

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

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**COMMUNITY VISION**

*"We are a welcoming and progressive community that celebrates its diversity and unique rural and coastal environment."*

Principal place of business:  
7 Brockman Street  
GINGIN WA 6503

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

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

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

Signed on the

12

day of

12

2022

Chief Executive Officer

Name of Chief Executive Officer



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

	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
<b>Revenue</b>				
Rates	26(a),2(a)	8,889,160	8,882,052	8,394,694
Operating grants, subsidies and contributions	2(a)	4,032,448	2,165,791	3,469,153
Fees and charges	25(c),2(a)	3,925,738	3,828,800	4,088,852
Interest earnings	2(a)	69,274	137,444	147,713
Other revenue	2(a)	562,162	196,287	677,161
		17,478,782	15,210,374	16,777,573
<b>Expenses</b>				
Employee costs		(5,873,096)	(6,390,737)	(5,856,207)
Materials and contracts		(6,321,670)	(5,709,570)	(5,281,648)
Utility charges		(462,885)	(445,615)	(434,451)
Depreciation	10(a)	(6,310,701)	(4,922,951)	(6,291,548)
Finance costs	2(b)	(102,467)	(105,341)	(108,584)
Insurance		(368,772)	(341,215)	(450,686)
Other expenditure	2(b)	(437,338)	(606,109)	(544,209)
		(19,876,929)	(18,521,538)	(18,967,333)
		(2,398,147)	(3,311,164)	(2,189,760)
Non-operating grants, subsidies and contributions	2(a)	4,482,933	8,602,360	8,352,488
Profit on asset disposals	10(c)	-	-	73,706
Loss on asset disposals	10(c)	(4,040)	-	(73,266)
Fair value adjustments to financial assets at fair value through profit or loss		3,997	-	2,586
		4,482,890	8,602,360	8,355,514
<b>Net result for the period</b>	25(b)	<b>2,084,743</b>	<b>5,291,196</b>	<b>6,165,754</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	16	-	-	12,638,926
<b>Total other comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>12,638,926</b>
<b>Total comprehensive income for the period</b>		<b>2,084,743</b>	<b>5,291,196</b>	<b>18,804,680</b>

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



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

	NOTE	2022	2021
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	13,598,004	9,438,399
Trade and other receivables	5	1,975,769	2,921,497
Other financial assets	4(a)	4,207	7,977
Inventories	6	48,891	34,392
Other assets	7	19,325	17,785
<b>TOTAL CURRENT ASSETS</b>		<b>15,646,196</b>	<b>12,420,050</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	153,311	142,800
Other financial assets	4(b)	100,620	90,830
Property, plant and equipment	8	51,210,036	50,366,413
Infrastructure	9	151,247,484	151,590,018
Right-of-use assets	11(a)	76,741	109,100
<b>TOTAL NON-CURRENT ASSETS</b>		<b>202,788,192</b>	<b>202,299,161</b>
<b>TOTAL ASSETS</b>		<b>218,434,388</b>	<b>214,719,211</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	3,407,473	2,289,417
Other liabilities	13	1,410,754	721,357
Lease liabilities	11(b)	31,608	24,023
Borrowings	14	250,521	259,387
Employee related provisions	15	930,057	1,004,339
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,030,413</b>	<b>4,298,523</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	11(b)	45,789	85,369
Borrowings	14	1,592,664	1,843,185
Employee related provisions	15	254,868	66,223
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,893,321</b>	<b>1,994,777</b>
<b>TOTAL LIABILITIES</b>		<b>7,923,734</b>	<b>6,293,300</b>
<b>NET ASSETS</b>		<b>210,510,654</b>	<b>208,425,911</b>
<b>EQUITY</b>			
Retained surplus		47,351,695	46,559,741
Reserve accounts	29	7,745,214	6,452,425
Revaluation surplus	16	155,413,745	155,413,745
<b>TOTAL EQUITY</b>		<b>210,510,654</b>	<b>208,425,911</b>

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



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

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2020</b>		<b>41,293,202</b>	<b>5,553,210</b>	<b>142,774,819</b>	<b>189,621,231</b>
Comprehensive income for the period					
Net result for the period		6,165,754	-	-	6,165,754
Other comprehensive income for the period	16	-	-	12,638,926	12,638,926
Total comprehensive income for the period		6,165,754	-	12,638,926	18,804,680
Transfers from reserves	29	1,564,253	(1,564,253)	-	-
Transfers to reserves	29	(2,463,468)	2,463,468	-	-
<b>Balance as at 30 June 2021</b>		<b>46,559,741</b>	<b>6,452,425</b>	<b>155,413,745</b>	<b>208,425,911</b>
Comprehensive income for the period					
Net result for the period		2,084,743	-	-	2,084,743
Total comprehensive income for the period		2,084,743	-	-	2,084,743
Transfers from reserves	29	85,482	(85,482)	-	-
Transfers to reserves	29	(1,378,270)	1,378,270	-	-
<b>Balance as at 30 June 2022</b>		<b>47,351,695</b>	<b>7,745,214</b>	<b>155,413,745</b>	<b>210,510,654</b>

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

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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		9,340,165	8,893,855	8,696,678
Operating grants, subsidies and contributions		5,227,435	1,732,841	1,132,552
Fees and charges		3,924,714	3,828,800	4,095,639
Interest received		69,274	137,444	147,713
Goods and services tax received		23,077	-	-
Other revenue		562,162	196,287	677,161
		19,146,827	14,789,227	14,749,743
<b>Payments</b>				
Employee costs		(5,740,429)	(6,390,737)	(5,871,535)
Materials and contracts		(5,256,631)	(5,709,570)	(4,542,101)
Utility charges		(462,885)	(445,615)	(434,451)
Finance costs		(102,467)	(105,341)	(108,584)
Insurance paid		(368,772)	(341,215)	(450,686)
Goods and services tax paid		(24,757)	-	(39,045)
Other expenditure		(437,338)	(606,109)	(544,209)
		(12,393,279)	(13,598,587)	(11,990,611)
<b>Net cash provided by (used in) operating activities</b>	17(b)	6,753,548	1,190,640	2,759,132
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	8(a)	(2,381,466)	(5,700,954)	(1,909,436)
Payments for construction of infrastructure	9(a)	(4,402,396)	(7,364,664)	(9,593,537)
Non-operating grants, subsidies and contributions		4,482,933	8,602,360	8,352,488
Proceeds from financial assets at amortised cost		(2,021)	13,553	13,163
Proceeds from sale of property, plant & equipment	10(c)	-	164,000	253,274
<b>Net cash provided by (used in) investing activities</b>		(2,302,950)	(4,285,705)	(2,884,048)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	28(a)	(259,387)	(259,386)	(222,197)
Payments for principal portion of lease liabilities	28(c)	(31,606)	(31,995)	(24,023)
Proceeds from new borrowings	28(a)	-	350,000	334,743
<b>Net cash provided by (used In) financing activities</b>		(290,993)	58,619	88,523
<b>Net increase (decrease) in cash held</b>		4,159,605	(3,036,446)	(36,393)
Cash at beginning of year		9,438,399	9,437,846	9,474,792
<b>Cash and cash equivalents at the end of the year</b>	17(a)	13,598,004	6,401,400	9,438,399

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

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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>NET CURRENT ASSETS - At start of financial year - surplus/(deficit)</b>	27(b)	1,944,534	2,074,256	1,612,521
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities (excluding general rate)</b>				
Rates (excluding general rate)	26(a)	5,777	5,197	5,197
Operating grants, subsidies and contributions		4,032,448	2,165,791	3,469,153
Fees and charges		3,925,738	3,828,800	4,088,852
Interest earnings		69,274	137,444	147,713
Other revenue		562,162	196,287	677,161
Profit on asset disposals	10(c)	-	-	73,706
Fair value adjustments to financial assets at fair value through profit or loss		3,997	-	2,586
		8,599,396	6,333,519	8,464,368
<b>Expenditure from operating activities</b>				
Employee costs		(5,873,096)	(6,390,737)	(5,856,207)
Materials and contracts		(6,321,670)	(5,709,570)	(5,281,648)
Utility charges		(462,885)	(445,615)	(434,451)
Depreciation		(6,310,701)	(4,922,951)	(6,291,548)
Finance costs		(102,467)	(105,341)	(108,584)
Insurance		(368,772)	(341,215)	(450,686)
Other expenditure		(437,338)	(606,109)	(544,209)
Loss on asset disposals	10(c)	(4,040)	-	(73,266)
		(19,880,969)	(18,521,538)	(19,040,599)
Non-cash amounts excluded from operating activities	27(a)	6,488,878	4,922,951	6,213,487
<b>Amount attributable to operating activities</b>		(4,792,695)	(7,265,068)	(4,362,744)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		4,482,933	8,602,360	8,352,488
Proceeds from disposal of assets	10(c)	-	164,000	253,274
Proceeds from financial assets at amortised cost		7,979	13,553	13,163
New advances		(10,000)	-	-
Purchase of property, plant and equipment	8(a)	(2,381,466)	(5,700,954)	(1,909,436)
Purchase and construction of infrastructure	9(a)	(4,402,396)	(7,364,664)	(9,593,537)
		(2,302,950)	(4,285,705)	(2,884,048)
<b>Amount attributable to investing activities</b>		(2,302,950)	(4,285,705)	(2,884,048)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	28(a)	(259,387)	(259,386)	(222,197)
Proceeds from borrowings	28(b)	-	350,000	334,743
Payments for principal portion of lease liabilities	28(c)	(31,606)	(31,995)	(24,023)
Transfers to reserves (restricted assets)	29	(1,378,270)	(451,439)	(2,463,468)
Transfers from reserves (restricted assets)	29	85,482	992,482	1,564,253
<b>Amount attributable to financing activities</b>		(1,583,781)	599,662	(810,692)
<b>Surplus/(deficit) before imposition of general rates</b>		(6,734,892)	(8,876,855)	(6,444,963)
<b>Total amount raised from general rates</b>	26(a)	8,883,383	8,876,855	8,389,497
<b>Surplus/(deficit) after imposition of general rates</b>	27(b)	<b>2,148,491</b>	-	<b>1,944,534</b>

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

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

**1. BASIS OF PREPARATION**

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

**Local Government Act 1995 requirements**

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

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

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

**The local government reporting entity**

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 30 of the financial report.

**Judgements and estimates**

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

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

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

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

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

**2. REVENUE AND EXPENSES**

**(a) Revenue**

**Contracts with customers**

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

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

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

**Revenue Recognition**

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

**For the year ended 30 June 2022**

Nature or type	Contracts with customers	Non-operating grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	8,889,160	-	8,889,160
Operating grants, subsidies and contributions	4,032,448	-	-	-	4,032,448
Fees and charges	3,925,738	-	-	-	3,925,738
Interest earnings	-	-	69,274	-	69,274
Other revenue	198,505	-	-	363,657	562,162
Non-operating grants, subsidies and contributions	-	4,482,933	-	-	4,482,933
<b>Total</b>	<b>8,156,691</b>	<b>4,482,933</b>	<b>8,958,434</b>	<b>363,657</b>	<b>21,961,715</b>

**For the year ended 30 June 2021**

Nature or type	Contracts with customers	Non-operating grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	8,394,694	-	8,394,694
Operating grants, subsidies and contributions	3,469,153	-	-	-	3,469,153
Fees and charges	4,088,852	-	-	-	4,088,852
Interest earnings	-	-	147,713	-	147,713
Other revenue	410,650	-	-	266,511	677,161
Non-operating grants, subsidies and contributions	-	8,352,488	-	-	8,352,488
<b>Total</b>	<b>7,968,655</b>	<b>8,352,488</b>	<b>8,542,407</b>	<b>266,511</b>	<b>25,130,061</b>

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

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

	Note	2022 Actual	2022 Budget	2021 Actual
<b>Interest earnings</b>				
Financial assets at amortised cost - self supporting loans		404	404	451
Interest on reserve funds		-	10,000	20,418
Rates instalment and penalty interest (refer Note 26(d))		68,692	122,444	123,328
Other interest earnings		178	4,596	3,516
		69,274	137,444	147,713
<b>(b) Expenses</b>				
<b>Auditors remuneration</b>				
- Audit of the Annual Financial Report		37,000	62,200	18,754
- Other services		1,800	3,840	3,350
		38,800	66,040	22,104
<b>Finance costs</b>				
Borrowings	28(a)	101,273	104,146	107,538
Lease liabilities	28(c)	1,194	1,195	1,046
		102,467	105,341	108,584
<b>Other expenditure</b>				
Impairment losses on trade and other receivables		9,930	-	10,954
Sundry expenses		427,408	606,109	533,255
		437,338	606,109	544,209

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

**3. CASH AND CASH EQUIVALENTS**

Cash at bank and on hand  
**Total cash and cash equivalents**

Held as  
- Unrestricted cash and cash equivalents  
- Restricted cash and cash equivalents

Note	2022	2021
	\$	\$
	13,598,004	9,438,399
17(a)	13,598,004	9,438,399
	5,852,790	2,985,974
17(a)	7,745,214	6,452,425
	13,598,004	9,438,399

**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 financial assets**

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

Details of restrictions on financial assets can be found at Note 17.

**4. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial assets at amortised cost

**Financial assets at amortised cost**

Financial assets at amortised cost - self supporting loans  
Financial assets at amortised cost - loan advances

Held as

- Unrestricted other financial assets at amortised cost

**(b) Non-current assets**

Financial assets at amortised cost  
Financial assets at fair value through profit and loss

**Financial assets at amortised cost**

Financial assets at amortised cost - self supporting loans  
Financial assets at amortised cost - loan advances

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

Units in Local Government House Trust

	2022	2021
	\$	\$
	4,207	7,977
	4,207	7,977
	2,278	2,230
	1,929	5,747
	4,207	7,977
	4,207	7,977
	4,207	7,977
	22,816	17,023
	77,804	73,807
	100,620	90,830
	14,745	17,023
	8,071	-
	22,816	17,023
	77,804	73,807
	77,804	73,807

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 28(a) as self supporting loans.

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

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

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

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

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

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

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 22.

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**5. TRADE AND OTHER RECEIVABLES**

	Note	2022 \$	2021 \$
<b>Current</b>			
Rates receivable		399,663	817,748
Trade and other receivables		1,351,120	1,727,666
GST receivable		61,491	84,568
Allowance for credit losses of trade and other receivables	22(b)	(9,930)	(10,954)
Legal Costs - recovery of rates		133,099	245,514
Rubbish Fees		40,326	56,955
		<b>1,975,769</b>	<b>2,921,497</b>
<b>Non-current</b>			
Pensioner's rates and ESL deferred		153,311	142,800
		<b>153,311</b>	<b>142,800</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other receivables**

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

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

**Impairment and risk exposure**

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 22.

**Classification and subsequent measurement**

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

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

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

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**6. INVENTORIES**

<b>Note</b>	<b>2022</b>	<b>2021</b>
	\$	\$
<b>Current</b>		
Fuel and materials	34,026	16,227
History books	14,865	18,165
	<b>48,891</b>	<b>34,392</b>
The following movements in inventories occurred during the year:		
<b>Balance at beginning of year</b>	34,392	30,607
Additions to inventory	14,499	3,785
<b>Balance at end of year</b>	<b>48,891</b>	<b>34,392</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

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

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

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**7. OTHER ASSETS**

	2022	2021
	\$	\$
<b>Other assets - current</b>		
Prepayments	19,325	17,785
	19,325	17,785

**SIGNIFICANT ACCOUNTING POLICIES**

**Other current assets**

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

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**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.

	Note	Land	Buildings - non-specialised	Buildings - specialised	Total land and buildings	Land and buildings - Work in Progress	Furniture and equipment	Plant and equipment	Vehicles	Tools	Total property, plant and equipment
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>		12,831,909	1,550,401	21,209,235	35,591,545	-	195,893	4,922,499	-	4,666	40,714,603
Additions		25,000	875	545,913	571,788	418,921	-	918,727	-	-	1,909,436
Disposals		-	-	-	-	-	-	(252,833)	-	-	(252,833)
Revaluation increments / (decrements) transferred to revaluation surplus		(47,807)	214,843	8,839,215	9,006,251	-	-	-	-	-	9,006,251
Depreciation	10(a)	-	(52,419)	(775,543)	(827,962)	-	(38,375)	(667,481)	-	(1,026)	(1,534,844)
Transfers		-	-	523,800	523,800	-	-	-	-	-	523,800
<b>Balance at 30 June 2021</b>		12,809,102	1,713,700	30,342,620	44,865,422	418,921	157,518	4,920,912	-	3,640	50,366,413
<b>Comprises:</b>											
Gross balance amount at 30 June 2021		12,809,102	1,713,700	30,342,620	44,865,422	418,921	343,462	8,073,739	-	12,900	53,714,444
Accumulated depreciation at 30 June 2021		-	-	-	-	-	(185,944)	(3,152,827)	-	(9,260)	(3,348,031)
<b>Balance at 30 June 2021</b>		12,809,102	1,713,700	30,342,620	44,865,422	418,921	157,518	4,920,912	-	3,640	50,366,413
Additions		-	-	228,813	228,813	2,152,653	-	-	-	-	2,381,466
Depreciation	10(a)	-	(33,646)	(738,673)	(772,319)	-	(42,539)	(469,060)	(253,024)	(901)	(1,537,843)
Transfers		-	-	-	-	-	-	(1,046,050)	1,046,050	-	-
<b>Balance at 30 June 2022</b>		12,809,102	1,680,054	29,832,760	44,321,916	2,571,574	114,979	3,405,802	793,026	2,739	51,210,036
<b>Comprises:</b>											
Gross balance amount at 30 June 2022		12,809,102	1,713,700	30,571,433	45,094,235	2,571,574	343,462	6,048,745	2,024,995	12,900	56,095,911
Accumulated depreciation at 30 June 2022		-	(33,646)	(738,673)	(772,319)	-	(228,483)	(2,642,943)	(1,231,969)	(10,161)	(4,885,875)
<b>Balance at 30 June 2022</b>		12,809,102	1,680,054	29,832,760	44,321,916	2,571,574	114,979	3,405,802	793,026	2,739	51,210,036



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

**8. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
<b>Land and buildings</b>					
Land - freehold land	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2021	Price per hectare
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent valuer and Management valuation	June 2021	Price per square meter / market borrowing rate
Buildings - specialised	3	Cost approach using current replacement cost	Independent registered valuers	June 2021	Construction costs and current condition, residual values and remaining useful life assessments inputs
Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.					
During the period, there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.					
<b>(ii) Cost</b>					
<b>Furniture and equipment</b>	3	Cost model	N/A	June 2016	Purchase costs
<b>Plant and equipment</b>	3	Cost model	N/A	June 2016	Purchase costs

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**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.

	Note	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - parks & ovals	Infrastructure - other	Infrastructure - bridges	Work in Progress - infrastructure	Total Infrastructure
		\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>		123,890,909	264,654	12,087,907	5,032,925	2,343,640	-	143,620,035
Additions		8,346,460	8,450	1,231,277	7,350	-	-	9,593,537
Revaluation increments / (decrements) transferred to revaluation surplus		-	-	231,920	3,400,754	-	-	3,632,674
Depreciation	10(a)	(3,237,557)	(10,924)	(783,683)	(574,930)	(125,336)	-	(4,732,430)
Transfers		-	-	(2,276,099)	1,752,301	-	-	(523,798)
<b>Balance at 30 June 2021</b>		128,999,812	262,180	10,491,322	9,618,400	2,218,304	-	151,590,018
<b>Comprises:</b>								
Gross balance at 30 June 2021		137,934,405	295,251	12,409,881	9,618,400	2,585,269	-	162,843,206
Accumulated depreciation at 30 June 2021		(8,934,593)	(33,071)	(1,918,559)	-	(366,965)	-	(11,253,188)
<b>Balance at 30 June 2021</b>		128,999,812	262,180	10,491,322	9,618,400	2,218,304	-	151,590,018
Additions		3,534,697	379,459	14,000	140,356	309,325	24,559	4,402,396
Impairment (losses) / reversals		-	-	(4,040)	-	-	-	(4,040)
Depreciation	10(a)	(3,259,262)	(25,666)	(832,352)	(481,454)	(142,156)	-	(4,740,890)
Transfers		-	-	(318,789)	13,850	-	304,939	-
<b>Balance at 30 June 2022</b>		129,275,247	615,973	9,350,141	9,291,152	2,385,473	329,498	151,247,484
<b>Comprises:</b>								
Gross balance at 30 June 2022		141,469,102	674,710	12,099,840	9,772,606	2,894,594	329,498	167,240,350
Accumulated depreciation at 30 June 2022		(12,193,855)	(58,737)	(2,749,699)	(481,454)	(509,121)	-	(15,992,866)
<b>Balance at 30 June 2022</b>		129,275,247	615,973	9,350,141	9,291,152	2,385,473	329,498	151,247,484

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

**9. INFRASTRUCTURE (Continued)**

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
<b>Infrastructure - roads</b>	3	Cost approach using current replacement cost	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
<b>Infrastructure - footpaths</b>	3	Cost approach using current replacement cost	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
<b>Infrastructure - parks &amp; ovals</b>	3	Cost approach using current replacement cost	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
<b>Infrastructure - other</b>	3	Cost approach using current replacement cost	Independent registered valuers	June 2021	Construction costs and current condition, residual values and remaining useful life assessments
<b>Infrastructure - bridges</b>	3	Cost approach using current replacement cost	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments

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

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

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**10. FIXED ASSETS**

**(a) Depreciation**

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - non-specialised	8(a)	33,646	40,784	52,419
Buildings - specialised	8(a)	738,673	1,019,655	775,543
Furniture and equipment	8(a)	42,539	51,880	38,375
Plant and equipment	8(a)	469,060	739,960	667,481
Vehicles	8(a)	253,024	-	-
Tools	8(a)	901	1,790	1,026
Infrastructure - roads	9(a)	3,259,262	1,788,880	3,237,557
Infrastructure - footpaths	9(a)	25,666	11,120	10,924
Infrastructure - parks & ovals	9(a)	832,352	773,337	783,683
Infrastructure - other	9(a)	481,454	355,480	574,930
Infrastructure - bridges	9(a)	142,156	116,228	125,336
Right-of-Use Assets - Land and Buildings	11(a)	6,958	-	8,267
Right-of-Use Assets - Furniture & Equipment	11(a)	25,010	23,837	16,007
		6,310,701	4,922,951	6,291,548

**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	Asset Class	Useful life
Buildings - non specialised	25 to 50 years	Seal	
Buildings - specialised	25 to 33 years	- bituminous seals	20 years
Furniture and equipment	3 to 50 years	- asphalt surfaces	20 years
Plant and equipment Large Plant	5 to 20 years	Gravel roads	
Plant and equipment Small Plant	1 to 5 years	- formation	not depreciated
Plant and equipment - Sundry	1 to 35 years	- pavement	50 years
Tools	4 to 10 years	Footpaths - slab	25 years
Infrastructure - Footpaths	25 years	Formed roads - unsealed (reducing balance)	
Infrastructure - Parks & ovals	13 years	- formation	not depreciated
Infrastructure - Bridges	25 years	- pavement	50 years
Infrastructure - Other	10 years	Sewerage piping	80 years
Infrastructure - Car parks (sealed)	40 years	Water supply piping and drainage systems	85 years
Sealed roads and streets		Right-of-use (buildings)	Based on the remaining lease
- formation	not depreciated	Right-of-use (plant and equipment)	Based on the remaining lease
- pavement	50 years		

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

The gross carrying value of assets held by the Shire which are currently in use yet fully depreciated are shown in the table below.

	2022 Actual \$	2021 Actual \$
Furniture and equipment	-	4,950
Plant and equipment	134,783	326,919
Vehicles	89,917	-
Infrastructure - parks & ovals	9,098	940
Infrastructure - other	13,850	-
	247,648	332,809

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

10. FIXED ASSETS (Continued)

(c) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Furniture and equipment	-	-	-	-	-	-	-	-	-	109	109	-
Plant and equipment	-	-	-	-	8,000	8,000	-	-	252,834	253,165	73,597	(73,266)
Vehicles	-	-	-	-	156,000	156,000	-	-	-	-	-	-
Infrastructure - parks & ovals	4,040	-	-	(4,040)	-	-	-	-	-	-	-	-
	4,040	-	-	(4,040)	164,000	164,000	-	-	252,834	253,274	73,706	(73,266)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
<b>Parks &amp; Ovals</b>				
<b>Economic services</b>				
Ledge Point Lookout	4,040	-	-	(4,040)
	4,040	-	-	(4,040)

**SHIRE OF GINGIN**  
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**10. FIXED ASSETS (Continued)**

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

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

**Initial recognition and measurement for assets held at cost**

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

**Initial recognition and measurement between mandatory revaluation dates for assets held at fair value**

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

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

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

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

They are subject to subsequent revaluation at the next revaluation date in accordance with the mandatory measurement framework.

**Revaluation**

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

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

**Revaluation (continued)**

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

**Depreciation**

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

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

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

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

**Depreciation on revaluation**

When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is treated as follows:

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

**Amortisation**

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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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.	Note	Right-of-Use Assets - Land and Buildings \$	Right-of-Use Assets - Furniture & Equipment \$	Right-of-use assets Total \$
<b>Balance at 1 July 2020</b>		-	2,638	2,638
Additions		20,855	109,881	130,736
Depreciation		(8,267)	(16,007)	(24,274)
<b>Balance at 30 June 2021</b>		12,588	96,512	109,100
Lease modification		-	(391)	(391)
Depreciation	10(a)	(6,958)	(25,010)	(31,968)
<b>Balance at 30 June 2022</b>		5,630	71,111	76,741

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

	2022 Actual \$	2021 Actual \$
Depreciation on right-of-use assets	(31,968)	(24,274)
Interest expense on lease liabilities	(1,194)	(1,046)
Low-value asset lease payments recognised as expense	(31,608)	(24,023)
<b>Total amount recognised in the statement of comprehensive income</b>	(64,770)	(49,343)
Total cash outflow from leases	(32,800)	(25,069)
<b>(b) Lease Liabilities</b>		
Current	31,608	24,023
Non-current	45,789	85,369
	28(c)	77,397
		109,392

**Secured liabilities and assets pledged as security**

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

**SIGNIFICANT ACCOUNTING POLICIES**

**Leases**

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 28(c).

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

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

Refer to Note 10 under revaluation for details on the significant accounting policies applying to vested improvements.

**Right-of-use assets - depreciation**

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

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**12. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors	
Prepaid rates	
Accrued payroll liabilities	
ATO liabilities	
Bonds and deposits held	
Accrued interest on long term borrowings	
Income received in advance	
Accrued expenses	

	2022	2021
	\$	\$
	2,326,986	1,289,826
	195,270	151,839
	138,647	120,343
	20,766	45,523
	664,309	590,840
	19,425	22,298
	5,070	68,748
	37,000	-
	<b>3,407,473</b>	<b>2,289,417</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Trade and other payables**

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

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

**Prepaid rates**

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



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

**13. OTHER LIABILITIES**

**Current**

Contract liabilities

**Reconciliation of changes in contract liabilities**

Opening balance

Change during the year

	2022	2021
	\$	\$
Contract liabilities	1,410,754	721,357
	1,410,754	721,357
Opening balance	721,357	1,950,161
Change during the year	689,397	(1,228,804)
	1,410,754	721,357

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract liabilities**

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

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

**Capital grant/contribution liabilities**

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

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

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

**14. BORROWINGS**

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Loans		250,521	1,592,664	1,843,185	259,387	1,843,185	2,102,572
<b>Total secured borrowings</b>	28(a)	250,521	1,592,664	1,843,185	259,387	1,843,185	2,102,572

**Secured liabilities and assets pledged as security**

Bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Gingin.

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing costs**

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

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

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

**Risk**

Information regarding exposure to risk can be found at Note 22.

Details of individual borrowings required by regulations are provided in Note 28(a).

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

**15. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

**Current provisions**

**Employee benefit provisions**

Annual Leave & Other Entitlements  
 Long Service Leave

**Non-current provisions**

Long Service Leave

	2022	2021
	\$	\$
	660,483	597,223
	269,574	407,116
	930,057	1,004,339
	254,868	66,223
	254,868	66,223
	1,184,925	1,070,562

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

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

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

Less than 12 months after the reporting date  
 More than 12 months from reporting date

Note	2022	2021
	\$	\$
	466,303	522,099
	718,622	548,463
	1,184,925	1,070,562

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

	79,478	104,847
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**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

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

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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

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

**16. REVALUATION SURPLUS**

	<b>2022 Opening Balance</b>	<b>2022 Revaluation (Decrement)</b>	<b>2022 Closing Balance</b>	<b>2021 Opening Balance</b>	<b>2021 Revaluation Increment</b>	<b>2021 Revaluation (Decrement)</b>	<b>Total Movement on Revaluation</b>	<b>2021 Closing Balance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Land - freehold land	5,726,807	-	5,726,807	5,774,614	-	(47,807)	(47,807)	5,726,807
Buildings	24,915,799	-	24,915,799	15,861,740	9,054,059	-	9,054,059	24,915,799
Plant and equipment	2,491,906	-	2,491,906	2,491,906	-	-	-	2,491,906
Infrastructure - roads	107,822,769	-	107,822,769	107,822,769	-	-	-	107,822,769
Infrastructure - footpaths	385,798	-	385,798	385,798	-	-	-	385,798
Infrastructure - parks & ovals	7,925,912	-	7,925,912	7,693,992	231,920	-	231,920	7,925,912
Infrastructure - other	3,400,754	-	3,400,754	-	3,400,754	-	3,400,754	3,400,754
Infrastructure - bridges	2,744,000	-	2,744,000	2,744,000	-	-	-	2,744,000
	<b>155,413,745</b>	<b>-</b>	<b>155,413,745</b>	<b>142,774,819</b>	<b>12,686,733</b>	<b>(47,807)</b>	<b>12,638,926</b>	<b>155,413,745</b>

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

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

**17. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

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

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	13,598,004	6,401,400	9,438,399

**Restrictions**

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

- Cash and cash equivalents	3	7,745,214	5,648,774	6,452,425
		<u>7,745,214</u>	<u>5,648,774</u>	<u>6,452,425</u>

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

Restricted reserve accounts	29	7,745,214	5,648,774	6,452,425
<b>Total restricted financial assets</b>		<u>7,745,214</u>	<u>5,648,774</u>	<u>6,452,425</u>

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

Net result		2,084,743	5,291,196	6,165,754
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(3,997)	-	(2,586)
Depreciation/amortisation		6,310,701	4,922,951	6,291,548
(Profit)/loss on sale of asset		4,040	-	(440)
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		910,460	-	(883,091)
(Increase)/decrease in other assets		(1,540)	-	757
(Increase)/decrease in inventories		(14,499)	-	(3,785)
Increase/(decrease) in trade and other payables		1,142,813	-	822,988
Increase/(decrease) in employee related provisions		114,363	-	(50,721)
Increase/(decrease) in other liabilities		689,397	(421,147)	(1,228,804)
Non-operating grants, subsidies and contributions		(4,482,933)	(8,602,360)	(8,352,488)
Net cash provided by/(used in) operating activities		<u>6,753,548</u>	<u>1,190,640</u>	<u>2,759,132</u>

**(c) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

	2022 Actual \$	2021 Actual \$
Bank overdraft limit	500,000	500,000
Bank overdraft at balance date	-	-
Credit card limit	27,000	24,000
Credit card balance at balance date	(1,127)	(6,201)
<b>Total amount of credit unused</b>	<u>525,873</u>	<u>517,799</u>

**Loan facilities**

Loan facilities - current	250,521	259,387
Loan facilities - non-current	1,592,664	1,843,185
<b>Total facilities in use at balance date</b>	<u>1,843,185</u>	<u>2,102,572</u>

**Unused loan facilities at balance date**

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

**18. CONTINGENT LIABILITIES**

In compliance with the Contaminated Sites Act 2003, the Shire of Gingin has listed sites to be possible sources of contamination. Details of the sites are :

- Gingin Waste Facility - Lot 10 Cockram Road, Gingin DWER L6900/1700/13
- Lancelin Waste Facility - Lot 11089 Lancelin Road, Lancelin DWER L6911/1997/10
- Seabird Waste Facility - Lot 8544 Seabird Road, Seabird DWER L6897/1997/13

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk, and agree with the Department of Water and Environmental Regulation on the need and criteria for remediation of a risk based approach, the Shire is unable to estimate the potential costs associated with remediation of the sites. This approach is consistent with the Department of Water and Environmental Regulation guidelines.

**19. CAPITAL COMMITMENTS**

Contracted for:

- capital expenditure projects
- plant & equipment purchases

Payable:

- not later than one year

	2022 Actual	2021 Actual
	\$	\$
	221,571	668,487
	-	-
	221,571	668,487
	221,571	668,487

The 2022 capital commitments relate to the following projects:

- Gingin Weir Project \$10,472
- Level 3 Incident Control Centre - Gingin \$211,099

The 2021 capital commitments related to the following projects:

- Gingin Outdoor Activity Space \$32,003
- Lancelin Skate Park \$92,474
- Guilderton Foreshore Ablutions \$46,022
- Gingin Hotspot Coastal Monitoring Project \$21,675
- Cowalla Road Reconstruction & Final Seal \$76,313
- Level 3 Incident Control Centre - Gingin \$400,000

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

**20. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>Cr Fewster - Shire President</b>			
President's annual allowance	16,000	16,000	14,000
Meeting attendance fees	15,000	15,000	13,125
Annual allowance for ICT expenses	2,000	2,000	1,770
Travel and accommodation expenses	763	1,420	-
	33,763	34,420	28,895
<b>Cr Rule - Deputy President</b>			
Deputy President's annual allowance	4,000	4,000	3,500
Meeting attendance fees	8,000	8,000	7,000
Annual allowance for ICT expenses	2,000	2,000	1,770
Travel and accommodation expenses	-	1,415	-
	14,000	15,415	12,270
<b>Cr Johnson - Councillor</b>			
Meeting attendance fees	8,000	8,000	7,000
Annual allowance for ICT expenses	2,000	2,000	1,770
Travel and accommodation expenses	3,736	1,415	2,856
	13,736	11,415	11,626
<b>Cr Vis - Councillor</b>			
Meeting attendance fees	8,000	8,000	7,000
Annual allowance for ICT expenses	2,000	2,000	1,770
Travel and accommodation expenses	-	1,415	-
	10,000	11,415	8,770
<b>Cr Peczka - Councillor</b>			
Meeting attendance fees	8,000	8,000	7,000
Annual allowance for ICT expenses	2,000	2,000	1,770
Travel and accommodation expenses	3,076	1,415	2,592
	13,076	11,415	11,362
<b>Cr Court - Councillor</b>			
Meeting attendance fees	7,033	8,000	7,000
Annual allowance for ICT expenses	1,758	2,000	1,770
Travel and accommodation expenses	2,017	1,415	2,267
	10,808	11,415	11,037
<b>Cr Lobb - Councillor</b>			
Meeting attendance fees	2,826	2,826	7,000
Annual allowance for ICT expenses	82	2,000	1,770
Travel and accommodation expenses	1,223	1,415	2,675
	4,131	6,241	11,445
<b>Cr Morton - Councillor</b>			
Meeting attendance fees	2,326	2,326	7,000
Annual allowance for ICT expenses	582	2,000	1,770
Travel and accommodation expenses	-	1,415	-
	2,908	5,741	8,770
<b>Cr Balcombe - Councillor</b>			
Meeting attendance fees	8,000	8,000	7,000
Annual allowance for ICT expenses	2,000	2,000	1,770
Travel and accommodation expenses	534	1,415	-
	10,534	11,415	8,770
<b>Cr Sorenson - Councillor</b>			
Meeting attendance fees	5,674	3848	-
Annual allowance for ICT expenses	1,418	180	-
Travel and accommodation expenses	2,374	-	-
	9,466	4,028	-
	122,422	122,920	112,945

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**20. RELATED PARTY TRANSACTIONS (Continued)**

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

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
President's annual allowance	16,000	16,000	14,000
Deputy President's annual allowance	4,000	4,000	3,500
Meeting attendance fees	72,859	72,000	69,125
Annual allowance for ICT expenses	15,840	18,180	15,930
Travel and accommodation expenses	13,723	12,740	10,390
20(b)	122,422	122,920	112,945

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

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

	2022 Actual	2021 Actual
	\$	\$
Short-term employee benefits	622,767	602,438
Post-employment benefits	76,225	69,388
Employee - other long-term benefits	62,127	52,596
Employee - termination benefits	5,895	37,523
Council member costs	122,422	112,945
20(a)	889,436	874,890

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

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

*Termination benefits*

These amounts represent termination benefits paid to KMP

*Council member costs*

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

**(c) Transactions with related parties**

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

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

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

	2022 Actual	2021 Actual
	\$	\$
Sale of goods and services	3,173	12,390
Purchase of goods and services	35,874	14,596

**(d) Related Parties**

**The Shire's main related parties are as follows:**

*i. Key management personnel*

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



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

**21. JOINT ARRANGEMENTS**

**Share of joint operations**

The Shire has two separate joint agreements with the Department of Communities for the provision of housing at 2 Atkinson Way Lancelin.

For accounting purposes, these joint arrangements constitutes joint operations. The assets are land and 11 x 2 bedroom units. The ownership of the assets is determined by agreements which includes the percentage of each parties equitable interest. The assets are included in the Land and Buildings as follows;

**Statement of Financial Position**

Land Lot 84 Atkinson Way Lancelin  
 Atkinson Way Lancelin (5 x 2 bedroom units) Units 1-5 @ 36.10%  
 Atkinson Way Lancelin (6 x 2 bedroom units) Units 6-11 @ 39.37%  
**Total assets**

**Total equity**

**Statement of Comprehensive Income**

Other revenue  
 Other expenditure

**Net result for the period**  
 Other comprehensive income  
**Total comprehensive income for the period**

	<b>2022 Actual</b>	<b>2021 Actual</b>
	\$	\$
	20,000	20,000
	336,714	342,950
	425,730	433,070
	<b>782,444</b>	<b>796,020</b>
	782,444	796,020
	<b>782,444</b>	<b>796,020</b>
	85,007	81,181
	(37,351)	(52,917)
	<b>47,656</b>	<b>28,264</b>
	-	91,974
	<b>47,656</b>	<b>120,238</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Joint operations**

A joint operation is a joint arrangement where the Shire has joint control with another party to the joint arrangement. All parties to joint arrangements have rights to the assets, and obligations for the liabilities relating to the arrangement.

Assets, liabilities, revenues and expenses relating to the Shire's interest in the joint operation are accounted for in accordance with the relevant Australian Accounting Standard.

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

**22. FINANCIAL RISK MANAGEMENT**

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

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

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

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

**(a) Interest rate risk**

**Cash and cash equivalents**

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

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

	<b>Weighted Average Interest Rate</b>	<b>Carrying Amounts</b>	<b>Fixed Interest Rate</b>	<b>Variable Interest Rate</b>	<b>Non Interest Bearing</b>
	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2022</b>					
Cash and cash equivalents	0.00%	13,598,004	-	-	13,598,004
<b>2021</b>					
Cash and cash equivalents	0.25%	9,438,399	-	9,435,599	2,800

**Sensitivity**

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

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% movement in interest rates on profit and loss and equity*	0	94,356

\* 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 28(a).

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

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

**(b) Credit risk**

**Trade and Other Receivables**

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

Credit risk on rates and annual charges is minimised by the ability of the Shire to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The Shire is also 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 2021 or 1 July 2022 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

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

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
<b>30 June 2022</b>						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	318,292	125,756	85,124	43,917	573,088	
Loss allowance	-	-	-	-	-	
<b>30 June 2021</b>						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	339,330	228,619	218,777	333,491	1,120,217	
Loss allowance	-	-	-	-	-	

The loss allowance as at 30 June 2022 and 30 June 2021 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	Note
<b>30 June 2022</b>						
Trade and other receivables						
Expected credit loss	0.00%	0.01%	0.00%	71.29%		
Gross carrying amount	1,331,401	4,276	1,514	13,929	1,351,120	
Loss allowance	-	-	-	9,930	9,930	5
<b>30 June 2021</b>						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	33.51%		
Gross carrying amount	1,541,498	118,826	34,652	32,690	1,727,666	
Loss allowance	-	-	-	10,954	10,954	5

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**22. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

The loss allowances for trade receivables and contract assets as at 30 June reconcile to the opening loss allowances as follows:

	Rates receivable		Trade and other receivables	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual
Opening loss allowance as at 1 July	\$ -	\$ -	\$ 10,954	\$ 10,954
Receivables written off during the year as uncollectible	-	-	(1,609)	-
Unused amount reversed	-	-	585	-
<b>Closing loss allowance at 30 June</b>	<b>-</b>	<b>-</b>	<b>9,930</b>	<b>10,954</b>

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Shire, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

**(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 17(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2022</b>					
Trade and other payables	3,191,752	-	-	3,191,752	3,191,752
Borrowings	342,153	1,404,696	453,647	2,200,496	1,843,185
Lease liabilities	31,608	45,789	-	77,397	77,397
	<b>3,565,513</b>	<b>1,450,485</b>	<b>453,647</b>	<b>5,469,645</b>	<b>5,112,334</b>
<b>2021</b>					
Trade and other payables	2,243,894	-	-	2,243,894	2,289,417
Borrowings	363,502	1,309,383	1,218,136	2,891,021	2,102,572
Lease liabilities	24,023	85,369	-	109,392	109,392
	<b>2,631,419</b>	<b>1,394,752</b>	<b>1,218,136</b>	<b>5,244,307</b>	<b>4,501,381</b>

**SHIRE OF GINGIN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**23. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

There has been no material events after the reporting period which would affect the financial report for the Shire of Gingin for the year ended 30 June 2022 or which would require additional disclosures.

**24. OTHER SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

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

**c) Rounding off figures**

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

**d) Comparative figures**

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

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

**e) Budget comparative figures**

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

**f) Superannuation**

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

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

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

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

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

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

**h) Interest earnings**

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

**i) Fair value hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

**j) Impairment of assets**

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

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

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

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

**k) Initial application of accounting standards**

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

**New accounting standards for application in future years**

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

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

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

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**25. FUNCTION AND ACTIVITY**

**(a) Service objectives and descriptions**

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

<b>Objective</b>	<b>Description</b>
<p><b>Governance</b>            To provide a decision making process for the efficient allocation of scarce resources</p>	<p>Includes the activities of members of Council and the administrative support available to the Council for the provision of governance of 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, 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 playgroup centre, aged care housing and Wangaree Community Centre. Provision and maintenance of youth services.</p>
<p><b>Housing</b>            To provide and maintain staff and other housing</p>	<p>Provision and maintenance of staff and other housing.</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 resource which will help the social well being of the community</p>	<p>Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library 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, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.</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.</p>
<p><b>Other property and services</b>            To monitor and control Shire's overheads operating accounts</p>	<p>Private works operation, plant repair and operation costs and engineering operation costs, administration costs allocated and other unclassified works and services.</p>

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**25. FUNCTION AND ACTIVITY (Continued)**

**(b) Income and expenses**

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Income excluding grants, subsidies and contributions</b>			
Governance	2,934	-	-
General purpose funding	9,069,256	9,014,092	8,615,362
Law, order, public safety	158,411	124,412	115,218
Health	65,520	50,500	376,159
Education and welfare	4,927	9,500	12,628
Housing	115,102	112,764	192,926
Community amenities	1,796,098	1,697,864	1,731,815
Recreation and culture	121,109	120,604	118,601
Transport	181,260	195,000	275,499
Economic services	1,664,979	1,627,796	1,675,151
Other property and services	270,735	92,051	271,353
	<b>13,450,331</b>	<b>13,044,583</b>	<b>13,384,712</b>
<b>Grants, subsidies and contributions</b>			
Governance	-	5,000	16,225
General purpose funding	2,479,936	1,025,367	1,760,668
Law, order, public safety	3,323,778	4,698,757	1,518,078
Health	1,100	5,350	1,060
Education and welfare	3,200	-	20,677
Community amenities	73,100	223,697	185,098
Recreation and culture	107,621	840,307	885,594
Transport	2,480,934	3,869,137	7,379,749
Economic services	45,712	36,636	11,340
Other property and services	-	63,900	43,152
	<b>8,515,381</b>	<b>10,768,151</b>	<b>11,821,641</b>
<b>Total Income</b>	<b>21,965,712</b>	<b>23,812,734</b>	<b>25,206,353</b>
<b>Expenses</b>			
Governance	(2,164,081)	(1,547,686)	(1,819,099)
General purpose funding	(510,721)	(536,863)	(421,221)
Law, order, public safety	(1,988,277)	(1,611,046)	(2,236,597)
Health	(495,744)	(655,014)	(918,351)
Education and welfare	(168,708)	(256,382)	(250,013)
Housing	(102,419)	(86,484)	(41,752)
Community amenities	(2,150,766)	(3,149,681)	(1,119,366)
Recreation and culture	(3,488,565)	(3,997,105)	(2,260,275)
Transport	(5,231,803)	(4,030,718)	(6,655,249)
Economic services	(1,569,376)	(1,562,148)	(2,912,677)
Other property and services	(2,010,509)	(1,088,411)	(405,999)
<b>Total expenses</b>	<b>(19,880,969)</b>	<b>(18,521,538)</b>	<b>(19,040,599)</b>
<b>Net result for the period</b>	<b>2,084,743</b>	<b>5,291,196</b>	<b>6,165,754</b>



**SHIRE OF GINGIN**  
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**25. FUNCTION AND ACTIVITY (Continued)**

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>(c) Fees and Charges</b>			
General purpose funding	15,965	-	2,820
Law, order, public safety	108,906	104,450	86,890
Health	53,354	50,000	282,478
Education and welfare	4,927	9,500	10,030
Housing	116,933	112,764	111,969
Community amenities	1,792,553	1,679,290	1,688,621
Recreation and culture	115,225	110,000	107,803
Transport	107,968	135,000	125,327
Economic services	1,560,367	1,612,796	1,617,028
Other property and services	49,540	15,000	55,886
	<b>3,925,738</b>	<b>3,828,800</b>	<b>4,088,852</b>

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>(d) Total Assets</b>		
Governance	-	245,514
General purpose funding	727,481	971,132
Law, order, public safety	6,748,650	4,174,263
Health	2,632,176	904,578
Education and welfare	890,651	3,307,100
Housing	2,174,373	1,634
Community amenities	2,597,923	2,473,186
Recreation and culture	32,583,209	7,946,288
Transport	134,159,587	133,033,087
Economic services	4,761,197	34,917,135
Other property and services	17,486,870	20,607,149
Unallocated	13,672,271	6,138,145
	<b>218,434,388</b>	<b>214,719,211</b>

SHIRE OF GINGIN  
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26. RATING INFORMATION

(a) General Rates

RATE TYPE Rate Description	Basis of valuation	Rate in \$	Number of Properties	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2020/21			
				Actual Rateable Value *	Actual Rate Revenue	Actual Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Back Rate	Budget Total Revenue	Actual Total Revenue
GRV- Townsites		9.1887	1,559	2,636,244	2,422,365	(1,874)	(1,005)	2,419,486	2,422,366	10,000	2,000	2,434,366	2,328,903
GRV- Other		9.1887	918	1,504,056	1,382,032	(12,224)	212	1,370,020	1,382,032	-	-	1,382,032	1,302,836
UV- Rural		0.5119	380	256,884,000	1,314,989	9,949	(3,260)	1,321,678	1,314,989	-	-	1,314,989	1,314,917
UV- Other		0.5119	3	199,300	10,202	-	-	10,202	10,202	-	-	10,202	9,294
UV-Intensive/Mining		0.7614	99	64,181	488,674	3,192	(74)	491,792	488,674	-	-	488,674	669,329
UV-Exploration Mining		0.5119	5	-	-	6,444	169	6,613	-	-	-	-	-
<b>Sub-Total</b>			2,964	261,287,781	5,618,262	5,487	(3,958)	5,619,791	5,618,263	10,000	2,000	5,630,263	5,625,279
<b>Minimum payment</b>													
GRV- Townsites		1.166	1,068	2,422,365	1,245,288	-	-	1,245,288	1,245,288	-	-	1,245,288	1,201,020
GRV- Other		1.166	805	1,382,032	952,614	-	-	952,614	884,994	-	-	884,994	853,590
UV- Rural		1.470	423	1,314,989	623,015	-	-	623,015	620,340	-	-	620,340	529,200
UV- Other		1.470	1	10,202	1,470	-	-	1,470	69,090	-	-	69,090	2,800
UV-Intensive/Mining		2.675	149	488,674	398,575	-	-	398,575	401,250	-	-	401,250	272,636
UV-Exploration Mining		1.470	29	-	42,630	-	-	42,630	42,630	-	-	42,630	42,000
<b>Sub-Total</b>			2,475	5,618,262	3,263,592	-	-	3,263,592	3,263,592	-	-	3,263,592	2,901,246
			5,439	266,906,043	8,881,854	5,487	(3,958)	8,883,383	8,881,855	10,000	2,000	8,893,855	8,526,525
Prepaid Rates								-				(17,000)	-
Concessions on general rates (Refer Note 26 (d))								-				-	(137,028)
<b>Total amount raised from general rates</b>								8,883,383				8,876,855	8,389,497
* Rateable value is based on the value of properties at the time the rate is raised.													
<b>(b) Rates (excluding general rates)</b>													
<b>27(c)</b>													
<b>Ex-gratia Rates</b>													
Ex-gratia rates			-	-	5,777	-	-	5,777	5,197	-	-	5,197	5,197
<b>Sub-Total</b>			-	-	5,777	-	-	5,777	5,197	-	-	5,197	5,197
<b>Total amount raised from rates (excluding general rates)</b>								5,777				5,197	5,197
<b>(c) Total Rates</b>								<b>8,889,160</b>				8,882,052	8,394,694

**SIGNIFICANT ACCOUNTING POLICIES**

**Rates**

The entire balance of rates revenue has been recognised at a point in time in accordance with AASB 1058

Income for not-for-profit entities.

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 been refunded.

**SHIRE OF GINGIN**  
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**26. RATING INFORMATION (Continued)**

**d) Waivers or Concessions**

<b>Rate or Fee and Charge to which the Waiver or Concession is Granted</b>	<b>Type</b>	<b>Waiver/Concession</b>	<b>Discount %</b>	<b>Discount \$</b>	<b>2022 Actual \$</b>	<b>2022 Budget \$</b>	<b>2021 Actual \$</b>
General and minimum rates for properties that are classified within the UV Intensive Differential Rating Category that have a mix of non-intensive and intensive use on a property.	Concession		Based on the area of land on the property used for non-intensive purposes.	Based on the area of land on the property used for non-intensive purposes.	-	-	137,028
					-	-	137,028
Total discounts/concessions (Note 26(a))					-	-	137,028

<b>Rate or Fee and Charge to which the Waiver or Concession is Granted</b>	<b>Circumstances in which the Waiver or Concession is Granted and to whom it was available</b>	<b>Objects of the Waiver or Concession</b>	<b>Reasons for the Waiver or Concession</b>
General and minimum rates for properties that are classified within the UV Intensive Differential Rating Category that have a mix of non-intensive and intensive use on a property.	A concession is granted based on the area of land used for non-intensive rural purposes. The rates concession is calculated by determining the percentage of the property used for intensive purposes, the balance being non-intensive.	To ensure that the rates paid for a property appropriately reflect the use of the property. The concession is provided for split use differentially rated rural properties where there is a mixed use of nonintensive and intensive use on that property and where less than 75% of the property is classified as 'Intensive Use'.	Property owners within the Shire carry on a variety of mixed uses on their land, with some using less than 75% of their land for non-intensive rural uses. The concession provides for these situations by ensuring the property owner only pays the relevant rates applicable to the use of the land.

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**26. RATING INFORMATION (Continued)**

**(d) Interest Charges & Instalments**

<b>Instalment Options</b>	<b>Date Due</b>	<b>Instalment Plan Admin Charge</b>	<b>Instalment Plan Interest Rate</b>	<b>Unpaid Rates Interest Rate</b>
		<b>\$</b>	<b>%</b>	<b>%</b>
<b>Option One</b>				
Single full payment	6/10/2021	-	5.50%	7.00%
<b>Option Two</b>				
First instalment	6/10/2021	-	5.50%	7.00%
Second instalment	7/02/2022	-	5.50%	7.00%
<b>Option Three</b>				
First instalment	6/10/2021	-	5.50%	7.00%
Second instalment	6/12/2021	-	5.50%	7.00%
Third instalment	7/02/2022	-	5.50%	7.00%
Fourth instalment	7/04/2022	-	5.50%	7.00%

	<b>2022 Actual</b>	<b>2022 Budget</b>	<b>2021 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Interest on unpaid rates	43,590	93,404	96,236
Interest on instalment plan	25,102	26,000	26,052
Charges on instalment plan	-	2,000	-
Deferred pensioner rates interest	-	1,040	1,040
	<b>68,692</b>	<b>122,444</b>	<b>123,328</b>

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

**27. RATE SETTING STATEMENT INFORMATION**

		2021/22 2021/22 Budget	2020/21
	Note	(30 June 2022 Carried Forward)	(30 June 2021 Carried Forward)
		\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	10(c)	-	(73,706)
Less: Fair value adjustments to financial assets at fair value through profit and loss		(3,997)	(2,586)
Add: Loss on disposal of assets	10(c)	4,040	73,266
Add: Depreciation	10(a)	6,310,701	4,922,951
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates		(10,511)	(1,521)
Employee benefit provisions		188,645	(73,514)
<b>Non-cash amounts excluded from operating activities</b>		<b>6,488,878</b>	<b>4,922,951</b>
			<b>6,213,487</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
<b>Adjustments to net current assets</b>			
Less: Reserve accounts	29	(7,745,214)	(5,648,774)
Less: Financial assets at amortised cost - self supporting loans	4(a)	(2,278)	(2,230)
Less: Financial assets at amortised cost - loan advances	4(a)	(1,929)	(5,747)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	14	250,521	259,386
- Current portion of lease liabilities	11(b)	31,608	24,023
<b>Total adjustments to net current assets</b>		<b>(7,467,292)</b>	<b>(5,648,774)</b>
			<b>(6,176,993)</b>
<b>Net current assets used in the Rate Setting Statement</b>			
Total current assets		15,646,196	9,004,540
Less: Total current liabilities		(6,030,413)	(3,355,766)
Less: Total adjustments to net current assets		(7,467,292)	(5,648,774)
<b>Net current assets used in the Rate Setting Statement</b>		<b>2,148,491</b>	<b>1,944,534</b>

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

28. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual						Budget				
		Principal at 1 July 2020	New Loans During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Gingin Medical Centre		131,258	-	(29,686)	101,572	-	(31,681)	69,891	101,572	-	(31,681)	69,891
Wannamal West Road - Tip Rationalisation		435,111	-	(18,822)	416,289	-	(20,063)	396,226	416,289	-	(20,063)	396,226
Seabird Sea Wall		145,020	-	(20,809)	124,211	-	(21,335)	102,876	124,211	-	(21,335)	102,876
Guilderton Country Club		370,175	-	(35,734)	334,441	-	(38,331)	296,110	334,441	-	(38,331)	296,110
Cunliffe Street Redevelopment		-	-	-	-	-	-	-	-	250,000	-	250,000
Regional Hardcourt Facility		264,331	-	(22,260)	242,071	-	(23,772)	218,299	242,071	-	(23,772)	218,299
Regional Hardcourt Facility		254,467	-	(21,026)	233,441	-	(21,903)	211,538	233,441	-	(21,903)	211,538
Swimming Pool Tiling		95,471	-	(14,714)	80,757	-	(15,173)	65,584	80,757	-	(15,173)	65,584
Gingin Outdoor Activity Space		-	177,000	-	177,000	-	(16,586)	160,414	177,000	-	(16,585)	160,415
Lancelin Caravan Park Assets		103,130	-	(40,479)	62,651	-	(41,505)	21,146	62,651	-	(41,505)	21,146
Guilderton Caravan Park Waste Water		-	-	-	-	-	-	-	-	100,000	-	100,000
Lot 44 Weld Street Gingin		169,628	-	(16,485)	153,143	-	(17,652)	135,491	153,143	-	(17,652)	135,491
Altus Financials Suite Software Upgrade		-	157,743	-	157,743	-	(9,156)	148,587	157,743	-	(9,156)	148,587
<b>Total</b>		<b>1,968,591</b>	<b>334,743</b>	<b>(220,015)</b>	<b>2,083,319</b>	<b>-</b>	<b>(257,157)</b>	<b>1,826,162</b>	<b>2,083,319</b>	<b>350,000</b>	<b>(257,156)</b>	<b>2,176,163</b>
<b>Self Supporting Loans</b>												
Ledge Point Country Club Cool Room		21,435	-	(2,182)	19,253	-	(2,230)	17,023	19,253	-	(2,230)	17,023
<b>Total Self Supporting Loans</b>		<b>21,435</b>	<b>-</b>	<b>(2,182)</b>	<b>19,253</b>	<b>-</b>	<b>(2,230)</b>	<b>17,023</b>	<b>19,253</b>	<b>-</b>	<b>(2,230)</b>	<b>17,023</b>
<b>Total Borrowings</b>	14	<b>1,990,026</b>	<b>334,743</b>	<b>(222,197)</b>	<b>2,102,572</b>	<b>-</b>	<b>(259,387)</b>	<b>1,843,185</b>	<b>2,102,572</b>	<b>350,000</b>	<b>(259,386)</b>	<b>2,193,186</b>

\* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

Borrowing Interest Repayments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021
						\$	\$	\$
Gingin Medical Centre		Health	L100	WATC*	6.51%	(5,239)	(6,105)	(7,254)
Wannamal West Road - Tip Rationalisation		Community amenities	L111	WATC*	6.49%	(26,208)	(26,697)	(27,460)
Seabird Sea Wall		Community amenities	L127	WATC*	2.51%	(2,755)	(2,985)	(3,285)
Guilderton Country Club		Recreation and culture	L114	WATC*	7.14%	(22,895)	(23,207)	(25,513)
Regional Hardcourt Facility		Recreation and culture	L120	WATC*	6.68%	(15,728)	(15,780)	(17,243)
Regional Hardcourt Facility		Recreation and culture	L124A	WATC*	4.13%	(9,350)	(9,417)	(10,231)
Swimming Pool Tiling		Recreation and culture	L126	WATC*	3.10%	(2,194)	(2,387)	(2,658)
Gingin Outdoor Activity Space		Recreation and culture	L132	WATC*	1.43%	(2,467)	(2,475)	(90)
Lancelin Caravan Park Assets		Economic services	L128	WATC*	2.52%	(929)	(1,319)	(1,963)
Lot 44 Weld Street Gingin		Other property and services	L123	WATC*	6.96%	(10,102)	(10,357)	(11,286)
Altus Financials Suite Software Upgrade		Other property and services	L131	WATC*	1.94%	(3,007)	(3,013)	(109)
<b>Total</b>						<b>(100,874)</b>	<b>(103,742)</b>	<b>(107,092)</b>
<b>Self Supporting Loans Interest Repayments</b>								
Ledge Point Country Club Cool Room		Recreation and culture	L130	WATC*	2.16%	(399)	(404)	(446)
<b>Total Self Supporting Loans Interest Repayments</b>						<b>(399)</b>	<b>(404)</b>	<b>(446)</b>
<b>Total Interest Repayments</b>	2(b)					<b>(101,273)</b>	<b>(104,146)</b>	<b>(107,538)</b>

SHIRE OF GINGIN  
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28. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2021/22

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2022 Actual	2022 Budget	2022 Actual	2022 Budget		
Cunliffe Street Redevelopment	*WATC	N/A	N/A	N/A	-	250,000	-	250,000	-	-
Guilderton Caravan Park Waste Water	*WATC	N/A	N/A	N/A	-	100,000	-	100,000	-	-
					-	350,000	-	350,000	-	-

\* WA Treasury Corporation

(c) Lease Liabilities

Purpose	Note	Actual							Budget			
		Principal at 1 July 2020	New Leases During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
Lancelin administration office		-	20,855	(6,862)	13,994	-	(6,951)	7,043	13,992	-	(6,951)	7,041
Postal franking machine		2,678	-	(2,290)	388	-	-	-	389	-	(389)	-
Photocopier - Ineo 958		-	22,702	(4,982)	17,720	-	(7,539)	10,181	17,720	-	(7,539)	10,181
IT Server		-	87,179	(9,889)	77,290	-	(17,116)	60,173	77,290	-	(17,116)	60,174
<b>Total Lease Liabilities</b>	11(b)	2,678	130,736	(24,023)	109,392	-	(31,606)	77,397	109,391	-	(31,995)	77,396

Lease Interest Repayments

Purpose	Note	Function and activity	Lease Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021	Lease Term
						\$	\$	\$	
Lancelin administration office		Other property and services	1	Lewis Hughes	2.10%	(140)	(140)	(228)	12
Postal franking machine		Other property and services	3	Advance Office Solutions	3.10%	-	(1)	(50)	60
Photocopier - Ineo 958		Other property and services	4	QPC Group	1.10%	(156)	(156)	(148)	36
IT Server		Other property and services	5	Dell Financial Services	1.30%	(898)	(898)	(620)	60
<b>Total Interest Repayments</b>	2(b)					(1,194)	(1,195)	(1,046)	

**SHIRE OF GINGIN**  
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**29. RESERVE ACCOUNTS**

	2022	2022	2022	2022	2022	2022	2022	2021	2021	2021	2021	
	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Actual	Actual	Actual	Actual	
	Opening	Transfer to	Transfer	Closing	Opening	Transfer to	Transfer	Opening	Transfer to	Transfer	Closing	
	Balance		(from)	Balance	Balance		(from)	Balance		(from)	Balance	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Restricted by council</b>												
1 LSL, Annual, Sick Leave and Staff Contingency	429,670	-	-	429,670	429,670	2,981	-	432,651	428,450	1,220	-	429,670
3 Plant and Equipment Reserve	1,593,153	-	-	1,593,153	1,354,067	9,000	(87,530)	1,275,537	1,832,540	505,698	(745,085)	1,593,153
5 Land and Buildings Reserve	916,406	-	-	916,406	916,407	4,976	(477,400)	443,983	1,103,923	3,144	(190,661)	916,406
6 Guilderton Caravan Park Reserve	34,018	-	-	34,018	34,018	246	-	34,264	35,587	101	(1,670)	34,018
7 Shire Recreation Development Reserve	75,135	418,644	(24,000)	469,779	75,135	518	(50,000)	25,653	74,922	213	-	75,135
8 Redfield Park Reserve	31,469	-	-	31,469	31,468	217	-	31,685	31,380	89	-	31,469
9 Ocean Farm Recreation Reserve	31,161	-	-	31,161	31,161	215	-	31,376	31,072	89	-	31,161
10 Tip Rationalisation Reserve	1,606,186	367,644	-	1,973,830	1,606,185	33,223	(50,000)	1,589,408	1,293,669	312,518	-	1,606,186
11 Lancelin Community Sport and Recreation Reserve	98,639	18,872	(13,999)	103,512	79,739	19,895	-	99,634	79,512	19,126	-	98,639
13 Community Infrastructure Reserve	15,730	20,800	-	36,530	15,731	22,400	-	38,131	2,123	13,606	-	15,730
14 Staff Housing	33,559	-	-	33,559	33,559	231	-	33,790	33,463	95	-	33,559
15 Future Infrastructure Reserve	567,840	-	(38,535)	529,305	567,840	3,507	-	571,347	589,137	39,806	(61,103)	567,840
16 Guilderton Country Club Reserve	19,157	8,080	-	27,237	14,535	8,143	-	22,678	14,494	4,663	-	19,157
17 Coastal Management Reserve - Coastal Inundation	192,391	100,000	-	292,391	192,391	100,000	(53,000)	239,391	-	192,391	-	192,391
20 Unspent Grants Reserve - Youth Services Website Grant	5,014	-	-	5,014	5,014	-	-	5,014	-	5,014	-	5,014
21 Seniors Housing Reserve	81,188	80,957	-	162,145	81,188	80,957	-	162,145	-	81,188	-	81,188
22 Gingin Railway Station Reserve	5,747	-	-	5,747	5,747	-	-	5,747	-	5,747	-	5,747
24 Contributions to Roads Reserve - Cullalla Road Intersection	45,128	-	-	45,128	45,128	-	-	45,128	-	45,128	-	45,128
28 Contribution to Roads Reserve - Cowalla Road Intersection	16,046	-	-	16,046	16,046	-	-	16,046	-	16,046	-	16,046
29 Contribution to Roads Reserve - Chitna Road	3,009	-	-	3,009	3,009	-	-	3,009	-	3,009	-	3,009
31 Contribution to Roads Reserve - Balance of Muni Funds	492,808	207,567	-	700,376	492,808	-	(274,552)	218,256	-	960,111	(467,303)	492,808
32 Community Infrastructure Reserve - Lower Coastal Fire Control	25,266	-	-	25,266	25,266	-	-	25,266	-	25,266	-	25,266
33 Community Infrastructure Reserve - Gingin Logo Plates	8,030	-	-	8,030	8,030	-	-	8,030	-	8,030	-	8,030
34 Community Infrastructure Reserve - Gingin Ambulance	42,120	6,000	-	48,120	42,120	6,000	-	48,120	-	42,120	-	42,120
36 Community Infrastructure - Lancelin Ambulance	12,937	18,000	-	30,937	12,937	18,000	-	30,937	-	12,937	-	12,937
38 Subdivision Reserve - Mallee Lane Subdivision Contribution towards DUP	14,672	-	-	14,672	14,672	-	-	14,672	-	14,672	-	14,672
40 Public Open Space Reserve	26,050	-	-	26,050	26,050	-	-	26,050	-	26,050	-	26,050
41 Guilderton Trailer Parking Reserve	29,896	5,797	(8,948)	26,745	29,896	12,739	-	42,635	-	29,896	-	29,896
42 Gingin Outdoor Activity Space	-	4,834	-	4,834	-	-	-	-	-	-	-	-
	6,452,425	1,378,270	(85,482)	7,745,214	6,189,817	451,439	(992,482)	5,648,774	5,553,210	2,463,468	(1,564,253)	6,452,425

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

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



**SHIRE OF GINGIN**  
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**29. RESERVE ACCOUNTS (Continued)**

<b>Name of Reserve</b>	<b>Anticipated date of use</b>	<b>Purpose of the reserve</b>
1 LSL, Annual, Sick Leave and Staff Contingency	As required	Used to fund annual leave, long service leave, sick leave, redundancy/retirement and staff contingency.
3 Plant and Equipment Reserve	As required	Used for the purchase of major plant and equipment.
5 Land and Buildings Reserve	As required	Used for the replacement and/or acquisition of land and buildings.
6 Guilderton Caravan Park Reserve	As required	Used for the development of Guilderton Caravan Park facilities.
7 Shire Recreation Development Reserve	As required	Used for the development of Shire Recreation facilities.
8 Redfield Park Reserve	As required	Used for the development of Public Open Space within the Redfield Park subdivision.
9 Ocean Farm Recreation Reserve	As required	Used for the development of recreation and community facilities within the Ocean Farm subdivision.
10 Tip Rationalisation Reserve	As required	Used for rationalisation of rubbish tip facilities within the Shire.
11 Lancelin Community Sport and Recreation Reserve	As required	Used in developing building and other associated infrastructure at the Lancelin Community Sporting Club and are to be spent upon request from the Club, and
13 Community Infrastructure Reserve	As required	Used to assist in the financing of community facilities.
14 Staff Housing	As required	To be used to fund Staff housing infrastructure additions and/or replacement.
15 Future Infrastructure Reserve	As required	To used to fund future infrastructure construction, purchase, additions and/or renewals.
16 Guilderton Country Club Reserve	As required	To be used to fund the development of the Guilderton Country Club and are to be spent upon request from the Club, and approval from Council.
17 Coastal Management Reserve - Coastal Inundation	As required	For the purpose of funding coastal erosion mitigation and inundation works.
20 Unspent Grants Reserve - Youth Services Website Grant	As required	For the purpose of isolating grant funds received and not used during a financial period.
21 Seniors Housing Reserve	As required	For the purpose of repairs, improvements, extensions or construction of seniors housing.
22 Gingin Railway Station Reserve	As required	For the purpose of improving and maintaining the Gingin Railway Station.
24 Contributions to Roads Reserve - Cullalla Road Intersection	As required	For the purpose of funding future road works
28 Contribution to Roads Reserve - Cowalla Road Intersection	As required	For the purpose of funding future road works.
29 Contribution to Roads Reserve - Chitna Road	As required	For the purpose of funding future road works.
31 Contribution to Roads Reserve - Balance of Muni Funds	As required	For the purpose of funding future road works.
32 Community Infrastructure Reserve - Lower Coastal Fire Control	As required	Used to assist in the financing of community facilities.
33 Community Infrastructure Reserve - Gingin Logo Plates	As required	Used to assist in the financing of community facilities.
34 Community Infrastructure Reserve - Gingin Ambulance	As required	Used to assist in the financing of community facilities.
36 Community Infrastructure - Lancelin Ambulance	As required	Used to assist in the financing of community facilities.
38 Subdivision Reserve - Mallee Lane Subdivision Contribution towards DUP	As required	For the purpose of isolating subdivision monies intended for future works.
40 Public Open Space Reserve	As required	For the purpose of funding development of public open space.
41 Guilderton Trailer Parking Reserve	As required	For the purpose of future trailer park bay maintenance at Guilderton Foreshore.
42 Gingin Outdoor Activity Space	As required	For the purpose of maintenance at the Gingin Outdoor Activity Space

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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 2021	Amounts Received	Amounts Paid	30 June 2022
	\$	\$	\$	\$
Public Open Space	11,326	-	-	11,326
	11,326	-	-	11,326