

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

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**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 2021**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

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

Signed on the

22nd day of

December 2021



Chief Executive Officer

Peter Bentley

Name of Chief Executive Officer



BUTLER SETTINERI

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Revenue</b>				
Rates	26(a)	2,196,340	2,191,742	2,112,927
Operating grants, subsidies and contributions	2(a)	1,316,460	890,722	1,227,318
Fees and charges	2(a)	1,302,696	1,419,770	1,304,697
Interest earnings	2(a)	40,630	29,700	54,644
Other revenue	2(a)	182,035	95,100	177,476
		<u>5,038,161</u>	<u>4,627,034</u>	<u>4,877,062</u>
<b>Expenses</b>				
Employee costs		(2,321,196)	(2,188,284)	(2,395,543)
Materials and contracts		(1,132,548)	(1,119,446)	(1,051,074)
Utility charges		(254,909)	(253,805)	(259,049)
Depreciation on non-current assets	10(b)	(1,644,517)	(1,515,599)	(1,587,563)
Interest expenses	2(b)	(178,878)	(395,405)	(195,172)
Insurance expenses		(151,054)	(163,480)	(194,552)
Other expenditure	2(b)	(150,624)	(116,504)	(174,987)
		<u>(5,833,726)</u>	<u>(5,752,523)</u>	<u>(5,857,940)</u>
		(795,565)	(1,125,489)	(980,878)
Non-operating grants, subsidies and contributions	2(a)	2,334,420	2,441,769	2,102,864
(Loss) on asset disposals	10(a)	0	0	(92,522)
Fair value adjustments to Local Government House investment through profit & loss		1,939	0	864
		<u>2,336,359</u>	<u>2,441,769</u>	<u>2,011,206</u>
		<u>1,540,794</u>	<u>1,316,280</u>	<u>1,030,328</u>
<b>Net result for the period</b>				
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	30,050	0	(509,526)
		<u>30,050</u>	<u>0</u>	<u>(509,526)</u>
<b>Total other comprehensive income/(loss) for the period</b>				
		<u>1,570,844</u>	<u>1,316,280</u>	<u>520,802</u>
<b>Total comprehensive income for the period</b>				

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



BUTLER SETTINERI

**SHIRE OF GOOMALLING**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Revenue</b>				
Governance		57,234	19,500	74,269
General purpose funding		2,848,112	2,416,807	2,792,381
Law, order, public safety		114,121	115,950	142,265
Health		622,282	662,000	655,143
Education and welfare		236	600	1,503
Housing		238,103	276,500	237,392
Community amenities		473,427	495,294	461,240
Recreation and culture		104,856	56,400	81,542
Transport		120,100	112,500	118,940
Economic services		366,661	408,563	249,547
Other property and services		93,029	62,920	62,840
		5,038,161	4,627,034	4,877,062
<b>Expenses</b>				
Governance		(172,245)	(214,386)	(294,958)
General purpose funding		(104,036)	(97,582)	(83,597)
Law, order, public safety		(289,674)	(301,532)	(339,915)
Health		(714,745)	(706,306)	(769,179)
Education and welfare		(15,872)	(17,516)	(33,087)
Housing		(318,731)	(380,296)	(330,341)
Community amenities		(633,893)	(680,171)	(638,649)
Recreation and culture		(878,460)	(842,765)	(945,458)
Transport		(1,785,949)	(1,403,610)	(1,665,725)
Economic services		(683,293)	(657,775)	(520,899)
Other property and services		(57,951)	(55,179)	(40,960)
		(5,654,849)	(5,357,118)	(5,662,768)
<b>Finance Costs</b>				
General purpose funding		0	(1,000)	0
Housing		(12,109)	(6,450)	(9,517)
Recreation and culture		(111,492)	(62,825)	(114,257)
Economic services		(55,276)	(325,130)	(71,398)
	2(b)	(178,877)	(395,405)	(195,172)
		(795,565)	(1,125,489)	(980,878)
Non-operating grants, subsidies and contributions	2(a)	2,334,420	2,441,769	2,102,864
(Loss) on disposal of assets	10(a)	0	0	(92,522)
Fair value adjustments to LHFR through profit & loss		1,939	0	864
		2,336,359	2,441,769	2,011,206
<b>Net result for the period</b>		<b>1,540,794</b>	<b>1,316,280</b>	<b>1,030,328</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	30,050	0	(509,526)
<b>Total other comprehensive income/(loss) for the period</b>		<b>30,050</b>	<b>0</b>	<b>(509,526)</b>
<b>Total comprehensive income for the period</b>		<b>1,570,844</b>	<b>1,316,280</b>	<b>520,802</b>

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



BUTLER SETTINERI

**SHIRE OF GOOMALLING**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

	NOTE	2021 \$	2020 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	448,347	119,216
Trade and other receivables	6	268,754	337,502
Other financial assets	5(a)	949,661	942,966
Inventories	7	30,899	34,106
<b>TOTAL CURRENT ASSETS</b>		<b>1,697,661</b>	<b>1,433,790</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	6	84,895	84,547
Other financial assets	5(b)	214,342	251,498
Inventories	7	530,000	530,000
Property, plant and equipment	8	24,109,229	24,554,545
Infrastructure	9	43,394,718	41,704,989
Right-of-use assets	11(a)	32,011	23,036
<b>TOTAL NON-CURRENT ASSETS</b>		<b>68,365,195</b>	<b>67,148,615</b>
<b>TOTAL ASSETS</b>		<b>70,062,856</b>	<b>68,582,405</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	359,485	308,349
Contract liabilities	14	261,845	79,868
Lease liabilities	15(a)	21,412	2,088
Borrowings	16(a)	304,779	338,202
Employee related provisions	17	564,043	500,748
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,511,564</b>	<b>1,229,255</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	15(a)	11,255	23,230
Borrowings	16(a)	2,568,546	2,908,413
Employee related provisions	17	48,325	69,187
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,628,126</b>	<b>3,000,830</b>
<b>TOTAL LIABILITIES</b>		<b>4,139,690</b>	<b>4,230,085</b>
<b>NET ASSETS</b>		<b>65,923,166</b>	<b>64,352,322</b>
<b>EQUITY</b>			
Retained surplus		27,678,227	26,141,762
Reserves - cash/financial asset backed	4	910,504	906,175
Revaluation surplus	12	37,334,435	37,304,385
<b>TOTAL EQUITY</b>		<b>65,923,166</b>	<b>64,352,322</b>

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 2021**

NOTE	RETAINED SURPLUS \$	RESERVES CASH/FINANCIAL		REVALUATION SURPLUS \$	TOTAL EQUITY \$
		ASSET BACKED \$			
<b>Balance as at 1 July 2019</b>	<b>25,087,654</b>	<b>929,955</b>		<b>37,813,911</b>	<b>63,831,520</b>
Comprehensive income					
Net result for the period	1,030,328	0		0	1,030,328
Other comprehensive income	12 0	0		(509,526)	(509,526)
Total comprehensive income	1,030,328	0		(509,526)	520,802
Transfers from reserves	4 39,191	(39,191)		0	0
Transfers to reserves	4 (15,411)	15,411		0	0
<b>Balance as at 30 June 2020</b>	<b>26,141,762</b>	<b>906,175</b>		<b>37,304,385</b>	<b>64,352,322</b>
Comprehensive income					
Net result for the period	1,540,794	0		0	1,540,794
Other comprehensive income	12 0	0		30,050	30,050
Total comprehensive income	1,540,794	0		30,050	1,570,844
Transfers from reserves	4 14,992	(14,992)		0	0
Transfers to reserves	4 (19,321)	19,321		0	0
<b>Balance as at 30 June 2021</b>	<b>27,678,227</b>	<b>910,504</b>		<b>37,334,435</b>	<b>65,923,166</b>

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



BUTLER SETTINERI

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		1,966,416	2,191,742	1,998,300
Operating grants, subsidies and contributions		1,357,997	986,383	1,188,375
Fees and charges		1,492,287	1,419,770	1,304,697
Interest received		40,630	29,700	54,645
Goods and services tax received		435,863	300,000	390,701
Other revenue		182,035	95,100	177,475
		5,475,228	5,022,695	5,114,193
<b>Payments</b>				
Employee costs		(2,278,763)	(2,188,284)	(2,226,381)
Materials and contracts		(1,009,441)	(1,119,446)	(1,090,639)
Utility charges		(254,909)	(253,805)	(259,049)
Interest expenses		(178,878)	(395,405)	(195,172)
Insurance paid		(151,054)	(163,480)	(194,552)
Goods and services tax paid		(437,432)	(395,661)	(400,514)
Other expenditure		(150,624)	(116,504)	(174,987)
		(4,461,101)	(4,632,585)	(4,541,294)
<b>Net cash provided by operating activities</b>	18	1,014,127	390,110	572,899
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	8(a)	(47,980)	(64,500)	(163,553)
Payments for construction of infrastructure	9(a)	(2,789,852)	(3,011,336)	(2,529,368)
Non-operating grants, subsidies and contributions		2,516,397	2,521,637	1,980,693
Proceeds from financial assets at amortised cost - term deposits		(4,326)	0	23,780
Proceeds from financial assets at amortised cost - self supporting loans		36,729	36,791	34,580
Proceeds from sale of property, plant & equipment	10(a)	0	0	244,258
<b>Net cash used in investment activities</b>		(289,032)	(517,408)	(409,610)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	16(b)	(1,318,290)	(3,048,956)	(369,594)
Payments for principal portion of lease liabilities	15(b)	(22,674)	(2,088)	(23,556)
Proceeds from new borrowings	16(b)	945,000	3,450,000	0
<b>Net cash provided by/ (used in) financing activities</b>		(395,964)	398,956	(393,150)
<b>Net increase / (decrease) in cash held</b>		329,131	271,658	(229,861)
Cash at beginning of year		119,216	1,025,391	349,077
<b>Cash and cash equivalents at the end of the year</b>	18	448,347	1,297,049	119,216

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



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - (deficit)</b>				
		(286,328)	(160,439)	(252,665)
		(286,328)	(160,439)	(252,665)
<b>Revenue from operating activities (excluding rates)</b>				
Governance		59,173	19,500	75,133
General purpose funding		876,506	449,002	890,792
Law, order, public safety		114,121	115,950	142,265
Health		622,282	662,000	655,143
Education and welfare		236	600	1,503
Housing		238,103	276,500	237,392
Community amenities		473,427	495,294	461,240
Recreation and culture		104,856	56,400	81,542
Transport		120,100	112,500	118,940
Economic services		366,661	408,563	249,547
Other property and services		93,029	62,920	62,840
		3,068,494	2,659,229	2,976,337
<b>Expenditure from operating activities</b>				
Governance		(172,245)	(214,386)	(294,958)
General purpose funding		(104,036)	(98,582)	(83,597)
Law, order, public safety		(289,674)	(301,532)	(339,915)
Health		(714,745)	(706,306)	(769,179)
Education and welfare		(15,872)	(17,516)	(33,087)
Housing		(330,840)	(386,746)	(339,858)
Community amenities		(633,893)	(680,171)	(638,649)
Recreation and culture		(989,952)	(905,590)	(1,059,715)
Transport		(1,785,949)	(1,403,610)	(1,758,247)
Economic services		(738,569)	(982,905)	(592,297)
Other property and services		(57,951)	(55,179)	(40,960)
		(5,833,726)	(5,752,523)	(5,950,462)
Non-cash amounts excluded from operating activities	27(a)	1,621,900	1,517,099	1,719,461
<b>Amount attributable to operating activities</b>		(1,429,660)	(1,736,634)	(1,507,329)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	2,334,420	2,441,769	2,102,864
Proceeds from disposal of assets	10(a)	0	0	244,258
Proceeds from financial assets at amortised cost - self supporting loans		36,730	36,791	34,580
Purchase of property, plant and equipment	8(a)	(47,980)	(64,500)	(163,553)
Purchase and construction of infrastructure	9(a)	(2,789,852)	(3,011,336)	(2,529,368)
		(466,682)	(597,276)	(311,219)
<b>Amount attributable to investing activities</b>		(466,681)	(597,276)	(311,219)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	16(b)	(1,318,290)	(3,048,956)	(369,594)
Proceeds from borrowings	16(c)	945,000	3,450,000	0
Payments for principal portion of lease liabilities	15(b)	(22,674)	(2,088)	(23,556)
Transfers to reserves (restricted assets)	4	(19,321)	(32,851)	(15,411)
Transfers from reserves (restricted assets)	4	14,992	0	39,191
<b>Amount attributable to financing activities</b>		(400,293)	366,105	(369,370)
<b>(Deficit) before imposition of general rates</b>		(2,296,634)	(1,967,805)	(2,187,918)
<b>Total amount raised from general rates</b>	26(a)	1,971,606	1,967,805	1,901,589
<b>(Deficit) after imposition of general rates</b>	27(b)	(325,028)	0	(286,328)

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





**SHIRE OF GOOMALLING**  
**INDEX OF NOTES TO THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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

**1. BASIS OF PREPARATION**

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

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

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

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 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.

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

**INITIAL APPLICATION OF ACCOUNTING STANDARDS**

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

These were:

- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of Materiality*

The adoption of these standards had no material impact on the financial report.

**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*

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

**CRITICAL ACCOUNTING ESTIMATES**

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

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

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

- Other financial assets
- Property, plant and equipment
- Infrastructure
- Provisions

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

**2. REVENUE AND EXPENSES**

**REVENUE RECOGNITION POLICY**

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by Council annually	When taxable event occurs	Not applicable	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	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	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	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	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	Cash received	On receipt of funds	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	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	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	Set by State legislation	Applied fully on timing of inspection	No refunds	Revenue recognised after inspection event occurs
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by Council annually	When taxable event occurs	Not applicable	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	Adopted by Council annually	Based on timing of entry to facility	Not applicable	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	Adopted by Council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	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	Adopted by Council annually	Applied fully based on timing of provision	Not applicable	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	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	On- charge of expenses & Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement	When claim is agreed	Not applicable	When claim is agreed

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

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

**(a) Grant revenue**

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Operating grants, subsidies and contributions</b>			
Governance	2,473	3,000	3,660
General purpose funding	809,419	386,959	825,413
Law, order, public safety	45,735	45,000	67,606
Health	10,304	25,000	25,000
Community amenities	123,036	138,000	144,000
Recreation and culture	70,194	31,900	38,599
Transport	94,066	97,500	93,040
Economic services	161,233	163,363	30,000
	<u>1,316,460</u>	<u>890,722</u>	<u>1,227,318</u>
<b>Non-operating grants, subsidies and contributions</b>			
General purpose funding	275,378	271,061	0
Recreation and culture	0	0	103,896
Transport	2,039,784	2,170,708	1,994,963
Economic services	19,258	0	4,005
	<u>2,334,420</u>	<u>2,441,769</u>	<u>2,102,864</u>
<b>Total grants, subsidies and contributions</b>	<u>3,650,880</u>	<u>3,332,491</u>	<u>3,330,182</u>
<b>Fees and charges</b>			
Governance	78	0	930
General purpose funding	4,520	4,400	2,933
Law, order, public safety	67,580	66,750	69,846
Health	611,978	633,000	630,143
Housing	233,775	269,100	228,020
Community amenities	155,534	167,500	127,316
Recreation and culture	20,278	16,700	18,682
Economic services	187,059	229,900	202,589
Other property and services	21,894	32,420	24,237
	<u>1,302,696</u>	<u>1,419,770</u>	<u>1,304,697</u>

There were no changes to the amounts of fees or charges detailed in the original budget.

**SIGNIFICANT ACCOUNTING POLICIES**

**Grants, subsidies and contributions**

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature.

Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

**Fees and Charges**

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

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

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

**(a) Revenue (Continued)**

**Contracts with customers and transfers for recognisable non-financial assets**

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions	1,103,875	681,459	681,415
Fees and charges	1,289,262	1,406,770	1,105,899
Non-operating grants, subsidies and contributions	2,334,420	2,441,769	2,102,864
	<u>4,727,557</u>	<u>4,529,998</u>	<u>3,890,178</u>

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

Revenue from contracts with customers included as a contract liability at the start of the period	0	0	202,040
Revenue from contracts with customers recognised during the year	2,393,136	2,088,229	0
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	2,334,420	2,441,769	1,900,824
	<u>4,727,556</u>	<u>4,529,998</u>	<u>2,102,864</u>

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

Contract liabilities from contracts with customers	261,845	0	79,868
Trade and Other Receivables	50,374	0	91,911

Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met.

Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less.

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

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

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

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

**(a) Revenue (Continued)**

**Revenue from statutory requirements**

Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
General rates	1,971,606	1,967,805	1,901,589
Specified area rates	189,591	188,794	188,850
Statutory permits and licences	9,737	12,000	6,774
Fines	3,697	1,000	3,174
	2,174,631	2,169,599	2,100,387
<b>Other revenue</b>			
Reimbursements and recoveries	182,035	95,100	105,581
Sale of inventory	0	0	71,895
	182,035	95,100	177,476
<b>Interest earnings</b>			
Financial assets at amortised cost - self supporting loans	14,384	7,000	16,534
Interest on reserve funds	4,330	7,500	15,411
Rates instalment and penalty interest	21,916	8,900	22,699
Other interest earnings	0	6,300	0
	40,630	29,700	54,644

**SIGNIFICANT ACCOUNTING POLICIES**

**Interest earnings**

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset 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).

**Interest earnings (continued)**

Interest income is presented as interest earning where it is earned from financial assets that are held for cash management purposes.

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

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

(b) Expenses	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Auditors remuneration</b>				
- Audit of the Annual Financial Report		20,000	30,000	20,045
- Other services - Commonwealth Certifications		1,800	0	0
		21,800	30,000	20,045
<b>Interest expenses (finance costs)</b>				
Borrowings		178,878	395,363	194,347
Lease liabilities	15(b)	634	42	825
		179,512	395,405	195,172
<b>Other expenditure</b>				
Sundry expenses		150,624	116,504	174,987
		150,624	116,504	174,987

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

**3. CASH AND CASH EQUIVALENTS**

	NOTE	2021 \$	2020 \$
Cash at bank and on hand		448,347	119,216
<b>Total cash and cash equivalents</b>		<b>448,347</b>	<b>119,216</b>

**Restrictions**

The following classes of 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		329,218	119,216
- Financial assets at amortised cost - term deposits	5	910,504	906,175
		<b>1,239,722</b>	<b>1,025,391</b>

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

Reserves - cash/financial asset backed	4	910,504	906,175
Contract liabilities from contracts with customers	14	261,845	79,868
Local Medical Practice - funds used only for the Medical Practice		67,373	39,348
<b>Total restricted assets</b>		<b>1,239,722</b>	<b>1,025,391</b>

**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

**Restricted assets**

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



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

4. RESERVES - CASH/FINANCIAL  
ASSET BACKED

	2021 Actual		2021 Actual		2021 Budget		2021 Budget		2020 Actual		2020 Actual	
	Opening Balance	Transfer to	Actual	Transfer (from)	Opening Balance	Transfer (from)	Closing Balance	Transfer to	Opening Balance	Transfer to	Closing Balance	Transfer (from)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave Reserve	111,813	533	112,346	0	111,813	1,500	113,313	2,000	109,813	2,000	111,813	0
(b) Mortlock Lodge Reserve	(11,820)	14,992	3,172	0	3,172	0	3,172	2,508	3,172	2,508	(11,820)	(17,500)
(c) Aged Care Reserve	118,681	566	119,247	0	118,681	1,500	120,181	2,000	116,681	2,000	118,681	0
(d) LCDC Reserve	10,361	49	10,410	0	10,361	150	10,511	150	10,211	150	10,361	0
(e) SW LAG Officer AL/LSL	5,200	34	5,234	0	5,200	50	5,250	153	9,238	153	5,200	(4,191)
(f) Sewerage Reserve	324,513	1,561	326,074	0	324,513	4,500	329,013	4,800	319,713	4,800	324,513	0
(g) Staff Housing Reserve	32,994	157	33,151	0	32,994	500	33,494	1,000	49,494	1,000	32,994	(17,500)
(h) Community Bus Reserve	53,776	257	54,033	0	53,776	450	54,226	800	52,976	800	53,776	0
(i) Vehicle Reserve	107,115	511	107,626	0	107,115	1,300	108,415	2,000	105,115	2,000	107,115	0
(j) Plant Replacement Reserve	153,542	661	139,211	(14,992)	138,550	22,901	161,451	0	153,542	0	153,542	0
	906,175	19,321	910,504	(14,992)	906,175	32,851	939,026	15,411	929,955	15,411	906,175	(39,191)

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

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

**5. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Other financial assets at amortised cost

**Other financial assets at amortised cost**

Financial assets at amortised cost - term deposits (Note 3)

Financial assets at amortised cost - self supporting loan

**(b) Non-current assets**

Financial assets at fair value through profit and loss

Financial assets at amortised cost - self supporting loans

**Financial assets at amortised cost**

Financial assets at amortised cost - self supporting loan

**Financial assets at fair values through profit and loss**

Units in Local Government House Trust

	2021	2020
	\$	\$
	949,661	942,966
	949,661	942,966
	910,504	906,175
	39,157	36,791
	949,661	942,966
	55,355	53,416
	158,987	198,082
	214,342	251,498
	158,987	198,082
	158,987	198,082
	55,355	53,416
	55,355	53,416

**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.

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

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

- 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 28.

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

**6. TRADE AND OTHER RECEIVABLES**

**Current**

Rates receivable  
 Trade and other receivables  
 GST receivable

**Non-current**

Pensioner's rates and ESL deferred

	2021	2020
	\$	\$
	188,207	216,986
	50,374	91,911
	30,173	28,605
	268,754	337,502
	84,895	84,547
	84,895	84,547

**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 goods sold and services performed in the ordinary course of business.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

**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 28.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Classification and subsequent measurement**

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

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

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

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

**7. INVENTORIES**

**Current**

Fuel and materials

**Non-current**

Land held for resale - cost

Cost of acquisition

Less Impairment

The following movements in inventories occurred during the year:

**Balance at beginning of year**

Inventories expensed during the year

Additions to inventory

**Balance at end of year**

	2021	2020
	\$	\$
	30,899	34,106
	<u>30,899</u>	<u>34,106</u>
	929,261	929,261
	(399,261)	(399,261)
	<u>530,000</u>	<u>530,000</u>
	564,106	563,371
	(115,107)	(113,517)
	111,900	114,252
	<u>560,899</u>	<u>564,106</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

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

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

**Land held for resale**

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

**Land held for resale (Continued)**

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

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

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

SHIRE OF GOOMALLING  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021  
**8. PROPERTY, PLANT AND EQUIPMENT**

(a) Movements in Balances

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

	Land - Freehold Land	Buildings - non- specialised	Total Land and Buildings	Furniture and Equipment	Plant and Equipment	Swimming Pool Buildings & Equipment	Total Property, Plant and Equipment
	\$	\$	\$	\$	\$	\$	\$
<b>Carrying amount at 1 July 2019</b>	3,260,000	20,006,926	23,266,926	159,010	1,016,767	1,319,916	25,762,619
Additions	0	45,718	45,718	11,615	106,220	0	163,553
(Disposals)	(65,000)	(239,403)	(304,403)	0	(32,377)	0	(336,780)
Revaluation Increments/(decrements)	0	0	0	27,885	0	0	27,885
Impairment (losses) / reversals	0	(537,411)	(537,411)	0	0	0	(537,411)
Depreciation (expense)	0	(310,432)	(310,432)	(43,745)	(146,115)	(25,029)	(525,321)
<b>Carrying amount at 30 June 2020</b>	3,195,000	18,965,398	22,160,398	154,765	944,495	1,294,887	24,554,545
<b>Comprises:</b>							
Gross balance at 30 June 2020	3,195,000	19,867,095	23,062,095	462,361	1,493,502	1,393,056	26,411,014
Accumulated depreciation at 30 June 2020	0	(901,697)	(901,697)	(307,596)	(549,007)	(98,169)	(1,856,469)
<b>Carrying amount at 30 June 2020</b>	3,195,000	18,965,398	22,160,398	154,765	944,495	1,294,887	24,554,545
Additions	0	9,859	9,859	11,673	26,449	0	47,980
Impairment (losses) / reversals	0	30,050	30,050	0	0	0	30,050
Depreciation (expense)	0	(299,431)	(299,431)	(42,548)	(156,338)	(25,029)	(523,346)
<b>Carrying amount at 30 June 2021</b>	3,195,000	18,705,876	21,900,876	123,890	814,606	1,269,857	24,109,229
<b>Comprises:</b>							
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)
<b>Carrying amount at 30 June 2021</b>	3,195,000	18,705,876	21,900,875	123,890	814,606	1,269,857	24,109,229

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

8. 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 - Freehold Land	2	Market approach using recent or estimated observable market data for similar items (Net revaluation method)	Independent Valuation and Management Valuation	June 2017	Price per hectare/market borrowing rate
	Buildings - non-specialised	3	Market approach using recent or estimated observable market data for similar items (Net revaluation method)	Independent Valuation and Management Valuation	June 2017	Improvements to buildings using construction costs and current condition (Level-2), residual values and remaining useful life assessments (Level-3) inputs
	Swimming Pool Buildings & Equipment	3	Market approach using recent or estimated observable market data for similar items (Net revaluation method)	Independent Valuation and Management Valuation	June 2017	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.

Following a change to *Local Government (Financial Management) Regulation 17A*, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change is effective from 1 July 2019 and represents a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximates cost at the date of change.

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - Roads	Infrastructure - Storm Water Drainage	Infrastructure - Footpaths	Infrastructure - sewerage	Infrastructure - Other	Total Infrastructure
Carrying amount at 1 July 2019	\$ 34,377,062	\$ 2,316,699	\$ 752,766	\$ 1,594,676	\$ 1,175,227	\$ 40,216,430
Additions	2,357,329	0	0	0	172,040	2,529,369
Depreciation (expense)	(896,199)	(40,803)	(25,688)	(33,519)	(44,601)	(1,040,810)
Carrying amount at 30 June 2020	35,838,192	2,275,896	727,078	1,561,157	1,302,666	41,704,989
<b>Comprises:</b>						
Gross balance at 30 June 2020	39,833,600	2,720,258	839,506	1,694,350	1,420,690	46,508,404
Accumulated depreciation at 30 June 2020	(3,995,408)	(444,362)	(112,428)	(133,193)	(118,024)	(4,803,415)
Carrying amount at 30 June 2020	35,838,192	2,275,896	727,078	1,561,157	1,302,666	41,704,989
Additions	2,668,538	0	56,376	0	64,938	2,789,852
Depreciation (expense)	(945,228)	(40,804)	(27,414)	(33,520)	(53,157)	(1,100,123)
Carrying amount at 30 June 2021	37,561,502	2,235,092	756,040	1,527,637	1,314,447	43,394,718
<b>Comprises:</b>						
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)	(5,903,537)
Carrying amount at 30 June 2021	37,561,502	2,235,092	756,040	1,527,637	1,314,447	43,394,718

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

9. 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 - Storm Water 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 Airport	3				
	Infrastructure - sewerage	3	Cost approach using current replacement cost (Gross revaluation method)	Independent and Management Valuation	June 2016	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - Other	3	Cost approach using current replacement cost (Gross revaluation method)	Independent and Management Valuation	June 2016	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 for these assumptions were varied, they have the potential of 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  
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10. FIXED ASSETS

(a) Disposals of Assets

	2021			2021			2021			2021			2020			2020		
	Actual Net Book Value	Actual Sale Proceeds	2021 Actual Profit Loss	Budget Net Book Value	Budget Sale Proceeds	2021 Budget Profit Loss	Budget Net Book Value	Budget Sale Proceeds	2021 Budget Profit Loss	Actual Net Book Value	Actual Sale Proceeds	2020 Actual Profit Loss	Actual Net Book Value	Actual Sale Proceeds	2020 Actual Profit Loss	Actual Net Book Value	Actual Sale Proceeds	2020 Actual Profit Loss
Land	0	0	0	0	0	0	0	0	0	0	0	0	65,000	65,000	0	65,000	65,000	0
Buildings - specialised	0	0	0	0	0	0	0	0	0	0	0	0	239,403	146,881	0	239,403	146,881	(92,522)
Plant and Equipment	0	0	0	0	0	0	0	0	0	0	0	0	32,377	32,377	0	32,377	32,377	0
	0	0	0	0	0	0	0	0	0	0	0	0	336,780	244,258	0	336,780	244,258	(92,522)

**SHIRE OF GOOMALLING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**10. FIXED ASSETS (CONTINUED)**

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

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

**Initial recognition and measurement between mandatory revaluation dates**

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 initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

**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.

**Revaluation (Continued)**

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

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

**AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY**

**Land under roads from 1 July 2019**

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

**Vested improvements from 1 July 2019**

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

Refer to Note 11 that details the significant accounting policies applying to leases (including right-of-use assets).

**SHIRE OF GOOMALLING**  
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**10. FIXED ASSETS (CONTINUED)**

**(b) Depreciation**

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	299,431	299,999	310,432
Furniture and Equipment	42,548	45,600	43,745
Plant and Equipment	156,338	152,300	146,115
Swimming Pool Buildings & Equipment	25,029	22,500	25,029
Infrastructure - Roads	945,228	850,000	896,199
Infrastructure - Footpaths	27,414	25,000	25,688
Infrastructure - Storm Water Drainage	40,804	42,000	40,803
Infrastructure - Other	53,157	46,200	44,601
Infrastructure - sewerage	33,520	32,000	33,519
Right of Use Assets plant and equipment	21,048	0	21,432
	1,644,517	1,515,599	1,587,563

**SIGNIFICANT ACCOUNTING POLICIES**

**Depreciation**

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested land, 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 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 seal	50 years
- 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

**Depreciation on revaluation**

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

- (a) 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
- (b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

**SHIRE OF GOOMALLING**  
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**11. LEASES**

**(a) Right-of-Use Assets**

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

<b>Balance at 1 July 2019</b>
Depreciation (expense)
<b>Balance at 30 June 2020</b>
Additions
Depreciation (expense)
<b>Balance at 30 June 2021</b>

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

Depreciation expense on lease liabilities	
Interest expense on lease liabilities	
Short-term lease payments recognised as expense	
<b>Total amount recognised in the statement of comprehensive income</b>	

Total cash outflow from leases

<b>Right of Use Assets plant and equipment</b>	<b>Right-of-use assets Total</b>
\$	
44,468	44,468
(21,432)	(21,432)
23,036	23,036
30,023	30,023
(21,048)	(21,048)
32,011	32,011

<b>2021 Actual</b>	<b>2020 Actual</b>
\$	\$
21,048	21,432
634	825
22,674	2,317
44,356	24,574
23,308	2,859

**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 remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

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

**Right-of-use assets - valuation**

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

Refer to Note 10 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 shortest. 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  
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**11. LEASES (CONTINUED)**

**(b) Property, Plant and Equipment Subject to Lease**

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

Less than 1 year  
1 to 2 years

	2021 Actual \$	2021 Budget \$	2020 Actual \$
	21,412	2,131	2,088
	11,255	0	0
	32,667	2,131	2,088

**SIGNIFICANT ACCOUNTING POLICIES**

**The Shire as Lessor**

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

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

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

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

SHIRE OF GOOMALLING  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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12. REVALUATION SURPLUS

	2021		2021		2020		2020		2020		2020	
	Opening Balance	Revaluation Increment	Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Movement on Revaluation	Closing Balance	Revaluation Increment	Revaluation (Decrement)	Movement on Revaluation
Land - freehold	2,501,855	0	0	2,501,855	2,501,855	0	0	0	2,501,855	0	0	0
Buildings - non-specialised Furniture and Equipment	10,100,569	*30,050	30,050	10,130,619	10,637,980	0	(537,411)	(537,411)	10,100,569	0	(537,411)	(537,411)
Swimming Pool and Equipment	154,015	0	0	154,015	126,130	27,885	0	27,885	154,015	27,885	0	27,885
Infrastructure - Roads	932,516	0	0	932,516	932,516	0	0	0	932,516	0	0	0
Infrastructure - Sewerage	21,612,025	0	0	21,612,025	21,612,025	0	0	0	21,612,025	0	0	0
Infrastructure - Other Infrastructure	1,434,014	0	0	1,434,014	1,434,014	0	0	0	1,434,014	0	0	0
	569,391	0	0	569,391	569,391	0	0	0	569,391	0	0	0
	37,304,385	30,050	30,050	37,334,435	37,813,911	27,885	(537,411)	(509,526)	37,304,385	27,885	(537,411)	(509,526)

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.

\*Impairment reversal due to an incorrect impairment recognised as at 30 June 2020.

**SHIRE OF GOOMALLING**  
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**13. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors  
 Prepaid rates  
 Accrued salaries and wages  
 ATO liabilities  
 Bonds and deposits held  
 Accrued Interest on Loans

	2021	2020
	\$	\$
	189,452	86,950
	61,123	129,887
	17,847	10,508
	23,280	25,243
	11,777	11,267
	56,006	44,494
	359,485	308,349

**SIGNIFICANT ACCOUNTING POLICIES**

**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 normally paid within 30 days of recognition

**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**  
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**14. CONTRACT LIABILITY**

**Current**

Contract liabilities

	2021	2020
	\$	\$
	261,845	79,868

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

Less than 1 year

<b>Contract liabilities</b>		
	\$	
	261,845	79,868

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract liabilities**

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

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

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



**SHIRE OF GOOMALLING  
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**15. LEASE LIABILITIES**

	2021	2020
(a) Lease Liabilities	\$	\$
Current	21,412	2,088
Non-current	11,255	23,230
	<u>32,667</u>	<u>25,318</u>

(b) Movements in Carrying Amounts

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	30 June 20: 30 June 2021		30 June 2021: 30 June 2021		30 June 2021: 30 June 2021		30 June 2021: 30 June 2021		30 June 2020: 30 June 2020		30 June 2020: 30 June 2020		30 June 2020: 30 June 2020				
					Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
					Lease Principal	New Leases	Actual Lease Principal	Actual Lease Principal	Budget Lease Principal	Budget Lease Principal	Actual Lease Principal	Actual Lease Principal	Budget Lease Principal	Budget Lease Principal	Actual Lease Principal	Actual Lease Principal	Actual Lease Principal	Actual Lease Principal			
<b>Other property and services</b>					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Photocopier	55490	Bendigo	8.40%	Sep 2020	2,088	0	2,088	0	2,088	0	2,088	0	2,088	0	2,088	0	2,088	0	2,088	283	
GO 015	6250532	Toyota Flee	1.40%	Jun 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	75	75	
GO 040 Ford Escape Blue	6250509	Toyota Flee	1.40%	Jun 2022	11,778	0	5,835	5,943	0	0	0	0	0	0	11,778	5,749	11,778	11,778	237	237	
GOSHIRE Ford Escape White	6250620	Toyota Flee	1.40%	Jun 2022	11,451	0	5,674	5,777	0	0	0	0	0	0	11,451	5,592	11,451	11,451	230	230	
GO 015 Ford Utility (Works Super	6463413	Toyota Flee	1.40%	June 2024	25,317	30,023	9,077	20,946	0	0	0	0	0	0	25,317	0	25,317	25,317	0	0	
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
					25,317	30,023	22,674	32,666	634	42	2,088	42	2,088	42	25,317	23,566	25,317	25,317	825	825	



**SHIRE OF GOOMALLING**  
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**16. INFORMATION ON BORROWINGS (Continued)**

(c) New Borrowings - 2020/21

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate %	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2021 Actual	2021 Budget	2021 Actual	2021 Budget		
Consolidation of existing loans (x12)	WATC*		20	2.90%	0	3,450,000	0	3,450,000	0	0
Bank Overdraft (Subdivision)	Bendigo		15	2.88%	945,000	0	0	0	0	945,000
					945,000	3,450,000	0	3,450,000	0	945,000

\* WA Treasury Corporation

(d) Undrawn Borrowing Facilities

	2021	2020
	\$	\$
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	400,000	400,000
Bank overdraft at balance date	0	0
Credit card limit	15,000	15,000
Credit card balance at balance date	(1,828)	(2,367)
<b>Total amount of credit unused</b>	<b>413,172</b>	<b>412,633</b>
<b>Loan facilities</b>		
Loan facilities - current	304,779	338,202
Loan facilities - non-current	2,568,546	2,908,413
Lease liabilities - current	21,412	2,088
Lease liabilities - non-current	11,255	23,230
<b>Total facilities in use at balance date</b>	<b>2,905,992</b>	<b>3,271,933</b>
<b>Unused loan facilities at balance date</b>	<b>0</b>	<b>0</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

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.

**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.

**Risk**

Information regarding exposure to risk can be found at Note 28.

**SHIRE OF GOOMALLING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**17. EMPLOYEE RELATED PROVISIONS**

**(a) Employee Related Provisions**

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
<b>Opening balance at 1 July 2020</b>			
Current provisions	242,757	257,991	500,748
Non-current provisions	0	69,187	69,187
	242,757	327,178	569,935
Additional provision	166,861	38,250	205,111
Amounts used	(144,703)	(17,975)	(162,678)
<b>Balance at 30 June 2021</b>	264,915	347,453	612,368
<b>Comprises</b>			
Current	264,915	299,128	564,043
Non-current	0	48,325	48,325
	264,915	347,453	612,368

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

	2021 \$	2020 \$
Less than 12 months after the reporting date	398,597	182,945
More than 12 months from reporting date	191,050	364,269
Expected reimbursements from other WA local governments	22,721	22,721
	612,368	569,935

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees.

Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as 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 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

**Other long-term employee benefits (Continued)**

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.

**Provisions**

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

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

**SHIRE OF GOOMALLING**  
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**18. NOTES TO THE STATEMENT OF CASH FLOWS**

**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:

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cash and cash equivalents	448,347	1,297,049	119,216
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	1,540,794	1,316,280	1,030,328
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(1,939)	0	(864)
Depreciation on non-current assets	1,644,517	1,515,599	1,587,563
(Profit)/loss on sale of asset	0	0	92,522
Changes in assets and liabilities:			
(Increase)/decrease in receivables	68,399	0	(111,073)
(Increase)/decrease in inventories	3,207	0	(735)
Increase/(decrease) in payables	51,136	0	(80,269)
Increase/(decrease) in employee provisions	42,433	0	158,291
Non-operating grants, subsidies and contributions	(2,334,420)	(2,441,769)	(2,102,864)
Net cash from operating activities	1,014,127	390,110	572,899

SHIRE OF GOOMALLING  
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19. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
General purpose funding	1,534,776	449,354
Law, order, public safety	642,448	704,952
Health	22,383	484,075
Education and welfare	477,100	7,500
Housing	5,382,389	4,533,590
Community amenities	2,385,225	2,525,836
Recreation and culture	10,487,902	10,276,715
Transport	41,389,099	39,771,037
Economic services	6,227,069	5,135,901
Other property and services	1,514,466	4,693,445
Unallocated	0	0
	<u>70,062,856</u>	<u>68,582,405</u>

## **20. CONTINGENT LIABILITIES**

Contingent 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.

## 21. CAPITAL COMMITMENTS

### (a) Capital Expenditure 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 2021

22. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
<b>Councillor Barry Haywood, President</b>			
President's annual allowance	2,500	2,500	2,500
Meeting attendance fees	4,300	4,500	4,000
Travel and accommodation expenses	906	1,500	289
	7,706	8,500	6,789
<b>Councillor Roly Van Gelderen, Deputy President</b>			
Deputy President's annual allowance	625	625	625
Meeting attendance fees	1,500	3,000	1,200
Travel and accommodation expenses	399	500	
	2,524	4,125	1,825
<b>Councillor Christine Barratt</b>			
Meeting attendance fees	1,600	1,500	1,100
	1,600	1,500	1,100
<b>Councillor Julie Chester</b>			
Meeting attendance fees	2,050	1,500	1,500
Travel and accommodation expenses	825	1,000	459
	2,875	2,500	1,959
<b>Councillor Rodney Sheen</b>			
Meeting attendance fees	1,350	1,500	1,100
Travel and accommodation expenses	554	500	255
	1,904	2,000	1,355
<b>Councillor Casey Butt</b>			
Meeting attendance fees	1,450	1,500	800
	1,450	1,500	800
<b>Councillor Brendon Wilkes</b>			
Meeting attendance fees	1,450	1,500	700
	1,450	1,500	700
<b>Councillor Joe Bowen</b>			
Meeting attendance fees	0	0	400
Travel and accommodation expenses	0	0	191
	0	0	591
<b>Councillor Kevin Ryan</b>			
Meeting attendance fees	0	0	450
	0	0	450
	19,509	21,625	15,569
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	2,500	2,500	2,500
Deputy President's allowance	625	625	625
Meeting attendance fees	13,700	15,000	11,250
Travel and accommodation expenses	2,684	3,500	1,194
	19,509	21,625	15,569

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

**23. RELATED PARTY TRANSACTIONS**

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

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

	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
	\$	\$
Short-term employee benefits	369,357	359,412
Post-employment benefits	44,526	46,853
Other long-term benefits	11,300	15,073
	<u>425,183</u>	<u>421,338</u>

*Short-term employee benefits*

These amounts include all salary, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found above.

*Post-employment benefits*

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

**SHIRE OF GOOMALLING**  
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**23. RELATED PARTY TRANSACTIONS (Continued)**

**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 guaranties exist in relation to related parties at year end.

The following transactions occurred with related parties:

	2021 Actual	2020 Actual
	\$	\$
Sale of goods and services	20,180	39,834
Purchase of goods and services	345,374	285,141

**Related Parties**

The Shire President and Finance manager are board members at 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 Mortlock Sports Council. The Shire has made a self supporting loan to Mortlock Sports Council as follows:

	2021 Actual	2020 Actual
	\$	\$
<b>Amounts payable to related parties:</b>		
Trade and other payables	12,628	0
Loans from associated entities	198,144	234,957

**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 elected member, are considered key management personnel.

*ii. 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**  
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**24. 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 the sale of 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 the 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>(b) Current year transactions</b>		<b>2021 Actual</b>	<b>2021 Budget</b>	<b>2020 Actual</b>
		\$	\$	\$
<b>Other expenditure</b>				
- Interest on Borrowings Loan 112	16	(34,155)	0	(44,639)
- Interest on Borrowings Loan 108	16	(18,698)	0	(32,763)
		(52,853)	0	(77,402)

<b>(c) Expected future cash flows</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Cash outflows</b>					
- Interest on Borrowings	(30,651)	(25,351)	(23,838)	(22,266)	(102,106)
	(30,651)	(25,351)	(23,838)	(22,266)	(102,106)
<b>Cash inflows</b>					
- Sale proceeds		55,000	55,000	55,000	165,000
	0	55,000	55,000	55,000	165,000
<b>Net cash flows</b>	(30,651)	29,649	31,162	32,734	62,894

**(d) Assets and liabilities**

<b>Land held for resale included within Note 7</b>	<b>2021</b>	<b>2020</b>
	\$	\$
<b>Current Inventory</b>		
Land held for resale - cost	530,000	530,000
	530,000	530,000

**25. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

The Shire did not participate in any major trading undertakings during the current financial year ended 30 June 2021.

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

**26. RATING INFORMATION**

(a) Rates

**RATE TYPE**  
Differential general rate / general rate

	Rate in \$	Number of Properties	2020/21 Actual Rateable Value \$	2020/21 Actual Rate Revenue \$	2020/21 Actual Interim Rates \$	2020/21 Actual Back Rates \$	2020/21 Actual Total Revenue \$	2020/21 Budget Rate Revenue \$	2020/21 Budget Interim Rate \$	2020/21 Budget Back Rate \$	2020/21 Budget Total Revenue \$	2019/20 Actual Total Revenue \$
<b>Gross rental valuations</b>												
GRV Residential	0.10959	119	1,316,466	144,265	0	0	144,265	144,265	0	0	144,265	140,497
GRV Commercial	0.12322	17	321,640	39,632	0	0	39,632	39,632	0	0	39,632	39,632
GRV Industrial	0.11817	11	80,636	9,529	0	0	9,529	9,529	0	0	9,529	9,529
GRV Urban Farm	0.10555	17	211,120	22,283	0	0	22,283	22,283	0	0	22,283	22,283
<b>Unimproved valuations</b>												
UV Rural Zone 2	0.00636	39	19,520,000	124,206	0	0	124,206	124,206	0	0	124,206	117,181
UV Special Rural	0.01263	10	1,002,500	12,657	0	0	12,657	12,657	0	0	12,657	17,738
UV General Zone 3 Farming	0.00692	214	195,846,000	1,354,863	3,801	0	1,358,664	1,354,863	0	0	1,354,863	1,295,894
<b>Sub-Total</b>		<b>427</b>	<b>218,298,362</b>	<b>1,707,435</b>	<b>3,801</b>	<b>0</b>	<b>1,711,236</b>	<b>1,707,435</b>	<b>0</b>	<b>0</b>	<b>1,707,435</b>	<b>1,642,754</b>

**Minimum payment**

	Rate	Number of Properties	2020/21 Actual Rateable Value \$	2020/21 Actual Rate Revenue \$	2020/21 Actual Interim Rates \$	2020/21 Actual Back Rates \$	2020/21 Actual Total Revenue \$	2020/21 Budget Rate Revenue \$	2020/21 Budget Interim Rate \$	2020/21 Budget Back Rate \$	2020/21 Budget Total Revenue \$	2019/20 Actual Total Revenue \$
<b>Gross rental valuations</b>												
GRV Residential	950	101	588,962	95,950	0	0	95,950	95,950	0	0	95,950	97,850
GRV Commercial	900	12	36,412	10,800	0	0	10,800	10,800	0	0	10,800	10,800
GRV Industrial	550	7	12,675	3,850	0	0	3,850	3,850	0	0	3,850	3,850
GRV Urban Farm	715	7	23,741	5,005	0	0	5,005	5,005	0	0	5,005	5,005
<b>Unimproved valuations</b>												
UV Rural Zone 2	1,000	32	4,082,000	32,000	0	0	32,000	32,000	0	0	32,000	36,550
UV Special Rural	1,100	8	609,500	8,800	0	0	8,800	8,800	0	0	8,800	4,400
UV General Zone 3 Farming	1,195	87	7,863,192	103,965	0	0	103,965	103,965	0	0	103,965	86,040
UV Mining Tenements	0	0	0	0	0	0	0	0	0	0	0	14,340
<b>Sub-Total</b>		<b>254</b>	<b>13,216,482</b>	<b>260,370</b>	<b>0</b>	<b>0</b>	<b>260,370</b>	<b>260,370</b>	<b>0</b>	<b>0</b>	<b>260,370</b>	<b>258,835</b>

**Total amount raised from general rate**

Specified Area Rate (Note 26(b))	1,967,805	3,801	1,971,606
Ex-gratia rates	188,794	35,143	22,488
<b>Totals</b>	<b>2,196,340</b>		<b>2,196,340</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Rates**  
Control over assets acquired from rates is obtained at the commencement of the rating period.  
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  
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26. RATING INFORMATION (Continued)

(b) Specified Area Rate

Specified Area Rate	Basis of Valuation	Rate in \$	2020/21 Rateable Value	2020/21 Rate	2020/21 Revenue	Interim Rate	Back Rate	Specified Area Rate	Budget		Total Budget Revenue	Total Actual Revenue	
									Revenue	Rate			
Sewerage - Residential		8.033	23,309	188,031	\$	0	0	188,031	187,234	0	0	187,234	188,031
Sewerage - Religious Church		4.000	390	1,560	\$	0	0	1,560	1,560	0	0	1,560	1,560
			23,699	189,591	\$	0	0	189,591	188,794	0	0	188,794	189,591

Specified Area Rate	Purpose of the rate	2020/21 Actual Rate Applied to Costs		2020/21 Budget Rate Applied to Costs		2020/21 Budget Rate Applied to Costs		Total Budget Revenue	Total Actual Revenue
		Rate	Applied to Costs	Rate	Applied to Costs	Rate	Applied to Costs		
Sewerage - Residential	To provide sewerage services for town properties	188,031	0	187,234	0	187,234	0	187,234	188,031
Sewerage - Religious Church	To provide sewerage services for town properties	1,560	0	1,560	0	1,560	0	1,560	1,560
		189,591	0	188,794	0	188,794	0	188,794	189,591

(c) Service Charges

The Shire did not raise service charges for the year ended 30 June 2021.

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

Rates Discounts

Rate or Fee	Discount %	Discount	2021		2020		Circumstances in which Discount is Granted
			Actual	Budget	Actual	Budget	
Early Payment Incentive	0.00%	0	700	1,000	900	900	Ratepayers 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 for the following: (a) - A \$600 voucher to be spent at any business in the Shire of Goomalling (b) - A \$300 voucher to be spent any business in the Shire of Goomalling (c) - A 100 voucher to be spent at any business in the Shire of Goomalling
Total discounts/concessions (Note 26(a))			700	1,000	900	900	

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26. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option one</b>				
Payment in Full	1/09/2020	0	0.0%	8.0%
<b>Option two</b>				
Instalment 1	1/09/2020	0	0.0%	0.0%
Instalment 2	1/11/2020	10	5.5%	8.0%
Instalment 3	1/01/2021	10	5.5%	8.0%
Instalment 4	1/03/2021	10	5.5%	8.0%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Instalment plan admin charge revenue	3,020	5,900	5,195
Instalment plan interest earned	4,559	3,000	2,085
Unpaid rates and service charge interest earned	16,596	7,000	16,942
	24,175	15,900	24,222

SHIRE OF GOOMALLING  
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27. RATE SETTING STATEMENT INFORMATION

	2020/21 (30 June 2021) Carried Forward)	2020/21 Budget (30 June 2021) Carried Forward)	2019/20 (30 June 2020) Carried Forward
Note	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
Less: Fair value adjustments to financial assets at fair value through profit and loss	(1,939)	0	(864)
Movement in pensioner deferred rates (non-current)	(349)	0	(10,848)
Movement in employee benefit provisions (non-current)	(20,862)	0	49,087
Movement in Lease and Loan Liability (non-current)	0	0	4,001
Movement in employee leave reserve	533	1,500	(2,000)
Add: Loss on disposal of assets	10(a) 0	0	92,522
Add: Depreciation on non-current assets	10(b) 1,644,517	1,515,599	1,587,563
<b>Non cash amounts excluded from operating activities</b>	1,621,900	1,517,099	1,719,461
<b>(b) Surplus/(deficit) after imposition of general rates</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
<b>Adjustments to net current assets</b>			
Less: Reserves - cash/financial asset backed	4 (910,504)	(991,354)	(906,175)
Less: Financial assets at amortised cost - self supporting loans	5(a) (39,157)	(239)	(36,791)
Add: Leave Reserve - Cash Backed	112,346	113,313	111,813
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	16(a) 304,779	973	338,202
- Current portion of lease liabilities	21,412	0	2,088
Bonds and deposit held		(11,267)	
<b>Total adjustments to net current assets</b>	(511,124)	(888,574)	(490,863)
<b>Net current assets used in the Rate Setting Statement</b>			
Total current assets	1,697,661	1,453,521	1,433,790
Less: Total current liabilities	(1,511,564)	(564,947)	(1,229,255)
Less: Total adjustments to net current assets	(511,124)	(888,574)	(490,863)
<b>Net current assets used in the Rate Setting Statement</b>	(325,028)	0	(286,328)



SHIRE OF GOOMALLING  
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28. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. 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 and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
<b>2021</b>					
Cash and cash equivalents	0.00%	448,347	0	0	448,347
Financial assets at amortised cost - term deposits	0.45%	910,504	910,504	0	0
<b>2020</b>					
Cash and cash equivalents	0.00%	119,216	0	0	119,216
Financial assets at amortised cost	0.80%	906,175	906,175	0	0

Sensitivity

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

Impact of a 1% movement in interest rates on profit and loss and equity\*

	2021	2020
	\$	\$
	0	0

\* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 16(b).

28. 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. Whilst the Shire was historically able to charge interest on overdue rates and annual charges at higher than market rates, which further encourage 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 2020 or 1 July 2021 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 2021 for rates receivable was determined as follows:

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2021</b>					
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
<b>30 June 2020</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	52,940	43,216	26,504	178,873	301,533

The loss allowance as at 30 June 2021 and 30 June 2020 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2021</b>					
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
<b>30 June 2020</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	49,812	27,843	1,951	12,305	91,911

**28. 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(d).

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
	\$	\$	\$	\$	\$
<b><u>2021</u></b>					
Payables	359,485	0	0	359,485	359,485
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
	852,758	1,378,788	1,201,013	3,432,559	3,265,477
<b><u>2020</u></b>					
Payables	308,349	0	0	308,349	308,349
Borrowings	506,181	1,510,354	1,973,165	3,989,700	3,246,615
Lease liabilities	2,088	23,230	0	25,318	25,318
	816,618	1,533,584	1,973,165	4,323,367	3,580,282

## 29. 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 2021 or which would require a separate disclosure.

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**30. 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 2020	Amounts Received	Amounts Paid	30 June 2021
	\$	\$	\$	\$
Pioneers Pathway	60,058	6,806	(41,500)	25,364
	60,058	6,806	(41,500)	25,364

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**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**31. 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) 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.

**i) 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 regulatory 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.

**SHIRE OF GOOMALLING**  
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**FOR THE YEAR ENDED 30 JUNE 2021**

**32. ACTIVITIES/PROGRAMS**

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

<b>PROGRAM NAME AND OBJECTIVES</b>	<b>ACTIVITIES</b>
<p><b>GOVERNANCE</b>            To provide a decision making process for the efficient allocation of scarce resources.</p>	<p>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.</p>
<p><b>GENERAL PURPOSE FUNDING</b>            To collect revenue to allow for the provision of services.</p>	<p>Rates, general purpose government grants and interest revenue.</p>
<p><b>LAW, ORDER, PUBLIC SAFETY</b>            To provide services to help ensure a safer and environmentally conscious community.</p>	<p>Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.</p>
<p><b>HEALTH</b>            To provide an operational framework for environmental and community health.</p>	<p>Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.</p>
<p><b>EDUCATION AND WELFARE</b>            To provide services to disadvantaged persons, the elderly, children and youth.</p>	<p>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.</p>
<p><b>HOUSING</b>            To provide housing to staff.</p>	<p>Staff housing, provision of general rental accomodation when buildings not required by staff.</p>
<p><b>COMMUNITY AMENITIES</b>            To provide services required by the community.</p>	<p>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.</p>
<p><b>RECREATION AND CULTURE</b>            To establish and effectively manage infrastructure and resources which help the social well being of the community.</p>	<p>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.</p>
<p><b>TRANSPORT</b>            To provide safe, effective and efficient transport services to the community.</p>	<p>Construction and maintenance of roads, streets, footpaths, depots, cycleways and parking facilities.</p>
<p><b>ECONOMIC SERVICES</b>            To help promote the Shire and its economic wellbeing.</p>	<p>Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building control.</p>
<p><b>OTHER PROPERTY AND SERVICES</b>            To monitor and control Council's overhead operating accounts.</p>	<p>Private works operation, plant repair and operation costs, housing and engineering operation costs.</p>

**SHIRE OF GOOMALLING**  
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**33. FINANCIAL RATIOS**

	2021 Actual	2020 Actual	2019 Actual
Current ratio	0.33	0.37	0.59
Asset consumption ratio	0.89	0.91	0.92
Asset renewal funding ratio	**	**	**
Asset sustainability ratio	1.68	1.47	0.06
Debt service cover ratio	0.68	1.24	0.63
Operating surplus ratio	(0.21)	(0.30)	(0.39)
Own source revenue coverage ratio	0.64	0.60	0.59

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

\*\* The Shire is unable to disclose the Asset renewal funding ratio at the end of the reporting period as it did not have the required data available to calculate this ratio.