

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

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the

16th

day of

December

2021



Chief Executive Officer
Brent Bailey



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

	Notes	2021 Actual	2021 Budget	2020 Actual
Revenue				
Rates	23(a)	6,331,039	6,300,242	6,313,218
Operating grants, subsidies and contributions	2(a)	2,202,047	1,208,418	2,388,451
Fees and charges	2(a)	2,452,644	2,315,079	2,438,401
Interest earnings	2(a)	30,853	22,000	126,330
Other revenue		98,478	121,773	123,101
		11,115,061	9,967,512	11,389,501
Expenses				
Employee costs		(3,832,218)	(4,047,580)	(4,295,893)
Materials and contracts		(2,843,365)	(2,753,108)	(3,656,384)
Utility charges		(415,313)	(459,742)	(432,306)
Depreciation on non-current assets	11(b)	(5,862,521)	(6,308,988)	(6,321,172)
Interest expenses	2(b)	(10,356)	(23,378)	(16,119)
Insurance expenses		(442,889)	(420,188)	(442,770)
Other expenses		(703,320)	(753,722)	(727,971)
		(14,109,982)	(14,766,706)	(15,892,615)
		(2,994,921)	(4,799,194)	(4,503,114)
Non-operating grants, subsidies and contributions	2(a)	5,172,601	7,193,247	2,120,430
Profit on disposal of assets	11(a)	66,000	-	6,136
Loss on disposal of assets	11(a)	(21,331)	-	(83,038)
Fair value adjustment to financial assets at fair value through profit and loss		8,228	-	1,441
Net result		2,230,577	2,394,053	(2,458,143)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	-	-	718,481
Total other comprehensive income		-	-	718,481
Total comprehensive income		2,230,577	2,394,053	(1,739,662)

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



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

	Notes	2021 Actual	2021 Budget	2020 Actual
Revenue				
Governance		16,659	78,168	55,760
General purpose funding		8,017,457	7,039,694	8,397,870
Law, order and public safety		414,733	405,503	364,078
Health		51,848	4,290	37,203
Education and welfare		13,500	10,500	-
Community amenities		1,312,540	1,359,940	1,490,201
Recreation and culture		528,740	427,586	389,953
Transport		287,976	276,093	264,301
Economic services		267,520	229,166	243,081
Other property and services		204,088	136,571	147,053
		11,115,061	9,967,512	11,389,501
Expenses				
Governance		(564,477)	(634,346)	(579,896)
General purpose funding		(193,328)	(197,086)	(205,896)
Law, order and public safety		(1,248,571)	(1,343,921)	(1,451,851)
Health		(301,168)	(321,579)	(349,966)
Education and welfare		(98,409)	(106,984)	(121,978)
Community amenities		(2,192,914)	(2,262,988)	(2,344,514)
Recreation and culture		(3,206,193)	(3,142,356)	(3,292,734)
Transport		(5,297,544)	(5,397,208)	(5,853,795)
Economic services		(700,991)	(726,692)	(735,475)
Other property and services		(296,032)	(610,169)	(940,392)
		(14,099,627)	(14,743,328)	(15,876,496)
		(2,984,565)	(4,775,816)	(4,486,995)
Finance costs				
	2(b)			
Governance		(6,515)	(8,413)	(10,577)
Law, order and public safety		(135)	(135)	(358)
Education and welfare		-	(3,375)	-
Recreation and culture		(2,280)	(2,378)	(3,346)
Transport		(168)	-	(524)
Other property and services		(1,257)	(9,076)	(1,314)
		(10,356)	(23,378)	(16,119)
Non- operating grants and subsidies				
	2(a)			
Health		-	2,000	-
Recreation and culture		1,183,087	1,702,654	26,681
Transport		3,989,514	5,483,593	2,017,966
Economic services		-	5,000	-
Other property and services		-	-	75,783
		5,172,601	7,193,247	2,120,430
Profit / (loss) on asset disposal				
	11(a)			
Governance		-	-	(10,000)
Community amenities		-	-	(22,164)
Recreation and culture		(17,331)	-	-
Transport		-	-	(37,633)
Other property and services		62,000	-	(7,105)
		44,669	-	(76,902)
Fair value adjustment to financial assets at fair value through profit and loss				
General purpose funding		8,228	-	1,441
		8,228	-	1,441
Net result		2,230,577	2,394,053	(2,458,143)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	-	-	718,481
Total other comprehensive income		-	-	718,481
Total comprehensive income		2,230,577	2,394,053	(1,739,662)

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



SHIRE OF DANDARAGAN
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Notes	2021	2020
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	6,966,878	7,647,366
Trade receivables	6	1,837,846	928,188
Other financial assets	5	45,032	42,602
Other current assets	8	406	5,514
Inventories	7	25,612	32,574
TOTAL CURRENT ASSETS		8,875,774	8,656,244
NON-CURRENT ASSETS			
Other financial assets	5	178,381	170,113
Trade receivables	6	56,707	50,124
Property, plant and equipment	9	35,705,325	37,120,787
Right-of-use assets	12	48,951	89,542
Infrastructure	10	251,487,602	247,954,139
TOTAL NON-CURRENT ASSETS		287,476,967	285,384,705
TOTAL ASSETS		296,352,741	294,040,949
CURRENT LIABILITIES			
Trade and other payables	14	977,548	1,050,024
Grant liabilities	15	754,587	458,071
Lease liabilities	16	21,007	40,530
Borrowings	17	120,957	112,406
Employee related provisions	18	661,460	673,805
TOTAL CURRENT LIABILITIES		2,535,560	2,334,836
NON-CURRENT LIABILITIES			
Lease liabilities	16	28,612	49,619
Borrowings	17	81,127	157,012
Employee related provisions	18	99,814	122,432
TOTAL NON-CURRENT LIABILITIES		209,553	329,062
TOTAL LIABILITIES		2,745,113	2,663,898
TOTAL NET ASSETS		293,607,628	291,377,051
EQUITY			
Retained earnings		199,933,266	197,037,451
Reserves - cash backed	4	5,027,337	5,692,576
Revaluation surplus	13	88,647,025	88,647,025
TOTAL EQUITY		293,607,628	291,377,051

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



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

	Notes	Retained Earnings	Reserves - Cash Backed	Revaluation Surplus	Total Equity
		\$	\$	\$	\$
Balance as at 30 June 2019		199,357,712	5,830,457	87,928,544	293,116,713
Comprehensive Income					
Net result		(2,458,143)	-	-	(2,458,143)
Other comprehensive income	13	-	-	718,481	718,481
Total comprehensive income		(2,458,143)	-	718,481	(1,739,662)
Transfers from reserves		137,882	(137,882)	-	-
Balance as at 30 June 2020		197,037,451	5,692,576	88,647,025	291,377,051
Comprehensive Income					
Net result		2,230,577	-	-	2,230,577
Other comprehensive income	13	-	-	-	-
Total comprehensive income		2,230,577	-	-	2,230,577
Transfers from reserves		665,238	(665,238)	-	-
Balance as at 30 June 2021		199,933,266	5,027,337	88,647,025	293,607,628

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



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

	Notes	2021 Actual	2021 Budget	2020 Actual
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		6,302,014	6,568,242	6,204,605
Operating grants and subsidies		2,177,383	1,183,753	2,413,115
Fees and charges		1,467,383	2,623,079	2,402,232
Interest earnings		30,853	22,000	126,330
Goods and services tax		613,076	549,544	473,615
Other revenue		98,478	121,773	123,101
		10,689,187	11,068,391	11,742,999
Payments				
Employee costs		(3,857,936)	(4,047,580)	(4,173,128)
Materials and contracts		(2,939,010)	(3,387,108)	(3,092,596)
Utility charges		(415,313)	(459,742)	(432,306)
Interest expenses		(12,219)	(23,378)	(18,329)
Insurance expenses		(442,889)	(420,188)	(442,770)
Goods and services tax		(487,172)	(549,544)	(554,635)
Other expenditure		(703,320)	(753,722)	(727,971)
		(8,857,858)	(9,641,262)	(9,441,736)
Net cash provided by/(used in) operating activities	19	1,831,329	1,427,129	2,301,263
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(551,311)	(2,099,864)	(754,349)
Payments for construction of infrastructure		(7,473,953)	(9,796,514)	(3,632,528)
Non-operating grants, subsidies and contributions		5,493,781	6,759,840	2,553,837
Proceeds from financial assets at amortised cost - self supporting loan		(2,471)	(2,488)	32,431
Proceeds from sale of property, plant & equipment		130,000	33,600	50,350
Net cash provided by/(used in) investing activities		(2,403,953)	(5,105,426)	(1,750,259)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings		(117,333)	(157,986)	(121,330)
Payment for principle portion of lease liability		(40,530)	(40,530)	(43,338)
Proceeds from new borrowings		50,000	1,340,000	25,000
Net cash provided by/(used in) financing activities		(107,863)	1,141,484	(139,668)
Net increase (decrease) in cash held		(680,488)	(2,536,813)	411,336
Cash at beginning of year		7,647,366	7,647,367	7,236,030
Cash and cash equivalents at the end of the year	19	6,966,878	5,110,554	7,647,366

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



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

	Notes	2021 Actual	2021 Budget	2020 Actual
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)		739,166	723,612	1,093,777
Revenue from operating activities (excluding general rates)				
Governance		16,659	78,168	55,760
General purpose funding		1,696,365	739,452	2,087,601
Law, order and public safety		414,733	405,503	364,078
Health		51,848	4,290	37,203
Education and welfare		13,500	10,500	-
Community amenities		1,312,540	1,359,940	1,490,201
Recreation and culture		528,740	427,586	389,953
Transport		287,976	276,093	264,301
Economic services		267,520	229,166	243,081
Other property and services		270,088	136,571	153,190
		4,859,969	3,667,270	5,085,368
Expenditure from operating activities				
Governance		(570,992)	(642,760)	(600,473)
General purpose funding		(193,328)	(197,086)	(205,896)
Law, order and public safety		(1,248,706)	(1,344,056)	(1,452,209)
Health		(301,168)	(321,579)	(349,966)
Education and welfare		(98,409)	(110,359)	(121,978)
Community amenities		(2,192,914)	(2,262,988)	(2,366,678)
Recreation and culture		(3,225,804)	(3,144,733)	(3,296,080)
Transport		(5,297,712)	(5,397,208)	(5,891,951)
Economic services		(700,991)	(726,692)	(735,475)
Other property and services		(301,289)	(619,246)	(954,947)
		(14,131,313)	(14,766,706)	(15,975,652)
Non-cash amounts excluded from operating activities	24(a)	5,780,424	6,308,988	6,409,415
Amount attributable to operating activities		(2,751,753)	(4,066,836)	(3,387,093)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	5,172,601	7,193,247	2,120,430
Proceeds from disposal of assets	11(a)	130,000	33,600	50,350
Purchase land and buildings		(349,656)	(1,751,317)	(455,782)
Purchase furniture and equipment		(201,655)	(341,547)	(35,085)
Purchase plant and equipment		-	(7,000)	(263,482)
Purchase infrastructure assets - roads	10(a)	(4,700,587)	(5,173,070)	(2,881,774)
Purchase infrastructure assets - parks and reserves	10(a)	(314,344)	(529,977)	(130,277)
Purchase infrastructure assets - other		(2,459,022)	(4,093,467)	(620,477)
Amount attributable to investing activities		(2,722,663)	(4,669,531)	(2,216,097)
FINANCING ACTIVITIES				
Proceeds from new borrowings	17(b)	50,000	1,340,000	25,000
Repayment of borrowings	17(b)	(117,333)	(157,986)	(121,330)
Payment of self supporting loan to community group	17(b)	(50,000)	(50,000)	(25,000)
Self-supporting loan principal income	17(b)	45,453	45,436	53,279
Community group cash advance principal income		2,076	2,076	4,152
Payment of right of use lease		(40,530)	(40,530)	(43,338)
Transfer to reserves	4	(159,776)	(187,045)	(330,666)
Transfer from reserves	4	825,014	818,335	468,548
Amount attributable to financing activities		554,904	1,770,286	30,645
Budgeted deficiency before general rates		(4,919,511)	(6,966,081)	(5,572,545)
Amount to be raised from general rates	23(a)	6,329,320	6,300,242	6,311,711
Surplus/(deficit) after imposition of general rates	24(b)	1,409,809	(665,838)	739,166

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



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

1. BASIS OF PREPARATION

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

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

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

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 27.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

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

These were:

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

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

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

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

2 REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	Timing of revenue recognition
Rates	<ul style="list-style-type: none"> · General rates and rates charged for specific defined purposes. 	When rates notice is issued.
Operating Grants, Subsidies and Contributions	<ul style="list-style-type: none"> · Community events, minor facilities, research, design, planning evaluation and services. 	Income from grants that are enforceable and with sufficiently specific performance obligations is recognised when the Shire satisfies the performance obligations by achieving the project milestones.
	<ul style="list-style-type: none"> · General appropriations and contributions with no reciprocal commitment. 	Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the Shire has an unconditional right to receive cash which usually coincides with receipt of cash.
Non-Operating Grants, Subsidies and Contributions	<ul style="list-style-type: none"> · Construction or acquisition of recognisable non-financial assets to be controlled by the local government. 	Capital grants are recognised as income when the Shire achieves milestones specified in the grant agreement.
Fees and Charges	<ul style="list-style-type: none"> · Building, planning, development and animal management, having the same nature as a licence regardless of naming. · Compliance safety check. · Regulatory food, health and safety. · Kerbside collection service. · Waste treatment, recycling and disposal services. · Permission to use facilities and runway. · Cemetery services, library fees, reinstatements and private works. · Visitor centre merchandise. · Fines issued for breaches of local laws. 	At a point in time (or over a relatively short period of time) when the services have been provided and payments are received.
Other Revenue	<ul style="list-style-type: none"> · Sale of scrap materials. · Insurance claims. · Commissions on licencing and ticket sales. 	At a point in time when the goods have been transferred and payments are received, or upon receipt of funds.

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

2 REVENUE AND EXPENSES

(a) Revenue

Grant Revenue

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

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Operating grants, subsidies and contributions			
Governance	1,961	22,083	32,926
General purpose funding	1,639,926	708,152	1,942,038
Law, order and public safety	56,939	50,200	6,427
Health	36,512	-	33,731
Education and welfare	13,500	10,500	-
Community amenities	30,210	28,800	26,011
Recreation and culture	73,873	77,540	71,642
Transport	259,189	253,765	226,671
Economic services	16,547	15,200	11,654
Other property and services	73,388	42,178	37,351
	2,202,047	1,208,418	2,388,451
Non-operating grants, subsidies and contributions			
Health	-	2,000	-
Recreation and culture	1,183,087	1,702,654	26,681
Transport	3,989,514	5,483,593	2,017,966
Economic services	-	5,000	-
Other property and services	-	-	75,783
	5,172,601	7,193,247	2,120,430
Total grants, subsidies and contributions	7,374,648	8,401,665	4,508,881
Fees and Charges			
Governance	193	15,525	1,409
General purpose funding	19,307	9,300	22,900
Law, order, public safety	357,794	355,303	356,365
Health	15,336	4,290	3,472
Education and welfare	-	-	-
Community amenities	1,264,910	1,313,720	1,446,770
Recreation and culture	452,526	350,046	314,345
Transport	28,787	22,328	37,629
Economic services	248,538	210,567	215,827
Other property and services	65,253	34,000	39,683
	2,452,644	2,315,079	2,438,401

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

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

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

Fees and Charges

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

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

2 REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Contracts with customers			
Revenue from contracts with customers was recognised during the year for the following nature or types of goods or services:			
Fees and charges	1,954,085	1,937,820	1,690,999
Other revenue	98,476	121,773	123,101
	2,052,561	2,059,593	1,814,100
Revenue from contracts with customers is comprised of:			
Contracts with customers included as a contract liability at the start of the period	-	-	-
Performance obligations satisfied in the previous year	-	-	-
Other revenue from contracts with customers recognised during the year	2,052,561	2,059,593	1,814,100
	2,052,561	2,059,593	1,814,100
Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:			
Trade and other receivables from contracts with customers	1,837,846	-	804,160

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

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

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

2 REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

**Grant contracts for services and transfers
 for recognisable non-financial assets**

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

Operating grants, subsidies and contributions	323,560	353,765	197,803
Non-operating grants, subsidies and contributions	5,535,497	7,193,247	2,120,430
	<u>5,859,056</u>	<u>7,547,013</u>	<u>2,318,233</u>

Revenue from grants for services and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:

Grant contracts included as a liability at the start of the period	458,071	458,071	-
Performance obligations satisfied in the previous year	-	-	-
Grant revenue for services rendered recognised during the year	298,895	329,101	197,803
Grant revenue for recognisable non-financial assets rendered recognised during the year	5,102,090	6,759,840	2,120,430
	<u>5,859,056</u>	<u>7,547,013</u>	<u>2,318,233</u>

Information about grant liabilities for services and from transfers to enable the acquisition or construction of recognisable non financial assets is:

Financial assets held from grants for service and transfers for recognisable financial assets	754,587	-	458,071
Grant liabilities from grants for service and transfers for recognisable non-financial assets	(754,587)	-	(458,071)

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

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

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

2 REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Revenue from statutory requirements			
Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:			
General rates	6,329,320	6,298,735	6,311,711
Statutory permits and licences	183,352	103,790	160,838
Fines	11,909	14,650	14,680
	6,524,581	6,417,175	6,487,229
Assets and services acquired below fair value			
Contributed assets	-	-	75,783
	-	-	75,783
Interest earnings			
Loans receivable - clubs/institutions	3,670	-	5,330
Municipal fund interest	321	1,000	434
Reserve fund interest	26,330	20,000	70,589
Rates instalment and penalty interest (refer Note 23 (c))	-	-	47,685
Other interest earnings	531	1,000	2,291
	30,853	22,000	126,330

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

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

2 REVENUE AND EXPENSES (Continued)

(b) Expenses	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Auditors remuneration			
- Audit of the Annual Financial Report	35,000	25,000	25,000
- Other services	4,220	5,000	4,400
	39,220	30,000	29,400
Interest expenses (finance costs)			
Borrowings	10,356	23,378	16,119
	10,356	23,378	16,119
Rental charges			
- Operating leases	12,322	2,359	21,578
	12,322	2,359	21,578

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

3 CASH AND CASH EQUIVALENTS

Notes	2021	2020
	\$	\$
Cash at bank and on hand	6,966,878	7,647,366
Total cash and cash equivalents	6,966,878	7,647,366
Restrictions		
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:		
Cash and cash equivalents	5,928,456	6,277,451
	<u>5,928,456</u>	<u>6,277,451</u>
The restricted assets are a result of the following specific purposes to which the assets may be used:		
Reserves - cash backed	5,027,337	5,692,576
Contract liabilities from contracts with customers	-	24,664
Contract liabilities from transfers for recognisable non financial assets	754,587	433,407
Bonds, deposits and collections	146,531	126,804
Total restricted assets	5,928,456	6,277,451

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 and bank overdrafts.

Restricted assets

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

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

4 RESERVES - CASH BACKED

(a) Cash Backed Reserves - Movement

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Change of Purpose	2020 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant Reserve	254,398	1,180	-	255,578	254,398	34,494	-	288,892	251,356	3,042	-	-	254,398
Building Renewal Reserve	790,929	10,183	(144,154)	656,958	790,929	9,295	(157,155)	643,069	972,206	89,165	(270,441)	-	790,929
Rubbish Reserve	434,007	65,499	-	499,507	434,007	65,012	-	499,019	475,777	5,731	(47,500)	-	434,007
Community Centre Reserve	387,494	7,797	-	395,291	387,494	7,361	-	394,855	377,220	10,274	-	-	387,494
Television Services Reserve	97,728	453	-	98,182	97,728	343	-	98,071	96,565	1,163	-	-	97,728
Information Technology Reserve Reserve	57,018	264	-	57,282	57,018	200	-	57,218	56,339	679	-	-	57,018
Caravan Park Reserve	-	-	-	-	-	-	-	-	391,478	4,541	-	(396,019)	-
Land Development Reserve	70,662	328	-	70,989	70,662	248	-	70,910	69,821	841	-	-	70,662
Parking Requirements (Lot 1154 Sandpiper Street) Reserve	11,405	53	-	11,458	11,405	40	-	11,445	11,270	136	-	-	11,405
Parks and Recreation Grounds Development (Seagate) Reserve	376,292	1,745	(24,983)	353,053	376,292	1,322	(37,080)	340,534	371,813	4,478	-	-	376,292
Sport and Recreation Reserve	310,643	1,383	(148,589)	163,437	310,643	1,091	-	311,734	326,824	3,819	(20,000)	-	310,643
Landscaping Reserve	2,647	12	-	2,659	2,647	10	-	2,657	2,615	31	-	-	2,647
Aerodrome Reserve	129,177	23,041	-	152,218	129,177	22,896	-	152,073	120,886	23,898	(15,607)	-	129,177
Public Open Space Renewal Reserve	558,221	37,561	(141,143)	454,639	558,221	36,961	(200,000)	395,182	460,099	98,121	-	-	558,221
Infrastructure Renewal Reserve	811,987	3,765	(105,000)	710,752	811,987	2,853	(105,000)	709,840	802,327	9,660	-	-	811,987
Public Open Space Construction Reserve	112,904	550	(104,027)	9,428	112,904	397	(104,000)	9,301	111,561	1,344	-	-	112,904
Infrastructure Construction Reserve	62,338	283	(7,018)	55,604	62,338	219	-	62,557	-	62,338	-	-	62,338
Building Construction Reserve	116,191	539	-	116,730	116,191	408	-	116,599	114,808	1,383	-	-	116,191
Leave Reserve	260,204	1,206	-	261,411	260,204	914	-	261,118	257,105	3,099	-	-	260,204
Economic Development Initiatives Reserve	794,068	3,682	(150,100)	647,650	794,068	2,789	(215,100)	581,757	506,771	6,278	(115,000)	396,019	794,068
Turquoise Way Path Reserve	51,766	240	-	52,006	51,766	182	-	51,948	51,150	616	-	-	51,766
Cash in lieu of landscaping – Lot 1146 Sandpiper Street Reserve	2,495	12	-	2,506	2,495	10	-	2,505	2,465	30	-	-	2,495
	5,692,576	159,776	(825,014)	5,027,337	5,692,576	187,045	(818,335)	5,061,285	5,830,457	330,666	(468,548)	-	5,692,576

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

4 RESERVES - CASH BACKED (CONTINUED)

(b) Purposes

In accordance with Council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Reserve name	Anticipated date of use	Purpose of the reserve
Plant Reserve	ongoing	to be used in order to assist in the purchase of major items of plant.
Building Renewal Reserve	ongoing	to fund capital renewal of buildings and associated assets as guided by the Building Asset Management Plan.
Rubbish Reserve	ongoing	to be used to fund establishing, enhancing, rehabilitation or any other activities associated with new and existing landfill or waste site.
Community Centre Reserve	ongoing	to be used to fund capital construction costs and major maintenance restoration / preservation costs to the community recreation centres located in the four towns.
Television Services Reserve	ongoing	to be used to fund the provision of new or improved television rebroadcasting facilities throughout the Shire.
Information Technology Reserve Reserve	ongoing	to be used for purchase of hardware, software, licensing, contract labour and cloud transitioning costs related to information technology.
Caravan Park Reserve	ongoing	to be used to fund improvements, other works and the promotion of caravan parks and their surrounds. To also fund planning, feasibility and establishment of new caravan parks.
Land Development Reserve	ongoing	for the purpose of funding land development in the townsites of Dandaragan and Badgingarra.
Parking Requirements (Lot 1154 Sandpiper Street) Reserve	ongoing	to fund future parking requirements in the Shire of Dandaragan in the vicinity of Lot 1154 Sandpiper Street, Jurien Bay as separately identified.
Parks and Recreation Grounds Development (Seagate) Reserve	ongoing	to fund the future purchase of land or development of parks and recreation grounds in the locality of Seagate Estates as separately identified or with Ministerial approval, for the improvement or development of parks and recreation.
Sport and Recreation Reserve	ongoing	to fund community sporting groups requests in accordance with the Shire of Dandaragan's Recreation Plan.
Landscaping Reserve	ongoing	to fund future landscaping requirements in the Shire of Dandaragan in the vicinity of Lot 1154 Sandpiper Street, Jurien Bay as separately identified.
Aerodrome Reserve	ongoing	to be used for renewal, major maintenance, expansion or relocation of the Shire of Dandaragan's airstrips and aerodromes.
Staff Attraction & Incentive Reserve	closed	to be used to fund staff attraction and incentive programs and processes, such as, but not limited to additional superannuation contributions, bonuses, rental subsidies and utility subsidies.
Public Open Space Renewal Reserve	ongoing	to fund capital renewal of public open space and associated assets as guided by the Public Open Space Asset Management Plan.
Infrastructure Renewal Reserve	ongoing	to fund capital renewal of infrastructure and associated assets as guided by the Infrastructure Asset Management Plan.
Public Open Space Construction Reserve	ongoing	to fund capital construction and/or purchase of public open space and associated assets.
Infrastructure Construction Reserve	ongoing	to fund capital construction and/or purchase of infrastructure and other associated assets.
Building Construction Reserve	ongoing	to fund capital construction and/or purchase of buildings and other associated assets.
Leave Reserve	ongoing	to fund annual leave and long service leave entitlements.
Economic Development Initiatives Reserve	ongoing	to be used for the planning, development and implementation of economic development initiatives with the Shire of Dandaragan.
Turquoise Way Path Reserve	ongoing	to be used for the renewal, major maintenance, improvements, promotion, inspection equipment / surveillance, extension or relocation of the Turquoise Way Path and associated infrastructure within the Turquoise Way Path corridor.
Cash in lieu of landscaping – Lot 1146 Sandpiper Street Reserve	ongoing	to be used for purposes allowable under the planning consent granted to I I & J B A Kelly Superannuation Fund for the commercial development at Lot 1146 Sandpiper Street, Jurien Bay.

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

5 OTHER FINANCIAL ASSETS

(a) Current assets

Other financial assets at amortised cost

Other financial assets at amortised cost

Financial assets at amortised cost - self supporting loans

(b) Non-current assets

Other financial assets at amortised cost

Financial assets at fair value through profit and loss

Other financial assets at amortised cost

Self supporting loans

Financial assets at fair value through profit and loss

Units in Local Government House Trust

	2021	2020
	\$	\$
	45,032	42,602
	45,032	42,602
	45,032	42,602
	45,032	42,602
	81,127	81,087
	97,254	89,026
	178,381	170,113
	81,127	81,087
	81,127	81,087
	97,254	89,026
	97,254	89,026

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.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 25.

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.

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

6 RECEIVABLES

Current

Rates receivable	
Sundry receivables	
GST receivable	
Allowance for impairment of receivables	

Non-current

Pensioner's rates and ESL deferred	
------------------------------------	--

2021	2020
\$	\$
399,436	376,994
1,441,469	428,031
-	124,029
(3,060)	(865)
1,837,846	928,188
56,707	50,124
56,707	50,124

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 25(c) and (d).

Classification and subsequent measurement

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

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

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

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

7 INVENTORIES

Current

Fuel and materials

	2021	2020
	\$	\$
	25,612	32,574
	<u>25,612</u>	<u>32,574</u>
	32,574	31,727
Inventories expensed during the year	(275,484)	(337,521)
Additions to inventory	268,521	338,367
	<u>25,612</u>	<u>32,574</u>

The following movements in inventories occurred during the year:

Carrying amount at 1 July

Inventories expensed during the year

Additions to inventory

Carrying amount at 30 June

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

8 OTHER ASSETS

Other current assets

Accrued income

2021	2020
\$	\$
406	5,514
406	5,514

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Other non-financial assets include accrued income which represent unpaid landing fees.

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

9 PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land	Buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Work in Progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$
Gross carrying amount at 30 June 2019	2,940,000	55,450,806	58,390,806	2,932,857	9,324,851	11,087	70,659,601
Accumulated depreciation at 30 June 2019	-	(25,753,815)	(25,753,815)	(2,041,552)	(4,688,127)	-	(32,483,494)
Balance at 30 June 2019	2,940,000	29,696,991	32,636,991	891,305	4,636,724	11,087	38,176,107
Additions	-	440,782	440,782	35,085	263,482	15,000	754,349
Disposals	-	(22,164)	(22,164)	(718)	(104,370)	-	(127,252)
Revaluation transferred to revaluation surplus	(37,000)	755,481	718,481	-	-	-	718,481
Depreciation expense	-	(1,121,277)	(1,121,277)	(128,965)	(1,150,656)	-	(2,400,898)
Transfers	-	11,087	11,087	-	-	(11,087)	-
Carrying amount as at 30 June 2020	2,903,000	29,760,900	32,663,900	796,707	3,645,181	15,000	37,120,787
Comprises:							
Gross carrying amount at 30 June 2020	2,903,000	57,740,400	60,658,400	2,966,742	9,239,691	15,000	72,864,833
Accumulated depreciation at 30 June 2020	-	(27,979,500)	(27,979,500)	(2,170,035)	(5,594,511)	-	(35,744,046)
Carrying amount at 30 June 2020	2,903,000	29,760,900	32,678,900	796,707	3,645,180	15,000	37,120,787
Additions	-	236,550	236,550	55,558	-	259,202	551,310
Disposals	(19,000)	(49,000)	(68,000)	-	-	-	(68,000)
Depreciation expense	-	(1,165,492)	(1,165,492)	(117,775)	(615,505)	-	(1,898,772)
Transfers	-	15,000	15,000	-	-	(15,000)	-
Carrying amount as at 30 June 2021	2,884,000	28,797,958	31,696,958	734,490	3,029,675	259,202	35,705,325
Comprises:							
Gross carrying amount at 30 June 2021	2,884,000	57,545,950	60,429,950	3,022,300	9,239,691	259,202	72,951,143
Accumulated depreciation at 30 June 2021	-	(28,747,992)	(28,747,992)	(2,287,810)	(6,210,016)	-	(37,245,818)
Carrying amount at 30 June 2021	2,884,000	28,797,958	31,681,958	734,490	3,029,675	259,202	35,705,325

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

9 PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land - freehold land	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuer	June 2020	Price per hectare / market borrowing rate
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuer	June 2020	Price per square metre / market borrowing rate
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2020	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 land and buildings using either level 2 or level 3 inputs.

(ii) Cost

Furniture and equipment	Cost	Cost	Purchase cost
Plant and equipment	Cost	Cost	Purchase cost

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

10 INFRASTRUCTURE

(a) Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Parks and reserves	Infrastructure - Other	Works in Progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
Gross carrying amount at 30 June 2019	295,120,510	10,852,138	7,280,000	3,355,989	17,796,908	-	334,405,545
Accumulated depreciation at 30 June 2019	(72,095,130)	(2,625,433)	(2,191,332)	(1,706,682)	(7,589,027)	-	(86,207,605)
Balance at 30 June 2019	223,025,380	8,226,705	5,088,668	1,649,307	10,207,881	-	248,197,940
Additions	2,881,774	527,356	-	130,277	71,038	22,083	3,632,528
Depreciation expense	(2,652,797)	(269,183)	(121,332)	(177,942)	(655,075)	-	(3,876,329)
Carrying amount as at 30 June 2020	223,254,357	8,484,878	4,967,336	1,601,642	9,623,843	22,083	247,954,139
Comprises:							
Gross carrying amount at 30 June 2020	298,002,285	11,379,494	7,280,000	3,486,266	17,867,945	22,083	338,038,073
Accumulated depreciation at 30 June 2020	(74,747,928)	(2,894,616)	(2,312,664)	(1,884,624)	(8,244,102)	-	(90,083,934)
Carrying amount at 30 June 2020	223,254,357	8,484,878	4,967,336	1,601,642	9,623,843	22,083	247,954,139
Additions	4,700,588	435,317	15,400	314,344	1,921,825	86,479	7,473,953
Disposals	-	-	-	-	(17,331)	-	(17,331)
Depreciation expense	(2,680,459)	(282,367)	(121,354)	(180,136)	(658,843)	-	(3,923,159)
Transfers	-	-	-	-	22,083	(22,083)	-
Carrying amount as at 30 June 2021	225,274,486	8,637,827	4,861,382	1,735,851	10,891,577	86,479	251,487,602
Comprises:							
Gross carrying amount at 30 June 2021	302,702,872	11,814,810	7,295,400	3,800,611	19,763,354	86,479	345,463,526
Accumulated depreciation at 30 June 2021	(77,428,386)	(3,176,983)	(2,434,018)	(2,064,760)	(8,871,777)	-	(93,975,924)
Carrying amount at 30 June 2021	225,274,486	8,637,827	4,861,382	1,735,851	10,891,577	86,479	251,487,602

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

10 INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - Drainage	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - Parks and reserves	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - Other	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2018	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 to determine the fair value of infrastructure using level 3 inputs.

11 FIXED ASSETS

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 between mandatory revaluation dates

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

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

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

Revaluation

The fair value of land, buildings and infrastructure properties is determined at least every 5 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 valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions.

This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires land, buildings, infrastructure and vested improvements to be shown at fair value.

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

AUSTRALIAN ACCOUNTING STANDARD - INCONSISTENCY

Land Under Roads from 1 July 2019

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

Vested improvements from 1 July 2019

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

Refer to Note 12 that details the significant accounting policies applying to leases (including ROU assets).

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

11 FIXED ASSETS (Continued)

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	19,000	15,000	-	(4,000)	-	-	-	-	-	-	-	-
Buildings - non-specialised	49,000	115,000	66,000	-	-	-	-	-	-	-	-	-
Buildings - specialised	-	-	-	-	-	-	-	-	22,164	-	-	(22,164)
Furniture and equipment	-	-	-	-	-	-	-	-	718	77	-	(641)
Plant and equipment	-	-	-	-	33,600	33,600	-	-	104,370	50,273	6,136	(60,233)
Infrastructure - other	17,331	-	-	(17,331)	-	-	-	-	-	-	-	-
	85,331	130,000	66,000	(21,331)	33,600	33,600	-	-	127,252	50,350	6,136	(83,038)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$
Plant and Equipment				
Other property and services				
Land 3470 Dandaragan Road Dandaragan	19,000	15,000	-	(4,000)
Other property and services Total	19,000	15,000	-	(4,000)
Total Plant and Equipment	19,000	15,000	-	(4,000)
Non-specialised building				
Other property and services				
House 3470 Dandaragan Road Dandaragan	49,000	115,000	66,000	-
Other property and services Total	49,000	115,000	66,000	-
Total Non-specialised building	49,000	115,000	66,000	-
Infrastructure - other				
Other property and services				
Tower - Metal lattice	17,331	-	-	(17,331)
Other property and services Total	17,331	-	-	(17,331)
Total Infrastructure - other	17,331	-	-	(17,331)
	85,331	130,000	66,000	(21,331)

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

11 FIXED ASSETS (Continued)

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings	1,165,492	1,118,736	1,121,277
Furniture and equipment	117,775	129,216	128,965
Plant and equipment	615,505	1,148,100	1,150,656
Infrastructure - Roads	2,680,459	2,651,064	2,652,797
Infrastructure - Footpaths	282,367	268,260	269,183
Infrastructure - Parks and Reserves	180,136	173,928	177,942
Infrastructure - Drainage	121,354	121,332	121,332
Infrastructure - Other	658,843	654,408	655,075
Right of use assets - Plant and equipment	40,590	43,944	43,945
	5,862,521	6,308,988	6,321,172

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

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

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

Depreciation rates

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

Asset Class	Useful life
Buildings	25 - 50 years
Furniture and equipment	5 - 20 years
Plant and equipment	2 - 20 years
Infrastructure - Roads	
Formation – All roads	Perpetual life
Pavement – Thin Surfaced Flexible Rural	100 years
Pavement – Thin Surfaced Flexible Urban	100 years
Pavement – Unsealed Rural	50 years
Pavement – Unsealed Urban	50 years
Surface – Asphalt	100 years
Surface – Brick	60 years
Surface – Chip seal	60 years
Surface – Concrete	100 years
Surface – Slurry Seal	100 years
Infrastructure - Footpaths	
Black Asphalt	36 years
Brick Paving	36 years
Concrete Slabs	36 years
Gravel	12 years
In-situ Concrete	48 years
Red Asphalt	36 years
Sand	12 years
Timber	36 years
Other	48 years
Infrastructure - Drainage	60 years
Infrastructure - Other	5 - 80 years
Infrastructure - Parks and reserves	10 - 45 years

Depreciation on revaluation

When an item of property, plant and equipment is revalued 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.

12 RIGHT-OF-USE ASSETS

(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.

Balance at 1 July 2019

Additions

Depreciation expense

Balance at 30 June 2020

Additions

Depreciation expense

Balance at 30 June 2021

Right of use assets - plant and equipment	Right of use assets Total
\$	\$
133,487	133,487
-	-
(43,945)	(43,945)
89,542	89,542
-	-
(40,591)	(40,591)
48,951	48,951

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

Depreciation expense on lease liabilities

Interest expense on lease liabilities

Short-term lease payments recognised as expense

Total amount recognised in the statement of comprehensive income

Total cash outflow from leases

2021 Actual	2020 Actual
\$	\$
(40,591)	(43,945)
(1,329)	(1,950)
(12,322)	(21,578)
(54,242)	(67,474)
(54,181)	(66,866)

The Shire has the following leases:

Photocopier Lease - 5 year term to expire June 2024

Vehicle Lease - 3 year term to expire March 2021

Drinking Water Devices - 29 month term to expire October 2021

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

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

Right-of-use assets - valuation

ROU assets are measured at cost.

This means that all ROU assets (other than vested land 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 11 that details the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

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

12 RIGHT-OF-USE ASSETS (Continued)

(b) Property, Plant and Equipment Subject to Lease

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

	2021 Actual	2020 Actual
	\$	\$
Less than 1 year	152,156	153,223
1 to 2 years	152,155	152,156
2 to 3 years	152,153	152,155
3 to 4 years	135,317	152,153
4 to 5 years	118,479	135,317
> 5 years	2,509,894	2,627,634
	<u>3,220,154</u>	<u>3,372,638</u>

SIGNIFICANT ACCOUNTING POLICY

The Shire as Lessor

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

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

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

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

SHIRE OF DANDARAGAN
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13 REVALUATION SURPLUS

	2021	2021	2021	2021	2021	2020	2020	2020	2020	2020
	Opening	Revaluation	Revaluation	Total	2021	2020	2020	2020	Total	2020
	Balance	Increment	Decrement	Movement on	Closing	Opening	Revaluation	Revaluation	Movement on	Closing
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Furniture and equipment	773,202	-	-	-	773,202	773,202	-	-	-	773,202
Revaluation surplus - Plant and equipment	1,270,905	-	-	-	1,270,905	1,270,905	-	-	-	1,270,905
Revaluation surplus - Land	2,278,204	-	-	-	2,278,204	2,315,204		(37,000)	(37,000)	2,278,204
Revaluation surplus - Buildings	15,310,678	-	-	-	15,310,678	14,555,197	755,481	-	755,481	15,310,678
Revaluation surplus - Infrastructure roads	51,755,832	-	-	-	51,755,832	51,755,832	-	-	-	51,755,832
Revaluation surplus - Infrastructure drainage	3,883,302	-	-	-	3,883,302	3,883,302	-	-	-	3,883,302
Revaluation surplus - Infrastructure footpaths	5,160,275	-	-	-	5,160,275	5,160,275	-	-	-	5,160,275
Revaluation surplus - Infrastructure other	8,214,627	-	-	-	8,214,627	8,214,627	-	-	-	8,214,627
	88,647,025	-	-	-	88,647,025	87,928,544	755,481	(37,000)	718,481	88,647,025

Movements on revaluation of fixed assets 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 DANDARAGAN
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021

14 TRADE AND OTHER PAYABLES

Current

Sundry creditors	528,344
Prepaid rates	71,297
Bonds, deposits and collections	146,531
GST payable	1,876
Accrued interest on borrowings	2,444
Accrued expenses and income in advance	148,431
Accrued salaries and wages	78,625

	2021	2020
	\$	\$
Sundry creditors	528,344	716,527
Prepaid rates	71,297	74,227
Bonds, deposits and collections	146,531	126,804
GST payable	1,876	-
Accrued interest on borrowings	2,444	4,307
Accrued expenses and income in advance	148,431	58,779
Accrued salaries and wages	78,625	69,380
	977,548	1,050,024

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

Prepaid rates

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

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

15 GRANT LIABILITIES

Grant Liabilities

Current

	2021	2020
	\$	\$
	754,587	458,071
	754,587	458,071

SIGNIFICANT ACCOUNTING POLICIES

Grant Liabilities

The Shire's grant liabilities relate to capital and operational grants received for various capital projects and operational services respectively.

Income is recognised as the Shire satisfies its obligations under the grant agreement

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

16 LEASE LIABILITIES

(a) Lease Liabilities	2021	2020
	\$	\$
Current	21,007	40,530
Non-current	28,612	49,619
	49,619	90,149

(b) Movements in Carrying Amounts

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	30 June 2021					30 June 2021					30 June 2020				
					Actual Lease Principal 1 July 2020	Actual New Leases	Actual Lease Principal Repayments	Actual Lease Principal Outstanding	Actual Lease Interest Repayments	Budget Lease Principal 1 July 2020	Budget New Leases	Budget Lease Principal Repayments	Budget Lease Principal Outstanding	Budget Lease Interest Repayments	Actual Lease Principal 1 July 2019	Actual New Loans	Actual Lease Principal Repayments	Actual Lease Principal Outstanding	Actual Lease Interest Repayments
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Multifunction copiers	O881825045	Ricoh Finance	1.33%	60 months	56,478	-	13,841	42,637	751	56,478	-	13,841	42,637	751	70,137	-	13,659	56,478	933
Utility vehicle	6041062	Toyota Fleet	1.33%	21 months	10,152	-	10,152	-	135	10,152	-	10,152	-	135	23,510	-	13,358	10,152	358
Drinking water devices	WLA RA 111008	Waterlogic	1.33%	29 months	23,519	-	16,537	6,982	443	23,519	-	16,537	6,982	443	39,839	-	16,320	23,519	660
					90,149	-	40,530	49,619	1,329	90,149	-	40,530	49,619	1,329	133,487	-	43,338	90,149	1,950

SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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17 INFORMATION ON BORROWINGS

	2021	2020
	\$	\$
Current	120,957	112,406
Non-current	81,127	157,012
	202,084	269,417

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual	30 June 2021	30 June 2021	30 June 2021	30 June 2021	Budget	30 June 2021	30 June 2021	30 June 2021	30 June 2021	Actual	30 June 2020	30 June 2020	30 June 2020	30 June 2020
				Principal	Actual	Actual	Actual	Principal	Principal	Interest	Principal	Principal	New	Budget	Budget	Budget	Principal	Actual
				1 July 2020	New Loans	Principal repayments	Interest repayments	Principal outstanding	1 July 2020	New Loans	Principal repayments	Interest repayments	Principal outstanding	1 July 2019	New Loans	Principal repayments	Interest repayments	Principal outstanding
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governance																		
Jurien Bay Administration Centre	127	WATC*	5.55%	147,805	-	71,880	5,682	75,925	147,805	-	71,880	7,219	75,925	215,856	-	68,051	9,604	147,805
Dandaragan House				-	-	-	-	-	-	540,000	25,432	3,375	514,568	-	-	-	-	-
Jurien Bay Foreshore	137			-	-	-	-	-	-	750,000	15,238	7,746	734,762	-	-	-	-	-
				147,805	-	71,880	5,682	75,925	147,805	1,290,000	112,550	18,340	1,325,255	215,856	-	68,051	9,604	147,805
Self Supporting Loans																		
Recreation and culture																		
Cervantes Community Club	114	WATC*	7.20%	-	-	-	-	-	-	-	-	-	-	9,247	-	9,247	-	-
Jurien Bowling Club	130	WATC*	4.94%	48,162	-	23,494	1,777	24,668	48,162	-	23,494	2,093	24,668	70,537	-	22,375	2,911	48,162
Jurien Bowling Club	131	WATC*	2.68%	3,182	-	3,182	19	-	3,182	-	3,182	43	-	9,422	-	6,240	165	3,182
Jurien Sport & Recreation Centre	132	WATC*	2.36%	3,604	-	3,604	24	-	3,604	-	3,604	43	-	10,685	-	7,081	175	3,604
Jurien Bay Lions Club	133	WATC*	2.48%	43,374	-	6,791	964	36,583	43,374	-	6,791	1,034	36,583	50,000	-	6,626	1,132	43,374
Other property and services																		
Jurien Bay Community Men's Shed Inc.	134	WATC*	1.32%	23,290	-	3,455	293	19,835	23,290	-	3,455	296	19,835	-	25,000	1,710	183	23,290
Badgingarra Bowling Club	135	WATC*	0.65%	-	50,000	4,927	267	45,073	-	50,000	4,911	200	45,089	-	-	-	-	-
				121,612	50,000	45,453	3,344	126,160	121,612	50,000	45,436	3,709	126,175	149,891	25,000	53,279	4,566	121,612
				269,417	50,000	117,333	9,026	202,085	269,417	1,340,000	157,986	22,049	1,451,430	365,747	25,000	121,330	14,170	269,417

* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 8 as other financial assets at amortised cost.
All other loan repayments were financed by general purpose revenue.

SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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17 INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2020/2021

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2021 Actual	2021 Budget	2021 Actual	2021 Budget		
				%	\$	\$	\$	\$	\$	\$
Badgingarra Bowling Club	WATC*	Fixed rate loan	5	0.66%	50,000	50,000	(50,000)	(50,000)	895	-
Dandaragan House GROH					-	540,000	-	(540,000)	-	-
Jurien Bay Foreshire					-	750,000	-	(750,000)	-	-
* WA Treasury Corporation					50,000	1,340,000	(50,000)	(1,340,000)	895	-

(d) Undrawn Borrowing Facilities

Credit Standby Arrangements

	2021	2020
	\$	\$
Bank overdraft limit	350,000	350,000
Bank overdraft at balance date	-	-
Credit card limit	16,000	21,000
Credit card balance at balance date	(5,141)	(5,268)
Total amount of credit unused	360,859	365,732

Loan facilities

Loan facilities - current	(120,957)	(112,406)
Loan facilities - non-current	(81,127)	(157,012)
Lease liabilities - current	(21,007)	(40,530)
Lease liabilities - non-current	(28,612)	(49,619)
Total facilities in use at balance date	(251,703)	(359,566)

Unused loan facilities at balance date

	-	-
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SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

Risk

Information regarding exposure to risk can be found at Note 25.

SHIRE OF DANDARAGAN
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18 EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2020			
Current	316,779	357,026	673,805
Non-current	-	122,432	122,432
	316,779	479,457	796,236
Additional provision	313,307	22,404	335,711
Amounts used	(314,979)	(74,679)	(389,658)
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	-	18,984	18,984
Balance at 30 June 2021	315,107	446,167	761,274
Comprises			
Current	315,107	346,353	661,460
Non-current	-	99,814	99,814
	315,107	446,167	761,274

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date

	2021	2020
	\$	\$
Annual Leave	315,107	316,779
Long Service Leave	124,364	157,985
	439,471	474,764

More than 12 months from reporting date

Long Service Leave	350,675	341,580
	350,675	341,580

Long Service Leave expected reimbursements from other WA local governments

	(28,872)	(20,108)
	761,274	796,236

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at

Other long-term employee benefits (Continued)

rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

Provisions

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

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

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

19 NOTES TO THE STATEMENT OF CASH FLOWS

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

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cash and cash equivalent	6,966,878	5,110,554	7,647,366
Reconciliation of net cash provided by operating activities to net result			
Net result	2,230,577	2,394,053	(2,458,143)
Non-cash flow items:			
Adjustment to fair value of financial assets through profit and loss	(8,228)	-	(1,441)
Depreciation	5,862,521	6,308,988	6,321,172
(Profit)/loss on sale of asset	(44,669)	-	76,902
Changes in assets and liabilities;			
(Increase)/decrease in trade and other receivables	(1,041,502)	576,000	(232,412)
(Increase)/decrease in inventories	6,962	-	(847)
Increase/(decrease) in trade and other payables	57,895	(634,000)	593,716
Increase/(decrease) in employee related provisions	(34,962)	-	98,084
Increase/(decrease) in grant liabilities	296,516	(458,071)	458,071
Grants/contributions for the development of assets	(5,493,781)	(6,759,840)	(2,553,837)
Net cash from operating activities	1,831,329	1,427,129	2,301,263

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

20 TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	5,115,606	5,291,494
Law, order, public safety	1,132,868	1,243,561
Health	771,066	792,282
Education and welfare	60,984	-
Community amenities	9,424,258	9,539,864
Recreation and culture	27,100,835	26,635,248
Transport	239,678,308	237,444,420
Economic services	1,343,304	1,477,674
Other property and services	7,323,295	8,115,277
Unallocated	4,402,217	3,501,129
	296,352,741	294,040,949

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

21 CAPITAL COMMITMENTS

	2021	2020
	\$	\$
(a) Capital Expenditure Commitments		
Contracted for:		
- capital expenditure projects	906,000	85,113
Payable:		
- not later than one year	906,000	85,113

SHIRE OF DANDARAGAN
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22 RELATED PARTY TRANSACTIONS

Elected Members Remuneration

The following fees, expenses and allowances were paid to council members and the President

Cr. Leslee Holmes

President's allowance
President's meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

Cr. Peter Scharf

Deputy President's allowance
Meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

Cr. Ann Eyre

Meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

Cr. Darren Slyns

Meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

Cr. Dahlia Richardson

Meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

Cr. Jason Clarke

Meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

Cr. Rob Shanhun

Meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

Cr. Rudy Rybarczyk

Meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

Cr. Wayne Gibson

Meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

Cr. Kaye McGlew

Meeting attendance fees
Annual allowance for ICT expenses

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
	16,000	16,000	16,000
	24,720	24,720	24,720
	3,500	3,500	3,500
	4,267	2,778	4,733
	48,487	46,998	48,953
	4,000	4,000	4,000
	15,965	15,965	15,965
	3,500	3,500	3,500
	-	2,778	758
	23,465	26,243	24,223
	15,965	15,965	15,965
	3,500	3,500	3,500
	954	2,778	758
	20,419	22,243	20,223
	15,965	15,965	15,965
	3,500	3,500	3,500
	-	2,778	758
	19,465	22,243	20,223
	9,207	15,965	15,965
	2,018	3,500	3,500
	877	2,778	2,466
	12,102	22,243	21,931
	15,965	15,965	15,965
	3,500	3,500	3,500
	954	2,778	758
	20,419	22,243	20,223
	15,965	15,965	15,965
	3,500	3,500	3,500
	-	2,778	758
	19,465	22,243	20,223
	15,965	15,965	11,974
	3,500	3,500	2,625
	1,803	2,778	1,120
	21,268	22,243	15,719
	15,965	15,965	15,965
	3,500	3,500	3,500
	2,524	2,778	2,523
	21,989	22,243	21,988
	-	-	3,991
	-	-	875
	-	-	4,866
	207,079	228,942	218,572

SHIRE OF DANDARAGAN
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22 RELATED PARTY TRANSACTIONS (Continued)

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Meeting attendance fees	120,962	127,720	127,720
President's meeting attendance fees	24,720	24,720	24,720
President's allowance	16,000	16,000	16,000
Deputy President's allowance	4,000	4,000	4,000
Travel and accommodation expenses	11,379	25,002	14,632
Annual allowance for ICT expenses	30,018	31,500	31,500
	207,079	228,942	218,572

Key Management Personnel (KMP) Compensation Disclosure

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

	2021	2020
	\$	\$
Short-term employee benefits	821,768	763,073
Post-employment benefits	94,555	98,367
Other long-term benefits	83,743	87,843
	1,000,066	949,284

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 elected members which may be found above.

Post-employment benefits

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

Other long-term benefits

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

Transactions with related parties

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

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

The following transactions occurred with related parties:

	2021	2020
	\$	\$
Purchase of goods and services from KMP	4,950	780
Sale of goods and services to KMP	-	220
Purchase of goods and services from close family member of KMP	-	-

Other Disclosure

Parties related to KMP's are employed by the Shire in a non-KMP role.

The related parties are employed in accordance to normal terms and conditions afforded to all employees of the Shire.

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 elected member, are considered key management personnel.

ii. Entities controlled by KMP or close family member

Entities controlled or jointly controlled by KMP or their close family members.

SHIRE OF DANDARAGAN
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FOR THE YEAR ENDED 30 JUNE 2021

23 RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2021 Actual Rateable Value \$	2021 Actual Rate Revenue \$	2021 Actual Interim Rates \$	2021 Actual Back Rates \$	2021 Actual Total Revenue \$	2021 Budget Rate Revenue \$	2021 Budget Interim Rate \$	2021 Budget Back Rate \$	2021 Budget Total Revenue \$	2020 Actual Total Revenue \$
Differential general rate / general rate												
Gross rental valuations												
GRV - General	8.0156	1,898	32,018,848	2,546,082	16,563	-	2,562,645	2,528,082	-	-	2,528,082	2,531,722
Unimproved valuations												
UV - General	0.6955	521	407,531,865	2,836,184	712	-	2,836,896	2,836,184	-	-	2,836,184	2,888,497
Sub-Total		2,419	439,550,713	5,382,266	17,275	-	5,399,541	5,364,266	-	-	5,364,266	5,420,219
Minimum payment												
Gross rental valuations												
GRV - General	947	976	5,330,901	926,166	-	-	926,166	926,166	-	-	926,166	935,636
GRV - Lesser (Dandaragan & Badgingarra)	715	31	118,252	20,020	-	-	20,020	20,020	-	-	20,020	20,735
Unimproved valuations												
UV - Mining	894	88	1,760,902	68,838	-	-	68,838	68,838	-	-	68,838	68,838
UV - Lesser	715	225	17,549,100	159,445	-	-	159,445	159,445	-	-	159,445	106,535
Sub-Total		1,320	24,759,155	1,174,469	-	-	1,174,469	1,174,469	-	-	1,174,469	1,131,744
		3,739	464,309,868	6,556,735	17,275	-	6,574,010	6,538,735	-	-	6,538,735	6,551,963
Discounts/concessions (refer Note 23(b))							(244,690)				(240,000)	(240,252)
Total amount raised from general rate							6,329,320				6,298,735	6,311,711
Ex-gratia rates							1,719				1,507	1,507
Totals							6,331,039				6,300,242	6,313,218

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

23 RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee Discount Granted	Discount %	Discount \$	2021 Actual \$	2021 Budget \$	2020 Actual \$	Circumstances in which Discount is Granted
General and minimum rates	5.00%	-	244,690	240,000	240,252	Current rates paid in full within 35 days of the date of issue noted on the rate notice.
			244,690	240,000	240,252	

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	2021 Actual \$	2021 Budget \$	2020 Actual \$
Rate assessment	Write-off			14	-	312
Civic Centre hire charges	Waiver			938	-	1,123
Landing fees	Waiver			8,449	-	8,449
				9,401	-	9,884

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
Rate assessments	Small balance write-off	To clear small immaterial balances from rates prior to raising the next years charges	Administrative efficiency
Civic Centre hire charges	Fees waived for education providers to utilise rooms at the Civic Centre	To ensure the recently constructed Civic Centre achieves its purpose	Improved access to education facilities to improve education offering within the Shire was a key driver for the construction of the Civic Centre.
Landing Fees	1. waive 100% of the Jurien Bay Airstrip / Aerodrome Landing Fee for the first four landings each calendar month for each customer as individually identified by the "customerID" held by Avdata; 2. waive 100% of the Jurien Bay Airstrip / Aerodrome Landing Fee for landings undertaken by the Royal Flying Doctors Service and student pilots.	To not place barriers to the use of the Jurien Bay airstrip to casual and emergency service users	To encourage landing at the Jurien Bay airstrip

SHIRE OF DANDARAGAN
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 FOR THE YEAR ENDED 30 JUNE 2021

23 RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan	Instalment Plan	Unpaid Rates
		Admin Charge	Interest Rate	Interest Rate
		\$	%	%
Option One				
Single full payment	11-Sep-20	-	0.00%	0.00%
Option Two				
First instalment	11-Sep-20	-	0.00%	0.00%
Second instalment	11-Nov-20	-	0.00%	0.00%
Third instalment	11-Jan-21	-	0.00%	0.00%
Fourth instalment	11-Mar-21	-	0.00%	0.00%

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Interest on unpaid rates	-	-	30,696
Interest on instalment plan	-	-	16,989
Charges on instalment plan	-	-	13,060
	-	-	60,745

SHIRE OF DANDARAGAN
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24 RATE SETTING STATEMENT INFORMATION

Notes	2020/2021			
	2020/2021 (30 June 2021 Carried Forward)	Budget (30 June 2021 Carried Forward)	2019/2020 (30 June 2020 Carried Forward)	
	\$	\$	\$	
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with Financial Management Regulation 32.				
Adjustments to operating activities				
Profit on asset disposals	11(a)	(66,000)	-	(6,136)
Fair value adjustment to financial assets at fair value through profit and loss		(8,228)	-	(1,441)
Loss on asset disposals	11(a)	21,331	-	83,038
Movement in employee benefit provisions		(22,618)	-	18,408
Movement in deferred rates		(6,582)	-	(5,625)
Depreciation on assets	11(b)	5,862,521	6,308,988	6,321,172
Non cash amounts excluded from operating activities		5,780,424	6,308,988	6,409,415
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with Financial Management Regulation 32 to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Cash - restricted reserves	3	(5,027,337)	(5,061,285)	(5,692,576)
Less: Other financial assets at amortised cost - self support loan		(45,032)	(35,129)	(42,602)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		120,957	203,226	112,406
- Current portion of lease liabilities		21,007	21,007	40,530
Total adjustments to net current assets		(4,930,405)	(4,872,181)	(5,582,241)
Net current assets used in the Rate Setting Statement				
Total current assets		8,875,774	5,460,976	8,656,244
Less: Total current liabilities		(2,535,560)	(1,254,633)	(2,334,836)
Less: Total adjustments to net current assets		(4,930,405)	(4,872,181)	(5,582,241)
Net current assets used in the Rate Setting Statement		1,409,809	(665,838)	739,166

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

25 FINANCIAL RISK MANAGEMENT

Financial instruments held by the Shire are cash and cash equivalents, restricted cash and cash equivalents, loans and receivables, payables, Western Australian Treasury Corporation (WATC) borrowings. The Shire has limited exposure to financial risks. The Shire's overall risk management program focuses on managing the risks identified below.

(a) Summary of risks and risk management

Credit risk

Credit risk arises when there is the possibility of the Shire's receivables defaulting on their contractual obligations resulting in financial loss to the Shire.

The Shire's major receivables comprise rates and annual charges and user charges and fees. 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 encourages payment. The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

The Shire makes appropriate provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

Liquidity risk

Liquidity risk arises when the Shire is unable to meet its financial obligations as they fall due.

The Shire is exposed to liquidity risk through its trading in the normal course of business.

The Shire has appropriate procedures to manage cash flows by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates that will affect the Shire's income or the value of its holdings of financial instruments. The Shire does not trade in foreign currency and is not materially exposed to other price risks (for example, equity securities or commodity prices changes).

All borrowings are due to the WATC and are repayable at fixed rates with varying maturities. The Shire's exposure to interest rate risk is detailed in the interest rate sensitivity analysis table at Note 25(e) and it has no borrowings other than the WATC borrowings.

(b) Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2021	2020
	\$	\$
Financial assets		
Cash and cash equivalents	6,966,878	7,647,366
Trade receivables*	1,894,553	854,284
Other financial assets	223,414	212,715
	9,084,844	8,714,365
Financial liabilities		
Trade and other payables*	975,671	1,050,024
Borrowings	202,084	269,417
	1,177,755	1,319,441

* Amount excludes GST receivable / payable to ATO (statutory receivable / payable)

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

25 FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk

Trade Receivables

The Shire's major receivables comprise rates annual charges and user fees and charges. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery processes. 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 encourages payment.

The level of outstanding receivables is reported to Council monthly.

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2020 or 1 July 2021 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

The loss allowance as at 30 June 2021 was determined as follows for rates receivable.

No expected credit loss was forecast on 1 July 2020 or 30 June 2021 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
	\$	\$	\$	\$	\$
30 June 2021					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	182,310	61,523	43,517	112,086	399,436
Loss allowance	-	-	-	-	-

30 June 2020					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	195,981	60,798	36,441	83,724	376,944
Loss allowance	-	-	-	-	-

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	\$	\$	\$	\$	\$
30 June 2021					
Sundry Receivables					
Expected credit loss	0.07%	0.36%	1.71%	2.96%	
Gross carrying amount	1,347,471	2,237	47,631	44,130	1,441,469
Loss allowance	930	8	815	1,307	3,060

30 June 2020					
Sundry Receivables					
Expected credit loss	0.04%	0.16%	0.75%	1.73%	
Gross carrying amount	383,485	2,634	1,563	40,349	428,031
Loss allowance	149	4	12	700	865

SHIRE OF DANDARAGAN
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25 FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity Risk and Interest Rate Exposure

The following table details the Shire's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposure and maturity analysis of financial assets and financial liabilities								
Weighted Average effective interest rate	Interest rate exposure				Nominal amount	Maturity dates		
	Carrying Amount	Fixed interest rate	Variable interest rate	Non-interest bearing		Up to 1 year	1-5 years	More than 5 years
%	\$	\$	\$	\$	\$	\$	\$	\$
2021								
<u>Financial assets</u>								
Cash and cash equivalents (unrestricted)	0.01%	1,038,422	-	1,038,422	-	1,038,422	-	-
Cash and cash equivalents (restricted)	0.10%	5,928,456	-	5,928,456	-	5,928,456	-	-
Receivables		1,894,553	-	-	1,894,553	1,894,553	-	-
Other financial assets		223,414	-	-	223,414	24,668	36,583	153,934
		9,084,844	-	6,966,878	2,117,966	9,084,844	8,886,099	36,583
<u>Financial liabilities</u>								
Payables		975,671	-	-	975,671	975,671	-	-
WATC borrowings	3.41%	202,084	202,084	-	-	202,084	100,593	64,908
		1,177,755	202,084	-	975,671	1,177,755	1,076,264	64,908
2020								
<u>Financial assets</u>								
Cash and cash equivalents (unrestricted)	0.01%	1,369,915	-	1,369,915	-	1,369,915	-	-
Cash and cash equivalents (restricted)	0.51%	6,277,451	-	6,277,451	-	6,277,451	-	-
Receivables		854,283	-	-	854,283	854,283	-	-
Other financial assets		212,715	-	-	212,715	8,864	48,162	154,249
		8,714,364	-	7,647,366	1,066,998	8,714,364	8,510,513	48,162
<u>Financial liabilities</u>								
Payables		1,050,024	-	-	1,050,024	1,050,024	-	-
WATC borrowings	4.50%	269,417	269,417	-	-	269,417	6,786	195,967
		1,319,441	269,417	-	1,050,024	1,319,441	1,056,810	66,664

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25 FINANCIAL RISK MANAGEMENT (continued)

(e) Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Shire's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	Carrying Amount	-100 basis points		+100 basis points	
	Surplus	Equity	Surplus	Equity	
	\$	\$	\$	\$	\$
2021					
<u>Financial assets</u>					
Cash and cash equivalents (unrestricted)	1,038,422	(10,384)	(10,384)	10,384	10,384
Cash and cash equivalents (restricted)	5,928,456	(59,285)	(59,285)	59,285	59,285
<u>Financial liabilities</u>	-	-	-	-	-
	6,966,878	(69,669)	(69,669)	69,669	69,669
2020					
<u>Financial assets</u>					
Cash and cash equivalents (unrestricted)	1,369,915	(13,699)	(13,699)	13,699	13,699
Cash and cash equivalents (restricted)	6,277,451	(62,775)	(62,775)	62,775	62,775
<u>Financial liabilities</u>	-	-	-	-	-
	7,647,365	(76,474)	(76,474)	76,474	76,474

**SHIRE OF DANDARAGAN
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26 CONTINGENT LIABILITIES

The Shire has no contingent liabilities to disclose at the end of the reporting year.

SHIRE OF DANDARAGAN
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 FOR THE YEAR ENDED 30 JUNE 2021

27 TRUST FUND

Funds held at balance date which are required in trust and which are not included in the financial statements are as follow.

	1 July 2020	Amounts Received	Amounts Paid	Reclassification to Cash	30 June 2021
	\$	\$	\$	\$	\$
Cash In Lieu POS - L9000 Valencia	200,277	-	-	-	200,277
	200,277	-	-	-	200,277

**SHIRE OF DANDARAGAN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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28 INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

(a) AASB 1059 Service Concession Arrangements: Grantor

Service concession assets are those assets where a third party operator constructs assets for the Shire, upgrades existing assets of the Shire or uses existing assets of the Shire to operate and maintain the assets to provide a public service for a specific period of time.

The Shire has considered the requirements of AASB 1059 Service Concession Arrangements: Grantors, and confirms that the Shire has no existing arrangements that fall within the scope of this standard.

SHIRE OF DANDARAGAN
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FOR THE YEAR ENDED 30 JUNE 2021

29 OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient 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.

**SHIRE OF DANDARAGAN
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30. ACTIVITIES/PROGRAMS

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

PROGRAM NAME	OBJECTIVE	ACTIVITIES
GOVERNANCE	To provide a decision making process for the efficient allocation of scarce resources.	Includes the activities of members of Council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific local government services.
GENERAL PURPOSE FUNDING	To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY	To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
HEALTH	To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal.
EDUCATION AND WELFARE	To provide services to disadvantaged persons, the elderly, children and youth.	Provision of youth, aged and disability services.
COMMUNITY AMENITIES	To provide services required by the community.	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.
RECREATION AND CULTURE	To establish and effectively manage infrastructure and resource which will help the social well being of the community.	Maintenance of public halls, civic centres, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library and other cultural facilities.
TRANSPORT	To provide safe, effective and efficient transport services to the community.	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.
ECONOMIC SERVICES	To help promote the local government and its economic wellbeing.	Tourism and area promotion. Provision of rural services including weed control, vermin control and standpipes. Building control.
OTHER PROPERTY AND SERVICES	To monitor and control operating accounts.	Private works operation, plant repair and costs.

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

31 FINANCIAL RATIOS

	2021	2020	2019
Current ratio	2.23	1.60	3.22
Asset consumption ratio	0.68	0.69	0.71
Asset renewal funding ratio	0.74	0.74	N/A
Asset sustainability ratio	1.39	0.69	0.76
Debt service cover ratio	22.73	12.75	20.32
Operating surplus ratio	(0.33)	(0.51)	(0.31)
Own source revenue coverage ratio	0.64	0.56	0.62

The above ratios are calculated as follows:

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



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Dandaragan

To the Councillors of the Shire of Dandaragan

Report on the audit of the annual financial report

Opinion

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

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

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

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

Basis for opinion

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

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

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

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

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

Auditor's responsibility for the audit of the financial report

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

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

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

Report on other legal and regulatory requirements

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

- (i) In my opinion, the following material matter indicates a significant adverse trend in the financial position of the Shire:
 - a) The Operating Surplus Ratio is below the Department of Local Government, Sport and Cultural Industries standard for the past 3 years. The financial ratios are reported at Note 31 of the annual financial report.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

Other information

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

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

Matters relating to the electronic publication of the audited financial report

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

Sandra Labuschagne
Deputy Auditor General
Delegate of the Auditor General for Western Australia
Perth, Western Australia
16 December 2021



Dandaragan - Compliance Audit Return 2021

Certified Copy of Return

Please submit a signed copy to the Director General of the Department of Local Government, Sport and Cultural Industries together with a copy of the relevant minutes.

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a) F&G Regs 7,9,10	Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2021?	N/A		Robyn Headland
2	s3.59(2)(b) F&G Regs 7,8A, 8, 10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2021?	N/A		Robyn Headland
3	s3.59(2)(c) F&G Regs 7,8A, 8,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2021?	N/A		Robyn Headland
4	s3.59(4)	Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2021?	N/A		Robyn Headland
5	s3.59(5)	During 2021, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	N/A		Robyn Headland



Delegation of Power/Duty					
No	Reference	Question	Response	Comments	Respondent
1	s5.16	Were all delegations to committees resolved by absolute majority?	N/A		Robyn Headland
2	s5.16	Were all delegations to committees in writing?	N/A		Robyn Headland
3	s5.17	Were all delegations to committees within the limits specified in section 5.17?	N/A		Robyn Headland
4	s5.18	Were all delegations to committees recorded in a register of delegations?	N/A		Robyn Headland
5	s5.18	Has council reviewed delegations to its committees in the 2020/2021 financial year?	N/A		Robyn Headland
6	s5.42(1) & s5.43 Admin Reg 18G	Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Act?	Yes		Robyn Headland
7	s5.42(1)	Were all delegations to the CEO resolved by an absolute majority?	Yes		Robyn Headland
8	s5.42(2)	Were all delegations to the CEO in writing?	Yes		Robyn Headland
9	s5.44(2)	Were all delegations by the CEO to any employee in writing?	Yes		Robyn Headland
10	s5.16(3)(b) & s5.45(1)(b)	Were all decisions by the council to amend or revoke a delegation made by absolute majority?	N/A		Robyn Headland
11	s5.46(1)	Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?	Yes		Robyn Headland
12	s5.46(2)	Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2020/2021 financial year?	No	The latest review was conducted on 22/1/22 which was after financial year end.	Robyn Headland
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Admin Reg 19?	Yes		Robyn Headland

Disclosure of Interest					
No	Reference	Question	Response	Comments	Respondent
1	s5.67	Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?	Yes		Robyn Headland



No	Reference	Question	Response	Comments	Respondent
2	s5.68(2) & s5.69 (5) Admin Reg 21A	Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required by Admin Reg 21A, recorded in the minutes of the relevant council or committee meeting?	N/A		Robyn Headland
3	s5.73	Were disclosures under section sections 5.65, 5.70 or 5.71A(3) recorded in the minutes of the meeting at which the disclosures were made?	Yes		Robyn Headland
4	s5.75 Admin Reg 22, Form 2	Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?	Yes		Robyn Headland
5	s5.76 Admin Reg 23, Form 3	Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2021?	No	2 returns were received in September after the due date due to an employee being on leave and a Councillor who was working in a remote environment unable to access effective communications.	Robyn Headland
6	s5.77	On receipt of a primary or annual return, did the CEO, or the mayor/president, give written acknowledgment of having received the return?	Yes		Robyn Headland
7	s5.88(1) & (2)(a)	Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76?	Yes		Robyn Headland
8	s5.88(1) & (2)(b) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A, in the form prescribed in Admin Reg 28?	Yes		Robyn Headland
9	s5.88(3)	When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76, did the CEO remove from the register all returns relating to that person?	Yes		Robyn Headland
10	s5.88(4)	Have all returns removed from the register in accordance with section 5.88(3) been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?	Yes		Robyn Headland
11	s5.89A(1), (2) & (3) Admin Reg 28A	Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B, in the form prescribed in Admin Reg 28A?	Yes		Robyn Headland
12	s5.89A(5) & (5A)	Did the CEO publish an up-to-date version of the gift register on the local government's website?	Yes		Robyn Headland



No	Reference	Question	Response	Comments	Respondent
13	s5.89A(6)	When a person ceases to be a person who is required to make a disclosure under section 5.87A or 5.87B, did the CEO remove from the register all records relating to that person?	No	The website register has recently been updated to comply with this requirement.	Robyn Headland
14	s5.89A(7)	Have copies of all records removed from the register under section 5.89A (6) been kept for a period of at least five years after the person ceases to be a person required to make a disclosure?	Yes		Robyn Headland
15	Rules of Conduct Reg 11(1), (2) & (4)	Where a council member had an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person, did they disclose the interest in accordance with Rules of Conduct Reg 11(2)?* *Question not applicable after 2 Feb 2021	Yes		Robyn Headland
16	Rules of Conduct Reg 11(6)	Where a council member disclosed an interest under Rules of Conduct Reg 11(2) was the nature of the interest recorded in the minutes?*	Yes		Robyn Headland
		*Question not applicable after 2 Feb 2021			
17	s5.70(2) & (3)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?	Yes		Robyn Headland
18	s5.71A & s5.71B (5)	Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under s5.71A(1) relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application?	N/A		Robyn Headland
19	s5.71B(6) & s5.71B(7)	Was any decision made by the Minister under subsection 5.71B(6) recorded in the minutes of the council meeting at which the decision was considered?	N/A		Robyn Headland
20	s5.103 Admin Regs 34B & 34C	Has the local government adopted a code of conduct in accordance with Admin Regs 34B and 34C to be observed by council members, committee members and employees?*	N/A		Robyn Headland
		*Question not applicable after 2 Feb 2021			
21	Admin Reg 34B(5)	Has the CEO kept a register of notifiable gifts in accordance with Admin Reg 34B(5)?*	Yes		Robyn Headland
		*Question not applicable after 2 Feb 2021			



No	Reference	Question	Response	Comments	Respondent
22	s5.104(1)	Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates within 3 months of the prescribed model code of conduct coming into operation (3 February 2021)?	Yes		Robyn Headland
23	s5.104(3) & (4)	Did the local government adopt additional requirements in addition to the model code of conduct? If yes, does it comply with section 5.104(3) and (4)?	No		Robyn Headland
24	s5.104(7)	Did the CEO publish an up-to-date version of the adopted code of conduct on the local government's website?	Yes		Robyn Headland
25	s5.51A(1) & (3)	Did the CEO prepare, and implement and publish an up-to-date version on the local government's website, a code of conduct to be observed by employees of the local government?	No	Employee code of conduct is provided as part of all staff inductions however was not uploaded on the website during the year. This has since been rectified.	Robyn Headland

Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) (unless section 3.58(5) applies)?	Yes		Robyn Headland
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property?	Yes		Robyn Headland



Elections					
No	Reference	Question	Response	Comments	Respondent
1	Elect Regs 30G(1) & (2)	Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate?	Yes		Robyn Headland
2	Elect Regs 30G(3) & (4)	Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years?	N/A		Robyn Headland
3	Elect Regs 30G(5) & (6)	Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with Elect Reg 30G(6)?	N/A		Robyn Headland



Finance						
No	Reference	Question	Response	Comments	Respondent	
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act?	Yes		Robyn Headland	
2	s7.1B	Where the council delegated to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority?	N/A		Robyn Headland	
3	s7.9(1)	Was the auditor's report for the financial year ended 30 June 2021 received by the local government by 31 December 2021?	Yes		Robyn Headland	
4	s7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?	Yes		Robyn Headland	
5	s7.12A(4)(a) & (4)(b)	Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government?	Yes		Robyn Headland	
6	s7.12A(5)	Within 14 days after the local government gave a report to the Minister under s7.12A(4)(b), did the CEO publish a copy of the report on the local government's official website?	Yes		Robyn Headland	
7	Audit Reg 10(1)	Was the auditor's report for the financial year ending 30 June received by the local government within 30 days of completion of the audit?	Yes		Robyn Headland	



Integrated Planning and Reporting					
No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 19C	Has the local government adopted by absolute majority a strategic community plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	26/8/2021	Robyn Headland
2	Admin Reg 19DA (1) & (4)	Has the local government adopted by absolute majority a corporate business plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	26/8/2021	Robyn Headland
3	Admin Reg 19DA (2) & (3)	Does the corporate business plan comply with the requirements of Admin Reg 19DA(2) & (3)?	Yes		Robyn Headland

Local Government Employees					
No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 18C	Did the local government approve a process to be used for the selection and appointment of the CEO before the position of CEO was advertised?	N/A		Robyn Headland
2	s5.36(4) & s5.37 (3) Admin Reg 18A	Were all CEO and/or senior employee vacancies advertised in accordance with Admin Reg 18A?	Yes		Robyn Headland
3	Admin Reg 18E	Was all information provided in applications for the position of CEO true and accurate?	N/A		Robyn Headland
4	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4)?	N/A		Robyn Headland
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee?	Yes		Robyn Headland
6	s5.37(2)	Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?	N/A		Robyn Headland



Official Conduct					
No	Reference	Question	Response	Comments	Respondent
1	s5.120	Has the local government designated a senior employee as defined by section 5.37 to be its complaints officer?	Yes		Robyn Headland
2	s5.121(1) & (2)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a)? Does the complaints register include all information required by section 5.121 (2)?	N/A		Robyn Headland
3	s5.121(3)	Has the CEO published an up-to-date version of the register of the complaints on the local government's official website?	Yes	No current entries.	Robyn Headland



Optional Questions					
No	Reference	Question	Response	Comments	Respondent
1	Financial Management Reg 5 (2)(c)	Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with Financial Management Reg 5(2)(c) within the three years prior to 31 December 2021? If yes, please provide the date of council's resolution to accept the report.	Yes	19/12/19	Robyn Headland
2	Audit Reg 17	Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Audit Reg 17 within the three years prior to 31 December 2021? If yes, please provide date of council's resolution to accept the report.	Yes	19/12/19	Robyn Headland
3	s5.87C	Where a disclosure was made under sections 5.87A or 5.87B, was the disclosure made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C?	Yes		Robyn Headland
4	s5.90A(2) & (5)	Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events ?	Yes	27/2/20	Robyn Headland
5	s5.96A(1), (2), (3) & (4)	Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4)?	Yes		Robyn Headland
6	s5.128(1)	Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?	Yes		Robyn Headland
7	s5.127	Did the local government prepare a report on the training completed by council members in the 2020/2021 financial year and publish it on the local government's official website by 31 July 2021?	Yes		Robyn Headland
8	s6.4(3)	By 30 September 2021, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2021?	Yes		Robyn Headland
9	s.6.2(3)	When adopting the annual budget, did the local government take into account all it's expenditure, revenue and income?	Yes		Robyn Headland



Tenders for Providing Goods and Services					
No	Reference	Question	Response	Comments	Respondent
1	F&G Reg 11A(1) & (3)	Did the local government comply with its current purchasing policy [adopted under F&G Reg 11A(1) & (3)] in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?	Yes		Robyn Headland
2	s3.57 F&G Reg 11	Subject to F&G Reg 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in F&G Reg 11(1)?	Yes		Robyn Headland
3	F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4)	When regulations 11(1), 12(2) or 13 required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with F&G Reg 14(3) and (4)?	Yes		Robyn Headland
4	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than a single contract?	N/A		Robyn Headland
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer notice of the variation?	Yes		Robyn Headland
6	F&G Regs 15 & 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Regs 15 and 16?	Yes		Robyn Headland
7	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?	Yes		Robyn Headland
8	F&G Reg 18(1)	Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?	Yes		Robyn Headland
9	F&G Reg 18(4)	Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?	Yes		Robyn Headland
10	F&G Reg 19	Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?	Yes		Robyn Headland



No	Reference	Question	Response	Comments	Respondent
11	F&G Regs 21 & 22	Did the local government's advertising and expression of interest processes comply with the requirements of F&G Regs 21 and 22?	Yes		Robyn Headland
12	F&G Reg 23(1) & (2)	Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?	Yes		Robyn Headland
13	F&G Reg 23(3) & (4)	Were all expressions of interest that were not rejected under F&G Reg 23 (1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?	Yes		Robyn Headland
14	F&G Reg 24	Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with F&G Reg 24?	Yes		Robyn Headland
15	F&G Regs 24AD(2) & (4) and 24AE	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with F&G Reg 24AD(4) and 24AE?	Yes		Robyn Headland
16	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation?	Yes		Robyn Headland
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application?	Yes		Robyn Headland
18	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of F&G Reg 24AG?	Yes		Robyn Headland
19	F&G Reg 24AH(1)	Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?	Yes		Robyn Headland
20	F&G Reg 24AH(3)	Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?	Yes		Robyn Headland
21	F&G Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	Yes		Robyn Headland



Department of
**Local Government, Sport
and Cultural Industries**

No	Reference	Question	Response	Comments	Respondent
22	F&G Regs 24E & 24F	Where the local government gave regional price preference, did the local government comply with the requirements of F&G Regs 24E and 24F?	Yes		Robyn Headland

I certify this Compliance Audit Return has been adopted by council at its meeting on _____

Signed Mayor/President, Dandaragan

Signed CEO, Dandaragan



Budget Review

for the period ended
30 June 2022

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SHIRE OF DANDARAGAN
SUMMARY OF IDENTIFIED VARIANCES

GENERAL LEDGER ACCOUNT NAME	SCHEDULE	DESCRIPTION	SOURCE	AMOUNT DR/(CR)	AMENDED (SURPLUS) / DEFICIT
		Budgeted (Surplus) / Deficit to 30 June 21			0
		Variance of opening deficit budget to actual			11,805
					11,805
Other Contributions	Other Community Amenities	Increase in Contribution to FRC licence fee		(6,333)	5,472
Other Reimbursements	Town Planning	Income from 3rd party services Shire of Moora		(9,000)	(3,528)
Other Reimbursements	Town Planning	Income from 3rd party services Shire of Coorow		(4,915)	(8,443)
Other Reimbursements	Town Planning	Income from 3rd party services Shire of Cocos		(1,300)	(9,743)
Insurance	Streets Roads Bridges Depots Maint	Reimbursement of insurance claim from previous year		(31,800)	(41,543)
Insurance	Other Recreation and Sport	Reimbursement of Insurance Premiums 20/21		(6,342)	(47,884)
Insurance	Public Halls and Civic Centres	Reimbursement of Insurance Premiums 20/21		(9,811)	(57,695)
Insurance	Fire Prevention	Reimbursement of Insurance Premiums 20/21		(285)	(57,980)
Insurance	Public Works Overheads	Reimbursement of Insurance Premiums 20/21		(2,812)	(60,792)
Other Reimbursements (No GST)	Public Works Overheads	Apprenticeship Support payment		(4,000)	(64,792)
Grants Commission	Other General Purpose Income	General Purpose grant higher than budgeted		(66,104)	(130,896)
Local Roads	Other General Purpose Income	Local Roads Grants higher than budgeted		(54,774)	(185,670)
Other Non Operating Contributions	Other Recreation and Sport	Remove Lobster Hut contribution for Pavilion	20211125 11.1.2	100,000	(85,670)
Interest on Reserve Fund Investments	Other General Purpose Income	Less than budgeted interest received on reserve account		14,600	(71,070)
Buildings & Improvements	Public Works Overheads	Sale of Building Lot 13 Dandaragan Road	20210826 11.1.1	(366,000)	(437,070)
Less Accumulated Depreciation	Public Works Overheads	Sale of Building Lot 13 Dandaragan Road	20210826 11.1.1	293,592	(143,478)
Proceeds on Sale of Assets	Public Works Overheads	Sale of Building Lot 13 Dandaragan Road	20210826 11.1.1	105,000	(38,478)
Proceeds on Sale of Assets	Public Works Overheads	Sale of Building Lot 13 Dandaragan Road	20210826 11.1.1	(105,000)	(143,478)
Profit on Sale of Building	Public Works Overheads	Sale of Building Lot 13 Dandaragan Road	20210826 11.1.1	(32,592)	(176,070)
Land	Public Works Overheads	Sale of Land Lot 13 Dandaragan Road	20210826 11.1.1	(15,000)	(191,070)
Proceeds on Sale of Assets	Public Works Overheads	Sale of Land Lot 13 Dandaragan Road	20210826 11.1.1	20,000	(171,070)
Proceeds on Sale of Assets	Public Works Overheads	Sale of Land Lot 13 Dandaragan Road	20210826 11.1.1	(20,000)	(191,070)
Profit on Sale of Land	Public Works Overheads	Sale of Land Lot 13 Dandaragan Road	20210826 11.1.1	(5,000)	(196,070)
Trading in Public Place Licence	Prv Srv Inspection and Administration	Fees income higher than budgeted		(1,800)	(197,870)
Lodging House Registration	Prv Srv Inspection and Administration	Fees income higher than budgeted		(700)	(198,570)
Lodging House Reg. - Holiday Homes	Prv Srv Inspection and Administration	Fees income higher than budgeted		(1,100)	(199,670)
Swimming Pool Inspection	Prv Srv Inspection and Administration	Fees income higher than budgeted		(300)	(199,970)
Food Premises Registration & Inspection	Prv Srv Inspection and Administration	Fees income higher than budgeted		(200)	(200,170)
Staff Housing Rent	Town Planning	Add new EMDS Salary Sacrifice from November		(14,720)	(214,890)
Staff Housing Rent	Town Planning	Remove EMDS Salary Sacrifice from February		6,700	(208,190)
Staff Housing Rent	Other Law Order Public Safety	Add new CESC Salary Sacrifice from January		(8,400)	(216,590)
Staff Housing Rent	Other Health	Add new MEH Salary Sacrifice from February		(6,700)	(223,290)
Staff Housing	Town Planning	Add new EMDS Housing rent from November		14,720	(208,570)
Staff Housing	Town Planning	Remove EMDS Housing rent from February		(6,700)	(215,270)
Staff Housing	Other Law Order Public Safety	Add new CESC Salary Sacrifice from January		8,400	(206,870)
Staff Housing	Other Health	Add new MEH Salary Sacrifice from February		6,700	(200,170)
Private Rental	Other Education	Remove portion of rental income budgeted for GROH house		8,300	(191,870)

GENERAL LEDGER ACCOUNT NAME	SCHEDULE	DESCRIPTION	SOURCE	AMOUNT DR/(CR)	AMENDED (SURPLUS) / DEFICIT
Sale of Tourism Merchandise	Tourism and Area Promotion	Increase tourism sales as tracking higher than budgeted		(10,000)	(201,870)
Tourism Merchandise	Tourism and Area Promotion	Increase tourism merchandise purchases		10,000	(191,870)
Foreshore Power charges	Other Economic Services	Foreshore power charges - 3rd party vendors		(3,680)	(195,550)
Sandy Cape Camping	Other Recreation and Sport	Increase Sandy Cape income higher than budgeted		(50,000)	(245,550)
FBT Expenses	Other Governance	Adjust FBT allocations		(4,637)	(250,187)
FBT Expenses	Other Law Order Public Safety	Adjust FBT allocations		(477)	(250,663)
FBT Expenses	Prv Srv Inspection and Administration	Adjust FBT allocations		(1,484)	(252,148)
FBT Expenses	Town Planning	Adjust FBT allocations		6,520	(245,628)
FBT Expenses	Other Recreation and Sport	Adjust FBT allocations		(156)	(245,784)
FBT Expenses	Tourism and Area Promotion	Adjust FBT allocations		4,141	(241,643)
FBT Expenses	Building Control	Adjust FBT allocations		(3,669)	(245,311)
FBT Expenses	Public Works Overheads	Adjust FBT allocations		1,253	(244,058)
Election Expenses	Members of Council	Election expenses less than budgeted		(6,775)	(250,833)
Materials and Contracts (ALL)	Waste Management - Household	Contracted waste attendant Badgingarra		15,360	(235,473)
Materials and Contracts (ALL)	Waste Management - Household	Contracted waste attendant Dandaragan		25,020	(210,453)
Advertising and Promotions	Other Governance	More job adverts than budgeted		5,000	(205,453)
Controlled Waste DEC tracking form	Sewerage	Controlled waste fees for Council septics		30,000	(175,453)
Infrastructure - Other	Other Recreation and Sport	Sandy Cape Tank modification project over budget		6,712	(168,741)
Works in Progress Materials	Other Recreation and Sport	Sandy Cape Tank modification project over budget		6,712	(162,029)
Works in Progress Materials	Other Recreation and Sport	Sandy Cape Tank modification project over budget		(6,712)	(168,741)
Buildings & Improvements	Other Recreation and Sport	CCRC Acoustics project over budget		7,000	(161,741)
Works in Progress Materials	Other Recreation and Sport	CCRC Acoustics project over budget		7,000	(154,741)
Works in Progress Materials	Other Recreation and Sport	CCRC Acoustics project over budget		(7,000)	(161,741)
Buildings & Improvements	Other Recreation and Sport	Reduce Building Backlog renewal budget		(54,108)	(215,849)
Works in Progress Materials	Other Recreation and Sport	Reduce Building Backlog renewal budget		(54,108)	(269,957)
Works in Progress Materials	Other Recreation and Sport	Reduce Building Backlog renewal budget		54,108	(215,849)
Buildings & Improvements	Other Community Amenities	Badgingarra toilet leach drains done last year		(10,000)	(225,849)
Works in Progress Materials	Other Community Amenities	Badgingarra toilet leach drains done last year		(10,000)	(235,849)
Works in Progress Materials	Other Community Amenities	Badgingarra toilet leach drains done last year		10,000	(225,849)
Other Non Operating Contributions	Other Health	Remove Generator Practice contribution		2,000	(223,849)
Plant & Equipment	Other Health	Remove Generator for Medical Centre project		(7,000)	(230,849)
Works in Progress Materials	Other Health	Remove Generator Contribution		(7,000)	(237,849)
Works in Progress Materials	Other Health	Remove Generator Contribution		7,000	(230,849)
Infrastructure - Roads	Streets Roads Bridges Depots Maint	Roberts Street overbudget		75,426	(155,423)
Works in Progress Materials	Streets Roads Bridges Depots Maint	Roberts Street overbudget		75,426	(79,997)
Works in Progress Materials	Streets Roads Bridges Depots Maint	Roberts Street overbudget		(75,426)	(155,423)
Buildings & Improvements		Increase Budget for Construction of Depot Building	20211028 9.2.1	90,000	(65,423)
Works in Progress Materials		Increase Budget for Construction of Depot Building	20211028 9.2.1	90,000	24,577
Works in Progress Materials		Increase Budget for Construction of Depot Building	20211028 9.2.1	(90,000)	(65,423)
Building Construction Reserve		Increase Budget for Construction of Depot Building	20211028 9.2.1	(90,000)	(155,423)
Transfers From Reserve Funds		Increase Budget for Construction of Depot Building	20211028 9.2.1	(90,000)	(245,423)
Retained Earnings - Net Movement in Reserves		Increase Budget for Construction of Depot Building	20211028 9.2.1	90,000	(155,423)
Furniture & Equipment		Jurien & Cervantes Television Satellite Reception equipment	20211028 10.1.1	55,000	(100,423)
Works in Progress Materials		Jurien & Cervantes Television Satellite Reception equipment	20211028 10.1.1	55,000	(45,423)

GENERAL LEDGER ACCOUNT NAME	SCHEDULE	DESCRIPTION	SOURCE	AMOUNT DR/(CR)	AMENDED (SURPLUS) / DEFICIT
Works in Progress Materials		Jurien & Cervantes Television Satellite Reception equipment	20211028 10.1.1	(55,000)	(100,423)
Television Services Reserve		Jurien & Cervantes Television Satellite Reception equipment	20211028 10.1.1	(55,000)	(155,423)
Transfers From Reserve Funds		Jurien & Cervantes Television Satellite Reception equipment	20211028 10.1.1	(55,000)	(210,423)
Retained Earnings - Net Movement in Reserves		Jurien & Cervantes Television Satellite Reception equipment	20211028 10.1.1	55,000	(155,423)
Leave Reserve		Unplanned termination leave payments		(80,387)	(235,810)
Transfers From Reserve Funds		Unplanned termination leave payments		(80,387)	(316,197)
Retained Earnings - Net Movement in Reserves		Unplanned termination leave payments		80,387	(235,810)
Plant Reserve		Purchase of truck deferred due to not being able to supply this year		255,000	19,190
Transfers To Reserve Funds		Purchase of truck deferred due to not being able to supply this year		255,000	274,190
Retained Earnings - Net Movement in Reserves		Purchase of truck deferred due to not being able to supply this year		(255,000)	19,190
New Loans	Various	Adjustment to the timing of taking out New Loans		3,044	22,234
Leases	Various	Adjustment due to timing of new leases		69	22,303
Plant & Equipment replacement program	Various	Adustments to Plant & Equipment budget - Adjust to actuals, remove plant no longer being traded or purchased do to supply issues		(226,810)	(204,507)
				Total (Surplus) / Deficit	(204,507)

SHIRE OF DANDARAGAN
STATEMENT OF COMPREHENSIVE INCOME by Nature or Type
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2021/22 Budget Review
Revenue		
Rates		6,607,075
Operating grants, subsidies & contributions		1,548,074
Fees and charges		2,402,375
Interest earnings		38,820
Other revenue		78,813
		<u>10,675,158</u>
Expenses		
Employee costs		(4,153,172)
Materials and contracts		(4,220,942)
Utilities		(392,847)
Insurance		(326,554)
Other expenses		(740,830)
Depreciation		(5,832,564)
		<u>(15,666,909)</u>
		(4,991,752)
Borrowing costs expense		(33,209)
Grants & subsidies (towards non-operating activities)		6,178,449
Profit on disposal of assets		122,381
Loss on disposal of assets		(16,975)
Net result		1,258,894
Other comprehensive income		
Changes on revaluation of non-current assets		0
Total other comprehensive income		0
Total comprehensive income		1,258,894

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

SHIRE OF DANDARAGAN
STATEMENT OF COMPREHENSIVE INCOME by Department
FOR THE YEAR ENDED 30 JUNE 2022

	Note	Budget Review
Revenue		
Governance		5,625
General purpose funding		7,714,383
Law, order & public safety		410,277
Health		25,490
Education & welfare		11,700
Community amenities		1,294,905
Recreation and culture		518,064
Transport		322,633
Economic services		258,827
Other property and services		113,253
		10,675,158
Expenses excluding finance costs		
Governance		(622,330)
General purpose funding		(220,674)
Law, order & public safety		(1,480,837)
Health		(362,665)
Education & welfare		(117,835)
Community amenities		(2,374,592)
Recreation and culture		(3,438,470)
Transport		(5,639,675)
Economic services		(799,761)
Other property and services		(610,070)
		(15,666,909)
		(4,991,752)
Finance costs		
Governance		(4,078)
Law, order & public safety		0
Education & welfare		(5,731)
Recreation and culture		(1,193)
Transport		0
Economic services		(32)
Other property and services		(22,175)
		(33,209)
Non- operating grants and subsidies		
Health		0
Education & welfare		0
Recreation and culture		477,937
Transport		5,700,512
Economic services		0
		6,178,449
Profit / (loss) on asset disposal		
Governance		5,259
Law, order & public safety		7,182
Community amenities		(6,000)
Recreation and culture		19
Transport		48,829
Other property and services		50,117
		105,406
		1,258,894
Net result		
Other comprehensive income		
Changes on revaluation of non-current assets		0
Total other comprehensive income		0
Total comprehensive income		1,258,894

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

SHIRE OF DANDARAGAN
RATE SETTING STATEMENT by Department
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2021/22 Budget	2021/22 Budget Review
OPERATING ACTIVITIES			
Net current assets at start of financial year - surplus/(deficit)	2(a)	2,083,074	2,071,269
Revenue from operating activities (excluding rates)			
Governance		10,876	10,884
General purpose funding		1,001,030	1,107,308
Law, order & public safety		415,592	417,459
Health		14,690	25,490
Education & welfare		20,000	11,700
Community amenities		1,265,337	1,294,905
Recreation and culture		451,912	518,083
Transport		327,522	371,462
Economic services		245,147	258,827
Other property and services		136,028	174,345
		3,888,134	4,190,464
Expenditure from operating activities			
Governance		(632,696)	(626,408)
General purpose funding		(220,674)	(220,674)
Law, order & public safety		(1,472,914)	(1,480,837)
Health		(357,450)	(362,665)
Education & welfare		(122,643)	(123,566)
Community amenities		(2,295,672)	(2,380,592)
Recreation and culture		(3,439,818)	(3,439,664)
Transport		(5,671,766)	(5,639,675)
Economic services		(789,288)	(799,793)
Other property and services		(646,728)	(643,220)
		(15,649,649)	(15,717,094)
Non-cash amounts excluded from operating activities	2(b)(ii)	5,805,209	5,727,158
Amount attributable to operating activities		(3,873,231)	(3,728,203)
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions		6,280,449	6,178,449
Proceeds from disposal of assets		404,900	458,082
Purchase land and buildings		(2,815,185)	(2,848,077)
Purchase furniture and equipment		(258,048)	(313,048)
Purchase plant and equipment		(1,246,500)	(940,872)
Purchase infrastructure assets - roads		(5,832,756)	(5,908,182)
Purchase infrastructure assets - parks & reserves		(1,284,628)	(1,284,628)
Purchase infrastructure assets - other		(1,246,620)	(1,253,332)
Purchases - Works in Progress (Not Capitalised)		0	(1)
Amount attributable to investing activities		(5,998,388)	(5,911,609)
FINANCING ACTIVITIES			
Proceeds from new borrowings		2,393,000	2,393,000
Repayment of borrowings		(193,266)	(191,043)
Payment of self supporting loan to community group		(35,100)	(35,100)
Self-supporting loan principal income		80,132	80,132
Community group cash advance principal income		0	0
Repayment of right of use lease		(32,716)	(32,629)
Transfer to reserves		(180,933)	(435,933)
Transfer from reserves		1,233,428	1,458,815
Amount attributable to financing activities		3,264,545	3,237,242
Budgeted deficiency before general rates		(6,607,075)	(6,402,570)
Estimated amount to be raised from general rates		6,607,075	6,607,078
Net current assets at end of financial year - surplus/(deficit)	2(a)	0	204,507

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

SHIRE OF DANDARAGAN
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2022

Description	2022	2021
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	4,652,649	6,966,878
Trade receivables	576,940	2,006,940
Other financial assets at amortised cost	10,681	45,032
Other current assets	406	406
Inventories	25,612	25,612
TOTAL CURRENT ASSETS	5,266,287	9,044,868
NON-CURRENT ASSETS		
Other financial assets at amortised cost	167,700	178,381
Trade receivables	56,707	56,707
Land	2,869,000	2,884,000
Buildings and improvements	30,520,633	28,911,064
Furniture and equipment	1,079,911	880,587
Plant and equipment	3,095,011	3,029,675
Right of Use Assets	73,574	48,951
Infrastructure	256,021,733	251,487,602
TOTAL NON-CURRENT ASSETS	293,884,270	287,476,967
TOTAL ASSETS	299,150,557	296,521,835
CURRENT LIABILITIES		
Trade and other payables	(1,046,643)	(1,146,643)
Contract Liabilities	(0)	(754,587)
Lease Liabilities	(32,718)	(21,007)
Borrowings	(135,349)	(120,957)
Employee related provisions	(661,460)	(661,460)
TOTAL CURRENT LIABILITIES	(1,876,171)	(2,704,654)
NON-CURRENT LIABILITIES		
Lease Liabilities	(39,355)	(28,612)
Borrowings	(2,268,692)	(81,127)
Employee related provisions	(99,814)	(99,814)
TOTAL NON-CURRENT LIABILITIES	(2,407,861)	(209,553)
TOTAL LIABILITIES	(4,284,032)	(2,914,207)
TOTAL NET ASSETS	294,866,523	293,607,628
EQUITY		
Retained earnings	(202,215,042)	(199,933,266)
Reserves - cash backed	(4,004,456)	(5,027,337)
Revaluation surplus	(88,647,025)	(88,647,025)
TOTAL EQUITY	294,866,523	293,607,628

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

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

2 (a). NET CURRENT ASSETS & FUNDING SURPLUS / (DEFICIT)

EXPLANATION OF DIFFERENCE IN NET CURRENT ASSETS AND SURPLUS/(DEFICIT)

Items excluded from calculation of budgeted deficiency

When calculating the budget deficiency for the purpose of Section 6.2 (2)(c) of the Local Government Act 1995 the following amounts have been excluded as provided by Local Government (Financial Management) Regulation 32 which will not fund the budgeted expenditure.

	Note	2021/2022 Budget	2020/2021 Actual
(i) Operating activities excluded from budgeted deficiency			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with Financial Management Regulation 32.			
Profit on asset disposals	4(b)	(122,381)	(66,000)
Loss on asset disposals	4(b)	16,975	21,331
Fair value adjustment to financial assets at fair value through profit and loss		0	(8,228)
Movement in employee provisions		0	(34,962)
Movement in deferred rates		0	(6,582)
Depreciation on assets		5,832,564	5,862,521
Non cash amounts excluded from operating activities		5,727,158	5,768,080
Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with Financial Management Regulation 32 to agree to the surplus/(deficit) after imposition of general rates.			
(ii) Current Assets and liabilities excluded from budgeted deficiency			
Less: Cash - restricted reserves	3	(4,004,456)	(5,027,337)
Less: Other financial assets at amortised cost - self support loan		(10,681)	(45,032)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings		135,349	120,957
- Current portion of lease liabilities		32,718	21,007
- Employee benefit provisions		661,460	661,460
Total adjustments to net current assets		(3,185,609)	(4,268,945)
(iii) Funding Surplus / (Deficit)			
Total current assets		5,266,287	9,044,868
Less: Total current liabilities		(1,876,171)	(2,704,654)
Net current assets		3,390,116	6,340,214
Less: Total adjustments to net current assets		(3,185,609)	(4,268,945)
Closing Funding Surplus / (Deficit)		204,507	2,071,269