	Cemetery services, library fees, rental income, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	When assets are controlled
Reimbursements	On-charge of expenses & insurance claims	Single point in time	Payment in arrears for claimable event	None	When claim is agreed

Revenue Recognition

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

For the year ended 30 June 2022

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	2,310,809	0	2,310,809
Operating grants, subsidies and contributions	1,696,419	0	0	0	1,696,419
Fees and charges	1,399,881	0	0	0	1,399,881
Interest earnings	0	0	0	27,804	27,804
Other revenue	193,772	0	0	0	193,772
Non-operating grants, subsidies and contributions	0	1,976,959	0	0	1,976,959
Total	3,290,072	1,976,959	2,310,809	27,804	7,605,644

For the year ended 30 June 2021

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	2,196,340	0	2,196,340
Operating grants, subsidies and contributions	1,316,460	0	0	0	1,316,460
Fees and charges	1,302,696	0	0	0	1,302,696
Interest earnings	0	0	0	40,630	40,630
Other revenue	182,035	0	0	0	182,035
Non-operating grants, subsidies and contributions	0	2,334,420	0	0	2,334,420
Total	2,801,191	2,334,420	2,196,340	40,630	7,372,581

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

2. REVENUE AND EXPENSES (Continued)

	Note	2022 Actual	2022 Budget	2021 Actual
Interest earnings				
Financial assets at amortised cost - self supporting loans		6,451	12,456	14,384
Interest on reserve funds		3,756	12,500	4,330
Rates Instalment and penalty interest (refer Note 24(f))		17,588	17,000	21,916
Other interest earnings		0	0	0
		27,805	41,956	40,630
(b) Expenses				
Auditors remuneration				
- Audit of the Annual Financial Report		31,800	27,500	21,100
		31,800	27,500	21,100
Finance costs				
Borrowings	26(a)	104,042	149,526	178,878
Lease liabilities	26(c)	620	619	634
		105,262	150,145	179,512
Other expenditure				
Sundry expenses		211,344	151,100	150,624
		211,344	151,100	150,624

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

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand
 Total cash and cash equivalents

Held as
 - Unrestricted cash and cash equivalents
 - Restricted cash and cash equivalents
 - Restricted Cash other Medical Surgery (only)

Note	2022	2021
	\$	\$
	1,393,994	448,347
16(a)	1,393,994	448,347
	683,044	51,756
	689,109	329,218
	21,841	67,373
	1,393,994	448,347

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Restricted financial assets

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

Details of restrictions on financial assets can be found at Note 27.

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Financial assets at amortised cost

Financial assets at amortised cost - self supporting loan
 Financial assets at amortised cost - term deposit

Held as

- Restricted other financial assets at amortised cost

(b) Non-current assets

Financial assets at amortised cost - self supporting loan
 Financial assets at fair value through profit and loss

Financial assets at amortised cost - self supporting loan
 Units in Local Government House Trust

	2022	2021
	\$	\$
	955,941	949,661
	955,941	949,661
25(b)	41,681	39,157
	914,260	910,504
	955,941	949,661
	955,941	949,661
	955,941	949,661
	117,277	158,987
	58,353	55,355
	175,630	214,342
	117,277	158,987
	58,353	55,355
	175,630	214,342

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 22 (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 and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 20.

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

5. TRADE AND OTHER RECEIVABLES

Note	2022	2021
	\$	\$
Current		
Rates receivable	147,183	188,207
Trade and other receivables	16,159	50,374
GST receivable	46,374	30,173
	209,716	268,754
Non-current		
Pensioner's rates and ESL deferred	73,512	84,895
	73,512	84,895

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 20.

Classification and subsequent measurement

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

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

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

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

6. INVENTORIES

Note	2022	2021
Current	\$	\$
Fuel and materials	27,731	30,899
	27,731	30,899
Non-current		
Land held for resale		
Cost of acquisition	134,000	929,261
Less Impairment	0	(399,261)
	134,000	530,000

The following movements in Inventories occurred during the year:

Balance at beginning of year	560,899	564,106
Transfers	(396,001)	0
Inventories expensed during the year	(164,755)	(115,107)
Additions to Inventory	161,588	111,900
Balance at end of year	161,731	560,899

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

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

7. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Note	Land		Buildings		Total land and buildings		Furniture & Equipment		Plant & Equipment		Swimming Pool Buildings & Equipment		Total
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020		3,195,000	0	18,965,398	22,160,398	154,765	944,495	1,294,887	0	47,980				24,554,545
Additions				9,859	9,859	11,673	26,449							
Revaluation increments / (decrements) transferred to revaluation surplus				30,050	30,050									30,050
Depreciation				(299,431)	(299,431)	(42,548)	(156,338)	(25,029)		(523,346)				
Balance at 30 June 2021	9(a)	3,195,000		18,705,876	21,900,876	123,890	814,606	1,269,857		24,109,229				
Comprises:														
Gross balance amount at 30 June 2021		3,195,000		19,915,460	23,110,460	474,034	1,507,451	1,393,055		26,485,000				
Accumulated depreciation at 30 June 2021		0		(1,209,584)	(1,209,584)	(350,144)	(692,845)	(123,198)		(2,375,771)				
Balance at 30 June 2021		3,195,000		18,705,876	21,900,876	123,890	814,606	1,269,857		24,109,229				
Restated balance at 1 July 2021		3,195,000		18,705,876	21,900,876	123,890	814,606	1,269,857		24,109,229				
Additions		0		102,833	102,833	9,519	232,952	0		345,304				
Disposals		(120,000)		0	(120,000)	0	(20,232)	0		(140,232)				
Revaluation increments / (decrements) transferred to revaluation surplus		295,000		3,584,083	3,879,083	0	0	0		3,879,083				
Impairment (losses) / reversals		(239,344)		36,898	(202,446)	0	0	0		(202,446)				
Depreciation	9(a)	0		(296,757)	(296,757)	(40,618)	(159,712)	(4,767)		(501,854)				
Transfers		635,344		(196,933)	438,411	0	0	(1,166,445)		(728,034)				
Balance at 30 June 2022		3,766,000		21,936,000	25,702,000	92,791	867,614	98,645		26,761,050				
Comprises:														
Gross balance amount at 30 June 2022		3,766,000		21,936,000	25,702,000	483,553	1,695,404	246,871		28,127,828				
Accumulated depreciation at 30 June 2022		0		0	0	(390,762)	(827,790)	(148,226)		(1,366,778)				
Balance at 30 June 2022		3,766,000		21,936,000	25,702,000	92,791	867,614	98,645		26,761,050				

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

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Land and buildings					
	Land	2	Market approach using recent or estimated observable market data for similar items (Net revaluation method)	Independent Valuation and Management Valuation	June 2022	Price per hectare/market borrowing rates. Management did consider making adjustment for inflation however the effect was considered to be immaterial.
	Buildings	3	Market approach using recent or estimated observable market data for similar items (Net revaluation method)	Independent Valuation and Management Valuation	June 2022	Improvements to buildings using construction costs and current condition (Level-2), residual values and remaining useful life assessments (Level-3) inputs

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

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

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

8. INFRASTRUCTURE

(a) Movements in Balances

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

	Note	Infrastructure - Roads	Infrastructure - Drainage	Infrastructure - Footpaths	Infrastructure - Sewerage Plant & Equipment	Infrastructure - Other	Total Infrastructure
		\$	\$	\$	\$	\$	\$
Balance at 1 July 2020		35,838,192	2,275,896	727,078	1,561,157	1,302,666	41,704,988
Additions		2,668,538	0	56,376	0	64,938	2,789,852
Depreciation	9(a)	(945,228)	(40,804)	(27,414)	(33,520)	(53,157)	(1,100,123)
Balance at 30 June 2021		37,561,502	2,235,092	756,040	1,527,637	1,314,447	43,394,718
Comprises:							
Gross balance at 30 June 2021		42,502,138	2,720,257	895,882	1,694,350	1,485,628	49,298,255
Accumulated depreciation at 30 June 2021		(4,940,636)	(485,165)	(139,842)	(166,713)	(171,181)	(5,903,587)
Balance at 30 June 2021		37,561,502	2,235,092	756,040	1,527,637	1,314,447	43,394,718
Additions		2,333,685	0	3,850	0	59,918	2,397,453
Revaluation increments / (decrements) transferred to revaluation surplus		0	0	0	0	188,115	188,115
Depreciation	9(a)	(1,060,371)	(40,804)	(27,424)	(9,534)	(103,333)	(1,241,466)
Transfers		0	0	0	(1,479,075)	2,842,454	1,363,379
Balance at 30 June 2022		38,834,816	2,194,288	732,466	39,028	4,301,600	46,102,199
Comprises:							
Gross balance at 30 June 2022		44,835,823	2,720,258	899,732	239,260	4,301,600	52,996,673
Accumulated depreciation at 30 June 2022		(6,001,007)	(525,970)	(167,266)	(200,232)	0	(6,894,475)
Balance at 30 June 2022		38,834,816	2,194,288	732,466	39,028	4,301,600	46,102,199

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

8. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Infrastructure - Roads	3	Cost approach using current replacement cost (Gross revaluation method)	Management Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - Drainage	3	Cost approach using current replacement cost (Gross revaluation method)	Management Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - Footpaths	3	Cost approach using current replacement cost (Gross revaluation method)	Management Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - Sewerage Plant & Equipment		Cost	Cost		Purchased Cost
	Infrastructure - Other Infrastructure	3	Cost approach using current replacement cost (Gross revaluation method)	Independent Valuation and Management Valuation	June 2022	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) 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 GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

9. FIXED ASSETS

(a) Depreciation

	Note	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
Buildings	7(a)	296,757	308,499	299,431
Furniture & Equipment	7(a)	40,618	43,000	42,548
Plant & Equipment	7(a)	159,712	157,300	156,338
Infrastructure - Roads	8(a)	1,060,371	880,000	945,228
Infrastructure - Drainage	8(a)	40,804	42,000	40,804
Swimming Pool Buildings & Equipment	8(a)	4,767	25,000	25,029
Infrastructure - Footpaths	8(a)	27,424	28,000	27,414
Infrastructure - Sewerage Plant & Equipment	8(a)	9,534	32,000	33,520
Infrastructure - Other Infrastructure	8(a)	103,333	53,200	53,157
Right of Use Asset	10(a)	21,535	20,000	21,048
		1,764,855	1,588,999	1,644,517

Depreciation rates

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

Asset Class	Useful life
Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 14 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years
Right of use (plant and equipment)	Based on the remaining lease

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

9. FIXED ASSETS (Continued)

(b) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Buildings	120,000	105,500	0	(14,500)	120,000	120,000	0	0	0	0	0	0
Plant & Equipment	20,232	58,791	36,559	0	0	0	0	0	0	0	0	0
	140,232	162,291	36,559	(14,500)	120,000	120,000	0	0	0	0	0	0

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
Buildings				
Housing				
Sale of land Grange St & Bowen St	120,000	105,500	0	(14,500)
Plant and Equipment				
Transport				
Sale of volvo grader	20,232	58,791	36,559	0
	140,232	162,291	36,559	(14,500)

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

9. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

Initial recognition and measurement between

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

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

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

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

Revaluation

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

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

Revaluation (continued)

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

Depreciation

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

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

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

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

Depreciation on revaluation

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

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

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

10. LEASES

(a) Right-of-Use Assets

The Shire has no reportable lease or right of use assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Note	Right of Use Asset	Right-of-use assets Total
Balance at 1 July 2020		\$ 23,036	\$ 23,036
Additions		30,023	30,023
Depreciation		(21,048)	(21,048)
Balance at 30 June 2021		32,011	32,011
Additions		56,917	56,917
Depreciation	9(a)	(21,535)	(21,535)
Balance at 30 June 2022		67,393	67,393

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

		2022 Actual	2021 Actual
		\$	\$
Depreciation on right-of-use assets	9(a)	21,535	21,048
Interest expense on lease liabilities	26(c)	620	634
Short-term lease payments recognised as expense		21,412	22,674
Total amount recognised in the statement of comprehensive income		43,567	44,356
Total cash outflow from leases		22,032	23,308
(b) Lease Liabilities			
Current		20,870	21,412
Non-current	26(c)	47,302	11,255
		68,172	32,667

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 26(c).

Right-of-use assets - valuation measurement

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

Refer to Note 9 under revaluation for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

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

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

11. TRADE AND OTHER PAYABLES

	2022	2021
	\$	\$
Current		
Sundry creditors	180,034	189,452
Prepaid rates	75,864	61,123
Accrued payroll liabilities	24,382	17,847
Bonds and deposits held	12,426	11,777
Accrued Interest on loans	25,665	56,006
GST Payable	30,966	23,280
	349,337	359,485

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

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

Prepaid rates

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

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

12. OTHER LIABILITIES

Current
 Contract liabilities

Reconciliation of changes in contract liabilities
 Opening balance
 Additions
 Revenue from contracts with customers included as a contract liability at the start of the period

	2022	2021
	\$	\$
Contract liabilities	689,109	261,845
	689,109	261,845
Opening balance	261,845	79,868
Additions	689,109	181,977
Revenue from contracts with customers included as a contract liability at the start of the period	(261,845)	0
	689,109	261,845
Reconciliation of changes in capital grant/contribution liabilities		
Expected satisfaction of capital grant/contribution liabilities Less than 1 year	689,109	261,845

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

Reconciliation of changes in capital grant/contribution liabilities

Expected satisfaction of capital grant/contribution liabilities
 Less than 1 year

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 22(i)) due to the unobservable inputs, including own credit risk.

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

13. BORROWINGS

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		182,510	2,386,060	2,568,570	304,779	2,568,546	2,873,325
Total secured borrowings	26(a)	182,510	2,386,060	2,568,570	304,779	2,568,546	2,873,325

Secured liabilities and assets pledged as security

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

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

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 22(l)) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 20.

Details of individual borrowings required by regulations are provided at Note 26(a).

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

14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2022	2021
Current provisions	\$	\$
Employee benefit provisions		
Annual Leave	266,410	264,915
Long Service Leave	346,233	299,128
	612,643	564,043
Non-current provisions		
Long Service Leave	6,862	48,325
	6,862	48,325
	619,505	612,368

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

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

Amounts are expected to be settled on the following basis:
 Less than 12 months after the reporting date
 More than 12 months from reporting date

Note	2022	2021
	\$	\$
	619,505	612,368
	619,505	612,368

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

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

15 REVALUATION SURPLUS

	2022	2022	2022	2022	2022	2022	2022	2022	2022	2021	2021	2021	2021	2021
	Opening	Revaluation	Revaluation	Revaluation	Impairment	Total	Total	2022	2022	Opening	Revaluation	Total	2021	2021
	Balance	Increment	(Decrement)	(Reversals)	Reversals	Revaluation	Revaluation	Closing	Closing	Balance	Increment	Movement on	Revaluation	Closing
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land	2,501,855	295,000	0	0	0	295,000	295,000	2,796,855	2,796,855	2,501,855	0	0	0	2,501,855
Revaluation surplus - Buildings	10,130,619	3,584,083	0	0	36,897	3,620,980	3,620,980	13,751,598	13,751,598	10,100,569	30,050	30,050	0	10,130,619
Revaluation surplus - Furniture & Equipment	154,015	0	0	0	0	0	0	154,015	154,015	154,015	0	0	0	154,015
Revaluation surplus - Swimming Pool Buildings & Equipment	932,516	0	0	0	0	0	0	932,516	932,516	932,516	0	0	0	932,516
Revaluation surplus - Roads	21,612,025	0	0	0	0	0	0	21,612,025	21,612,025	21,612,025	0	0	0	21,612,025
Revaluation surplus - Infrastructure - Sewerage Plant & Equ	1,434,014	0	0	0	0	0	0	1,434,014	1,434,014	1,434,014	0	0	0	1,434,014
Revaluation surplus - Infrastructure - Other Infrastructure	569,391	188,115	0	0	0	188,115	188,115	757,506	757,506	569,391	0	0	0	569,391
	<u>37,334,435</u>	<u>4,067,199</u>	<u>0</u>	<u>0</u>	<u>36,897</u>	<u>4,104,095</u>	<u>4,104,095</u>	<u>41,438,530</u>	<u>41,438,530</u>	<u>37,304,385</u>	<u>30,050</u>	<u>30,050</u>	<u>0</u>	<u>37,334,435</u>

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

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

16. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$	
Cash and cash equivalents	3	1,393,994	1,280,318	448,347
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		872,579	867,998	871,347
- Financial assets at amortised cost		41,681	0	39,157
		914,260	867,998	910,504
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Restricted reserve accounts	27	914,260	867,998	910,504
Total restricted financial assets		914,260	867,998	910,504
(b) Reconciliation of Net Result to Net Cash Provided By Operating Activities				
Net result		1,579,212	2,170,178	1,540,794
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(2,998)	0	(1,939)
Depreciation/amortisation		1,764,855	1,588,999	1,644,517
(Profit)/loss on sale of asset		(22,059)	0	0
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		70,421	0	68,399
(Increase)/decrease in inventories		3,168	0	3,207
Increase/(decrease) in trade and other payables		(10,148)	0	51,136
Increase/(decrease) in employee related provisions		7,137	0	42,433
Increase/(decrease) in contract liabilities		0	(191,728)	0
Non-operating grants, subsidies and contributions		(1,976,959)	(2,623,045)	(2,334,420)
Net cash provided by/(used in) operating activities		1,412,630	944,404	1,014,127
(c) Undrawn Borrowing Facilities				
Credit Standby Arrangements				
Bank overdraft limit		0		400,000
Bank overdraft at balance date		0		0
Credit card limit		15,000		15,000
Credit card balance at balance date		(2,729)		(1,828)
Total amount of credit unused		12,271		413,172
Loan facilities				
Loan facilities - current		182,510		304,779
Loan facilities - non-current		2,386,060		2,568,546
Total facilities in use at balance date		2,568,570		2,873,325

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

17. CONTINGENT LIABILITIES

Contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate.

In compliance with the Contaminated Sites Act 2003 Section 11, the Shire's Waterhouse Way Refuse Site is a possible source of contamination. Until the Shire conducts an investigation to determine the presence and scope of the contamination assess the risk and agree with the Department of Water and Environmental Regulation on the need and criteria of remediation of the risk based approach the Shire is unable to estimate the potential costs associated with remediation of these sites. This approach is consistent with the Department of Water and Environmental Regulation guidelines.

18. CAPITAL COMMITMENTS

The Shire has no capital commitments at the end of the current reporting period.

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

19. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration	Note	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
Councillor Haywood				
President's annual allowance		2,500	0	2,500
Meeting attendance fees		3,700	3,900	4,300
Travel and accommodation expenses		1,032	1,000	906
		7,232	4,900	7,706
Councillor Chester				
Deputy President's annual allowance		469	0	0
Meeting attendance fees		1,600	1,000	2,050
Travel and accommodation expenses		413	1,000	825
		2,482	2,000	2,875
Councillor Van Gelderen				
Deputy President's annual allowance		156	0	625
Meeting attendance fees		1,450	1,000	1,500
Travel and accommodation expenses		95	1,000	399
		1,701	2,000	2,574
Councillor Sheen				
Meeting attendance fees		250	200	1,350
Travel and accommodation expenses		138	500	554
		388	700	1,904
Councillor Butt				
Meeting attendance fees		900	1,800	1,450
		900	1,800	1,450
Councillor Wilkes				
Meeting attendance fees		1,150	1,800	1,450
		1,150	1,800	1,450
Councillor Barratt				
Meeting attendance fees		1,050	1,800	1,600
		1,050	1,800	1,600
Councillor Ashton				
Meeting attendance fees		850	0	0
		850	0	0
		15,753	15,000	19,559
Fees, expenses and allowances to be paid or reimbursed to elected council members.		2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
President's annual allowance		2,500	0	2,500
Deputy President's annual allowance		625	0	625
Meeting attendance fees		10,950	11,500	13,700
Travel and accommodation expenses		1,678	3,500	2,684
	19(b)	15,753	15,000	19,509
(b) Key Management Personnel (KMP) Compensation		2022 Actual	2021 Actual	
The total of compensation paid to KMP of the Shire during the year are as follows:		\$	\$	
Short-term employee benefits		378,175	369,357	
Post-employment benefits		47,924	44,526	
Employee - other long-term benefits		11,893	11,300	
Council member costs	19(a)	15,753	0	
		453,745	425,183	

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

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.

Termination benefits

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

Council member costs

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

(c) Transactions with related parties

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

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

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

	2022 Actual	2021 Actual
Sale of goods and services	17,231	20,180
Purchase of goods and services	312,349	345,374

(d) Related Parties

The Shire President and Finance Manager are board members of the Goomalling & Districts Community Financial Services Limited, being the local community bank company (Bendigo Bank). The Shire banks with Bendigo Bank.

Three Councillors have direct or indirect through close family members interest in the board of the Mortlock Sports Council. The Shire has made a self supporting loan to Mortlock Sports Council as follows:

	2022 Actual	2021 Actual
Amounts payable to related parties:	\$	\$
Trade and other payables	42,000	12,628
Loans from associated entities	159,042	198,144

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

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

iii. Entities subject to significant influence by the Shire

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

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

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

20. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents, term deposits, and Treasury bonds held at cost 50 amortised cost are reflected in the table below.

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
2022					
Cash and cash equivalents	0.00%	1,393,994	0	0	1,393,994
Financial assets at amortised cost - term deposits	2.60%	914,260	914,260	0	0
2021					
Cash and cash equivalents	0.00%	448,347		0	448,347
Financial assets at amortised cost - term deposits	0.45%	910,504	910,504	0	0

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

20. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

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

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

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
30 June 2022						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	109,327	28,149	20,130	63,089	220,695	
30 June 2021						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	106,658	52,518	22,550	91,375	273,101	

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

	Less than 30 year past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2022					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	5,001	3,985	0	7,173	16,159
30 June 2021					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	23,716	1,926	7,943	16,789	50,374

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

20. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 16(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2022					
Trade and other payables	273,473	0	0	273,473	273,473
Borrowings	182,510	1,777,199	608,861	2,568,570	2,568,570
Lease liabilities	20,870	47,302	0	68,172	68,172
	<u>476,853</u>	<u>1,824,501</u>	<u>608,861</u>	<u>2,910,215</u>	<u>2,986,079</u>
2021					
Trade and other payables	298,362	0	0	298,362	298,362
Borrowings	471,861	1,367,533	1,201,013	3,040,407	2,873,325
Lease liabilities	21,412	11,255	0	32,667	32,667
	<u>791,635</u>	<u>1,378,788</u>	<u>1,201,013</u>	<u>3,371,436</u>	<u>3,265,477</u>

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

21. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There have been no material events after the reporting period which would affect the financial report of the Shire for the year ended 30th June 2022 or which would require a separate disclosure.

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

22. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest earnings

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

k) Initial application of accounting standards

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

New accounting standards for application in future years

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

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-7 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 120 and Editorial Corrections

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

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

23. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

Objective	Description
Governance To provide a decision making process for the efficient allocation of scarce resources.	Includes the activities of members of Council and the administrative support available to the Council for the provision of governance to the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
General purpose funding To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
Law, order, public safety To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
Health To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.
Education and welfare To provide services to disadvantaged persons, the elderly, children and youth.	Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.
Housing To provide housing to staff.	Staff housing, provision of general rental accommodation when buildings not required by staff.
Community amenities To provide services required by the community.	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.
Recreation and culture To establish and effectively manage infrastructure and resources which help the social well being of the community.	Maintenance of public halls, civic centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.
Transport To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, depots, cycleways and parking facilities.
Economic services To help promote the Shire and its economic wellbeing.	Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building control.
Other property and services To monitor and control Council's overhead operating accounts.	Private works operation, plant repair and operation costs, housing and engineering operation costs.

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

23. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Income excluding grants, subsidies and contributions			
Governance	59,147	29,000	54,761
General purpose funding	2,149,476	2,139,407	2,038,693
Law, order, public safety	76,586	70,950	68,385
Health	589,801	639,000	611,978
Education and welfare	495	600	236
Housing	235,099	273,310	238,103
Community amenities	366,552	371,600	350,391
Recreation and culture	36,850	34,156	34,662
Transport	63,377	28,000	26,034
Economic services	282,720	263,900	207,368
Other property and services	97,220	63,500	93,029
	3,957,323	3,913,423	3,723,640
Grants, subsidies and contributions			
Governance	2,005	3,000	2,473
General purpose funding	1,272,293	1,162,000	1,084,797
Law, order, public safety	209,568	294,850	45,736
Health	0	25,000	10,304
Housing	19,800	20,000	0
Community amenities	131,166	130,000	123,036
Recreation and culture	34,944	92,500	70,194
Transport	1,971,102	2,151,453	2,133,850
Economic services	32,500	21,000	180,490
	3,673,378	3,899,803	3,650,880
Total Income	7,630,701	7,813,226	7,374,520
Expenses			
Governance	(234,172)	(255,183)	(172,245)
General purpose funding	(114,621)	(96,309)	(104,036)
Law, order, public safety	(453,707)	(557,992)	(289,674)
Health	(692,821)	(709,524)	(714,745)
Education and welfare	(16,321)	(16,262)	(15,872)
Housing	(273,877)	(414,581)	(330,840)
Community amenities	(628,809)	(603,391)	(633,893)
Recreation and culture	(925,232)	(958,034)	(989,952)
Transport	(2,097,188)	(1,449,389)	(1,785,949)
Economic services	(569,009)	(525,128)	(738,569)
Other property and services	(45,732)	(57,255)	(57,951)
Total expenses	(6,051,489)	(5,643,048)	(5,833,726)
Net result for the period	1,579,212	2,170,178	1,540,794

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

23. FUNCTION AND ACTIVITY (Continued)

	2022 Actual	2022 Budget	2021 Actual
(c) Fees and Charges	\$	\$	\$
Governance	121	0	79
General purpose funding	5,680	6,000	4,520
Law, order, public safety	71,786	66,750	67,580
Health	589,801	635,000	611,978
Housing	245,350	267,410	233,775
Community amenities	164,314	366,600	155,533
Recreation and culture	29,116	21,100	20,277
Economic services	265,071	247,200	187,060
Other property and services	28,642	26,500	21,894
	1,399,881	1,636,560	1,302,696
	2022	2021	
(d) Total Assets	\$	\$	
General purpose funding	2,460,915	1,534,776	
Law, order, public safety	622,594	642,448	
Health	19,980	22,383	
Education and welfare	470,125	477,100	
Housing	5,781,453	5,382,389	
Community amenities	3,847,664	2,385,225	
Recreation and culture	10,810,867	10,487,902	
Transport	42,739,473	41,389,099	
Economic services	7,769,454	6,227,069	
Other property and services	1,578,640	1,514,465	
Unallocated	0	0	
	75,901,166	70,062,856	

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022
24. RATING INFORMATION

(a) General Rates

RATE TYPE Rate Description	Basis of valuation	2021/22		2021/22		2021/22		2021/22		2021/22		2020/21	
		Number of Properties	Actual Rateable Value*	Actual Rate	Actual Interim Rates	Actual Back Rates	Total Revenue	Budget Rate	Budget Interim Rate	Budget Back Rate	Total Revenue	Actual Total Revenue	
GRV Residential	Gross rental valuation	119	1,316,466	148,592	9,017	0	157,609	0	0	0	148,592	0	144,265
GRV Commercial	Gross rental valuation	17	321,640	40,821	0	0	40,821	0	0	0	40,821	0	39,652
GRV Industrial	Gross rental valuation	11	80,636	9,815	0	0	9,815	0	0	0	9,815	0	9,529
GRV Urban Farmland	Gross rental valuation	17	211,120	22,951	0	0	22,951	0	0	0	22,951	0	22,283
UV Rural Zone 2	Unimproved valuation	37	20,416,000	127,294	0	0	127,294	0	0	0	127,294	0	124,206
UV Special Rural	Unimproved valuation	9	960,500	11,762	0	0	11,762	0	0	0	11,762	0	12,657
UV General Zone 3 Farming	Unimproved valuation	215	215,416,000	1,430,578	0	0	1,430,578	0	0	0	1,430,578	0	1,358,664
Sub-Total		425	238,722,362	1,791,813	9,017	0	1,800,830	0	0	0	1,791,813	0	1,711,236
Minimum payment													
GRV Residential	Gross rental valuation	100	587,987	97,900	0	0	97,900	0	0	0	97,900	0	95,950
GRV Commercial	Gross rental valuation	12	36,412	11,124	0	0	11,124	0	0	0	11,124	0	10,800
GRV Industrial	Gross rental valuation	7	12,675	3,969	0	0	3,969	0	0	0	3,969	0	3,850
GRV Urban Farmland	Gross rental valuation	7	23,951	5,159	0	0	5,159	0	0	0	5,159	0	5,005
UV Rural Zone 2	Unimproved valuation	35	4,555,500	35,525	0	0	35,525	0	0	0	35,525	0	32,000
UV Special Rural	Unimproved valuation	1,133	752,000	10,197	0	0	10,197	0	0	0	10,197	0	8,800
UV General Zone 3 Farming	Unimproved valuation	91	7,904,157	112,021	0	0	112,021	0	0	0	112,021	0	103,965
Sub-Total		261	13,872,662	275,895	0	0	275,895	0	0	0	275,895	0	260,370
Total amount raised from general rates		686	252,595,044	2,067,706	9,017	0	2,076,725	0	0	0	2,067,706	0	1,971,606
							2,076,725				2,067,706		1,971,606

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

(b) Rates (excluding general rates)

Rate in \$	2021/22 Actual Rateable Value*	2021/22 Actual Rate	2021/22 Actual Interim Rates	2021/22 Actual Back Rates	2021/22 Total Revenue	2020/21 Actual Total Revenue
Specified Area Rates						
Sewerage - Residential	0	0	0	0	195,471	188,031
Sewerage - Religious Church	0	0	0	0	1,680	1,560
Ex-gratia Rates						
Ex-gratia Rates	0	0	0	0	36,199	35,143
Sub-Total	0	0	0	0	233,350	224,734
Total amount raised from rates (excluding general rates)					233,350	224,734
					233,350	224,734
(c) Total Rates					2,301,058	2,196,340

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

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

24. RATING INFORMATION (Continued)

(d) Specified Area Rate

Specified Area Rate	Purpose of the rate	Area/properties Rate Imposed	2021/22		2021/22		2021/22		2021/22	
			Actual Rate Applied to Costs \$	Actual Rate Set Aside to Reserve to Costs \$	Actual Reserve Applied to Costs \$	Budget Rate Applied to Costs \$	Budget Rate Set Aside to Reserve to Costs \$	Budget Reserve Applied to Costs \$		
Sewerage - Residential	To provide sewerage services for town properties		196,205	0	0	195,471	0	0	0	
Sewerage - Religious Church	To provide sewerage services for town properties		1,380	0	0	1,680	0	0	0	
			197,585	0	0	197,151	0	0	0	

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

Rates Discounts

Rate or Fee Discount Granted	Type	Discount %	2022		2021		Circumstances in which Discount is Granted
			Actual \$	Budget \$	Actual \$	Budget \$	
Early Payment Incentive		0.00%	945	1,000	700	700	Rate payers making their rates payments in full within 35 days of the date of issue of the notice are eligible to enter the early payment draw.
			945	1,000	700	700	
Total discounts/concessions (Note 24)			945	1,000	700	700	

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

24. RATING INFORMATION (Continued)

(f) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	3/09/2021	0.0	0.00%	7.00%
Option Two				
First Instalment	3/09/2021	0.0	0.00%	7.00%
Second Instalment	3/11/2021	10.0	5.50%	7.00%
Option Three				
First Instalment	3/09/2021	0.0	0.00%	7.00%
Second Instalment	3/11/2021	10.0	5.50%	7.00%
Third Instalment	3/01/2022	10.0	5.50%	7.00%
Fourth Instalment	3/03/2022	10.0	5.50%	7.00%

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Interest on unpaid rates	11,932	12,000	16,596
Interest on instalment plan	5,066	5,000	4,559
Charges on instalment plan	3,700	3,500	3,020
ESL penalty interest	600	200	761
	21,298	20,700	24,936

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

25. RATE SETTING STATEMENT INFORMATION

Note	2021/22	2021/22	2021/22	2020/21
	(30 June 2022 Carried Forward)	Budget (30 June 2022 Carried Forward)	(1 July 2021 Brought Forward)	(30 June 2021 Carried Forward)
	\$	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
Adjustments to operating activities				
Less: Profit on asset disposals	9(b) (36,559)	0	0	0
Less: Movement in employee leave reserve	451	1,000	533	533
Less: Fair value adjustments to financial assets at fair value through profit and loss	(2,998)	0	(1,939)	(1,939)
Movement in pensioner deferred rates (non-current)	(11,383)	0	(349)	(349)
Movement in employee benefit provisions (non-current)	41,463	0	(20,862)	(20,862)
Add: Loss on disposal of assets	9(b) 14,500	0	0	0
Add: Depreciation	9(a) 1,764,865	1,588,999	1,644,517	1,644,517
Non-cash movements in non-current assets and liabilities:				
Leases	(60,161)	0	0	
Non-cash amounts excluded from operating activities	1,710,168	1,589,999	1,621,850	1,621,900
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserve accounts	27 (914,260)	(867,998)	(910,504)	(910,504)
Less: Financial assets at amortised cost - self supporting loans	4(a) (41,681)	(39,157)	(39,157)	(39,157)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	13 182,510	2,640,684	304,779	304,779
- Current portion of lease liabilities	10(b) 20,870	11,255	21,412	21,412
- Liabilities supported by a reserve	112,797	113,346	112,346	112,346
Total adjustments to net current assets	(639,764)	1,858,130	(511,124)	(511,124)
Net current assets used in the Rate Setting Statement				
Total current assets	2,587,382	1,513,586	1,697,661	1,697,661
Less: Total current liabilities	(1,854,469)	(3,395,042)	(1,511,564)	(1,511,564)
Less: Total adjustments to net current assets	(639,764)	1,858,130	(511,124)	(511,124)
Net current assets used in the Rate Setting Statement	93,149	(23,326)	(325,028)	(325,028)

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

26. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual		Budget		Principal at 30 June 2022		
		Principal at 1 July 2020	New Loans During 2020-21	Principal at 30 June 2021	New Loans During 2021-22		Principal at 30 June 2021	Repayments During 2021-22
Aged Housing Wolyam Street		176,202	0	159,230	0	159,268	0	141,402
New Sports Pavilion		1,106,776	0	1,080,169	0	1,080,058	0	1,051,335
Retic Football/Hockey Ovals		44,172	0	30,200	0	30,208	0	15,507
Rural Transaction Centre (CRC)		67,959	0	22,481	0	22,481	0	0
Slater Homestead		20,382	0	6,738	0	6,738	0	0
Rural Transaction Centre (CRC)		359,175	0	330,541	0	330,576	0	307,512
Salmon Gum & Grange Subdivision		291,993	0	100,722	0	100,896	0	0
Bank Overdraft (subdivision)		945,000	0	945,000	0	945,000	0	0
Bank Overdraft (subdivision) new loan		0	945,000	0	0	0	0	0
Total		3,011,659	945,000	2,675,081	0	2,675,225	0	2,409,528
Self Supporting Loans								
MSC Self Supporting Loan		234,957	0	198,244	0	198,311	0	159,042
Total Self Supporting Loans		234,957	0	198,244	0	198,311	0	159,042
Total Borrowings	13	3,246,616	945,000	2,873,325	0	2,873,536	0	2,568,570

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost.

All other loan repayments were financed by general purpose revenue.

Borrowing Interest Repayments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending 30 June 2021	Budget for year ending 30 June 2022
Aged Housing Wolyam Street		Housing	114	Bendigo Bank	5.30%	(9,003)	(6,748)
New Sports Pavilion		Recreation and culture	111	Bendigo Bank	5.30%	(67,846)	(65,155)
Retic Football/Hockey Ovals		Recreation and culture	113	Bendigo Bank	5.30%	(1,384)	(1,388)
Rural Transaction Centre (CRC)		Economic services	104	Bendigo Bank	5.05%	(1,104)	(1,135)
Slater Homestead		Economic services	105	Bendigo Bank	5.05%	(331)	(340)
Rural Transaction Centre (CRC)		Economic services	106	Bendigo Bank	4.10%	(13,326)	(11,378)
Salmon Gum & Grange Subdivision		Economic services	108	Bendigo Bank	7.70%	(3,884)	(3,855)
Bank Overdraft (subdivision)		Economic services	112	Bendigo Bank	4.20%	0	0
Bank Overdraft (subdivision) new loan		Economic services	115	Bendigo Bank	2.90%	(27,033)	(41,271)
Interest accrual						30,340	0
Total						(92,715)	(136,270)
Self Supporting Loans Interest Repayments							
MSC Self Supporting Loan		Recreation and culture	110	Bendigo Bank	6.34%	(11,928)	(12,256)
Total Self Supporting Loans Interest Repayments						(11,928)	(12,256)
Total Interest Repayments	2(b)					(104,643)	(148,526)

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

26. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2021/22

Nil new borrowings for 2021/22

(c) Lease Liabilities

Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Principal at 30 June 2021	New Leases During 2021-22	Principal at 30 June 2022	Principal Repayments During 2021-22	Principal at 30 June 2022	Total Interest & Charges	Actual Balance Unspent
					2021 Actual	2022 Budget							
					2021 Actual	2022 Budget							
Photocopier													
G0040 Ford Escape (Blue) (DCEO)						2,088	0	0	0	0	0	0	0
G0040 Ford Escape (White) (CDO)						11,778	5,943	5,943	(5,835)	109	5,944	(5,835)	109
G0015 Ford Utility (Works Manager)						11,451	5,777	5,777	(5,674)	104	5,777	(5,674)	103
G0015 Ford Utility (Works Manager)							20,946	20,946	(9,903)	11,043	20,946	(9,903)	11,043
G0040 Ford Escape (White) DCEO new						0	0	0	0	0	0	0	0
G0040 Ford Escape (White) (CDO) new						0	0	28,458	0	28,458	0	0	0
Total Lease Liabilities						25,317	30,023	32,666	(22,674)	65,172	32,667	(21,412)	11,285
Lease Interest Repayments													
Purpose	Note	Function and activity	Lease Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021	Lease Term	Budget			
										Principal at 1 July 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
Photocopier		Other property and services	55460	Bendig	8.40%	0	0	42	30/09/2020				
G0040 Ford Escape (Blue) (DCEO)		Other property and services	6250509	Toyota Fleet	1.40%	152	151	151	26/06/2022				
G0015 Ford Escape (White) (CDO)		Other property and services	6250620	Toyota Fleet	1.40%	147	147	147	26/06/2022				
G0015 Ford Utility (Works Manager)		Other property and services	8463413	Toyota Fleet	1.40%	321	321	284	31/07/2024				
Total Interest Repayments						620	619	634					

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

27. RESERVE ACCOUNTS

	2022		2022		2022		2022		2022		2021		2021		
	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Opening	Actual	Actual	Actual	Actual	Actual	
	Opening	Transfer to	Transfer (from)	Closing	Opening	Transfer to	Transfer (from)	Closing	Balance	Transfer to	Transfer (from)	Opening	Transfer to	Closing	
	Balance			Balance	Balance			Balance	Balance			Balance		Balance	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Restricted by council															
(a) Long Service Leave Reserve	112,346	451	0	112,797	112,346	1,000	0	113,346	111,813	533	0	112,346			
(b) Mortlock Lodge Reserve	3,172	0	0	3,172	3,172	0	0	3,172	(11,820)	14,992	0	3,172			
(c) Plant Replacement Reserve	139,211	686	0	139,897	139,211	1,000	(50,000)	90,211	153,542	661	(14,992)	139,211			
(d) Staff Housing Reserve	33,151	133	0	33,284	33,151	300	0	33,451	32,994	157	0	33,151			
(e) Aged Care Reserve	119,247	478	0	119,725	119,247	1,100	0	120,347	118,681	566	0	119,247			
(f) Vehicle Reserve	107,626	432	0	108,058	107,626	1,000	0	108,626	107,115	511	0	107,626			
(g) Sewerage Reserve	326,074	1,303	0	327,377	326,074	2,500	0	328,574	324,513	1,561	0	326,074			
(h) Community Bus Reserve	54,033	217	0	54,250	54,033	450	0	54,483	53,776	257	0	54,033			
(i) LCDC Reserve	10,410	42	0	10,452	10,410	150	0	10,560	10,361	49	0	10,410			
(j) SW LAG Officer AL/LSL	5,234	14	0	5,248	5,234	0	0	5,234	5,200	34	0	5,234			
	910,504	3,756	0	914,260	910,498	7,500	(50,000)	867,998	906,175	19,321	(14,982)	910,504			

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves - cash/financial assets backed.

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

Anticipated date of use	Name of Reserve	Purpose of the reserve
Ongoing	(a) Long Service Leave Reserve	To be used to fund long service leave requirements
Ongoing	(b) Mortlock Lodge Reserve	To be used for maintenance and improvements to the Mortlock Lodge Retirement Units.
Ongoing	(c) Plant Replacement Reserve	To be used for the future replacement of plant.
Ongoing	(d) Staff Housing Reserve	To be used for the maintenance, upgrading and construction of new housing for Council employees or public rental housing.
Ongoing	(e) Aged Care Reserve	To be used to provide for the needs of the aged.
Ongoing	(f) Vehicle Reserve	To be used to purchase motor vehicles and utilise it at a future date Council ceases to lease vehicles.
Ongoing	(g) Sewerage Reserve	To be used to maintain and upgrade the sewerage scheme in the Goomalling townsite.
Ongoing	(h) Community Bus Reserve	To be used to purchase a new Community Bus when the time arises.
Ongoing	(i) LCDC Reserve	To be used to fund Landcare Activities
Ongoing	(j) SW LAG Officer AL/LSL	To be used to fund the SW LAG Officer annual and long service leave requirements.

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

28. 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:

	1 July 2021	Amounts Received	Amounts Paid	30 June 2022
	\$	\$	\$	\$
Pioneers Pathway	25,634	12,784	0	38,418
	25,634	12,784	0	38,418

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

29. MAJOR LAND TRANSACTIONS

The Shire of Goomalling has undertaken a rural residential subdivision in Salmon Gum Way And Grange Street, Goomalling. The Shire will conduct either auction or tender process for sale of the lots on Salmon Gum Way. In relation to lots in Grange Street, the sale will be by tender process at market valuations. The proceeds from the sale of the two residential subdivisions will be applied towards repayment of loans raised to finance the development and thereafter any surplus funds remaining will be held in the Municipal Fund Account. A business plan was prepared for the two rural residential subdivisions in accordance with section 3.59 of the Local Government Act 1995.

(b) Current year transactions	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Other expenditure			
- Interest Borrowings Loan 112	0	0	(34,155)
- Interest Borrowings Loan 108	(3,884)	0	(18,698)
- Interest Borrowings Loan 115	(27,033)	0	0
	(30,917)	0	(52,853)

(c) Expected future cash flows

	2022/23	2023/24	2024/25	2025/26	Total
	\$	\$	\$	\$	\$
Cash outflows					
- Interest on Borrowings	(26,979)	(25,354)	(26,978)	(21,951)	(101,262)
	(26,979)	(25,354)	(26,978)	(21,951)	(101,262)
Cash inflows					
- Sale proceeds	55,000	55,000	55,000	55,000	220,000
	55,000	55,000	55,000	55,000	220,000
Net cash flows	28,021	29,646	28,022	33,049	118,738

(d) Assets and liabilities

Current Inventory		
Land held for resale- cost	134,000	530,000
	134,000	530,000

30. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any major trading undertakings during the current financial year ended 30 June 2022





Auditor General

INDEPENDENT AUDITOR'S REPORT 2022 Shire of Goomalling

To the Councillors of the Shire of Goomalling

Qualified opinion

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

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

In my opinion, except for the effects of the matter described in the Basis of qualified opinion section of my report, the financial report is:

- is based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2022 and its financial position at the end of that period
- 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 qualified opinion

Roads, drainage and footpaths reported at values of \$38,834,816 (2021:\$37,561,502), \$2,194,289 (2021: \$2,235,092) and \$732,466 (2021: \$756,040) respectively in Note 8 (a) of the financial report as at 30 June 2022 were not revalued as required by *Regulation 17A(4)(b)* of the *Local Government (Financial Management) Regulations 1996* since 2014-15. Consequently, I was unable to determine the extent to which the net carrying amount of these classes of assets is misstated, as it was impracticable to do so. Additionally, I am unable to determine whether there may be any consequential impact on Depreciation, Revaluation Surplus, Retained Earnings and Note 23 (d) Total Assets Classified by Function and Activity.

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 preparing and the Council for overseeing, the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial report and my auditor's report.

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

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

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

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

The Chief Executive Officer of the Shire is responsible for:

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

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



Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
14 April 2023

