



SHIRE OF
DANDARAGAN

21

22

ANNUAL REPORT

PART II



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FINANCIAL DECLARATION

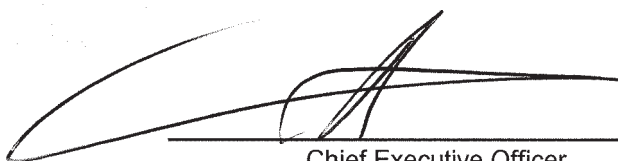
**SHIRE OF DANDARAGAN
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2022**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the twenty first day of November 2022



Chief Executive Officer
Brent Bailey

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

Shire of Dandaragan: A dynamic, diverse and desirable region delivering sustainable growth and socially connected communities.

Principle place of business:
69 Bashford Street
JURIEN BAY WA 6516

ANNUAL FINANCIAL STATEMENTS

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

	Notes	2022 Actual \$	2022 Budget \$	2021 Actual \$
Revenue				
Rates	23(a)	6,631,882	6,607,075	6,331,039
Operating grants, subsidies and contributions		3,297,119	1,350,599	2,202,047
Fees and charges	22(c)	2,566,695	2,319,775	2,452,644
Interest earnings	2(a)	44,767	53,420	30,853
Other revenue		106,479	78,813	98,478
		12,646,942	10,409,682	11,115,061
Expenses				
Employee costs		(4,088,975)	(4,128,559)	(3,832,218)
Materials and contracts		(3,783,268)	(4,172,337)	(2,843,365)
Utility charges		(402,287)	(392,847)	(415,313)
Depreciation	10(a)	(5,813,113)	(5,832,564)	(5,862,521)
Finance Costs	2(b)	(40,141)	(27,786)	(10,356)
Insurance		(359,271)	(326,554)	(442,889)
Other Expenditure	2(b)	(741,173)	(710,830)	(703,320)
		(15,228,228)	(15,591,477)	(14,109,982)
		(2,581,286)	(5,181,794)	(2,994,921)
Non-operating grants, subsidies and contributions		4,654,138	6,280,449	5,172,601
Profit on disposal of assets	10(b)	213,522	85,527	66,000
Profit on lease disposal		43	-	-
Loss on disposal of assets	10(b)	(76,206)	(58,172)	(21,331)
Fair value adjustment to financial assets at fair value through profit and loss		-	-	8,228
Net result		2,210,211	1,126,010	2,230,577
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	16	38,014,215	-	-
Total other comprehensive income		38,014,215	-	-
Total comprehensive income		40,224,426	1,126,010	2,230,577

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

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

	Notes	2022	2021
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	10,475,021	6,966,878
Trade receivables	5	728,334	1,837,846
Other financial assets	4(a)	20,648	45,032
Other current assets	7	-	406
Inventories	6	28,503	25,612
TOTAL CURRENT ASSETS		11,252,506	8,875,774
NON-CURRENT ASSETS			
Other financial assets	4(b)	157,733	178,381
Trade receivables	5	68,365	56,707
Property, plant and equipment	8(a)	36,701,283	35,705,325
Right-of-use assets	11(a)	72,403	48,951
Infrastructure	9(a)	291,944,334	251,487,602
TOTAL NON-CURRENT ASSETS		328,944,118	287,476,967
TOTAL ASSETS		340,196,624	296,352,741
CURRENT LIABILITIES			
Trade and other payables	12	1,626,826	977,548
Grant liabilities	13	1,530,729	754,587
Lease liabilities	11(b)	33,971	21,007
Borrowings	14	163,019	120,957
Employee related provisions	15	616,380	661,460
TOTAL CURRENT LIABILITIES		3,970,925	2,535,560
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	38,990	28,612
Borrowings	14	2,241,022	81,127
Employee related provisions	15	113,631	99,814
TOTAL NON-CURRENT LIABILITIES		2,393,643	209,553
TOTAL LIABILITIES		6,364,568	2,745,113
TOTAL NET ASSETS		333,832,056	293,607,628
EQUITY			
Retained earnings		202,620,965	199,933,266
Reserves - cash backed	26	4,549,851	5,027,337
Revaluation surplus	16	126,661,240	88,647,025
TOTAL EQUITY		333,832,056	293,607,628

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 2022**

	Notes	Retained Earnings	Reserves - Cash Backed	Revaluation Surplus	Total Equity
		\$	\$	\$	\$
Balance as at 30 June 2020		197,037,451	5,692,577	88,647,025	291,377,053
Comprehensive Income					
Net result		2,230,577	-	-	2,230,577
Other comprehensive income	16	-	-	-	-
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	5,027,339	88,647,025	293,607,630
Comprehensive Income					
Net result		2,210,211	-	-	2,210,211
Other comprehensive income	16	-	-	38,014,215	38,014,215
Total comprehensive income		2,210,211	-	38,014,215	40,224,426
Transfers from reserves		477,488	(477,488)	-	-
Balance as at 30 June 2022		202,620,965	4,549,851	126,661,240	333,832,056

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 2022

	Notes	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		6,781,655	6,737,075	6,302,014
Operating grants and subsidies		3,346,119	1,350,599	2,177,383
Fees and charges		3,592,204	3,619,775	1,467,383
Interest earnings		44,767	53,420	30,853
Goods and services tax		788,443	549,544	613,076
Other revenue		106,479	78,813	98,478
		14,659,667	12,389,227	10,689,187
Payments				
Employee costs		(4,106,076)	(4,128,559)	(3,857,936)
Materials and contracts		(3,146,948)	(4,272,337)	(2,939,010)
Utility charges		(402,287)	(392,847)	(415,313)
Interest expenses		(33,215)	(27,786)	(12,219)
Insurance expenses		(359,271)	(326,554)	(442,889)
Goods and services tax		(876,487)	(549,544)	(487,172)
Other expenditure		(741,172)	(710,830)	(703,320)
		(9,665,456)	(10,408,457)	(8,857,858)
Net cash provided by/(used in) operating activities	17(b)	4,994,211	1,980,770	1,831,329
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(3,321,713)	(4,319,733)	(551,311)
Payments for construction of infrastructure		(6,415,830)	(8,364,004)	(7,473,953)
Non-operating grants, subsidies and contributions		5,381,280	5,525,862	5,493,781
Proceeds from financial assets at amortised cost - self supporting loan		45,032	45,032	(2,471)
Proceeds from sale of property, plant & equipment		656,139	404,900	130,000
		(3,655,092)	(6,707,943)	(2,403,954)
Net cash provided by/(used in) investing activities		(3,655,092)	(6,707,943)	(2,403,954)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings		(191,043)	(193,266)	(117,333)
Payment for principle portion of lease liability		(32,934)	(32,716)	(40,530)
Proceeds from new borrowings		2,393,000	2,393,000	50,000
		2,169,023	2,167,018	(107,863)
Net cash provided by/(used in) financing activities		2,169,023	2,167,018	(107,863)
Net increase (decrease) in cash held		3,508,142	(2,560,155)	(680,488)
Cash at beginning of year		6,966,879	6,966,878	7,647,366
Cash and cash equivalents at the end of the year	17(a)	10,475,021	4,406,723	6,966,878

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

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

	Notes	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
NET CURRENT ASSETS at start of financial year - surplus/(deficit)	24(b)	1,409,809	1,437,244	739,166
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rates)				
Operating grants, subsidies and contributions		3,297,119	1,350,599	2,202,047
Service Charges		-	-	-
Fees and charges		2,566,695	2,319,775	2,452,644
Interest earnings		44,767	53,420	30,853
Other revenue		106,479	78,813	98,478
Profit on asset disposals		213,565	85,527	66,000
Fair value adjustment to financial assets at fair value through profit and loss		-	-	8,228
		6,228,625	3,888,134	4,858,250
Expenditure from operating activities				
Employee costs		(4,088,974)	(4,128,559)	(3,832,218)
Materials and contracts		(3,783,267)	(4,172,337)	(2,843,365)
Utility charges		(402,286)	(392,847)	(415,313)
Depreciation		(5,813,113)	(5,832,564)	(5,862,521)
Finance Costs		(40,141)	(27,786)	(10,356)
Insurance		(359,271)	(326,554)	(442,889)
Other Expenditure		(741,173)	(710,830)	(703,320)
Loss on asset disposals		(76,206)	(58,172)	(21,331)
		(15,304,431)	(15,649,649)	(14,131,313)
Non-cash amounts excluded from operating activities	24(a)	5,677,912	5,805,209	5,780,424
Amount attributable to operating activities		(1,988,085)	(4,519,061)	(2,753,472)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		4,654,138	6,280,449	5,172,601
Proceeds from disposal of assets	10(b)	656,139	404,900	130,000
Purchase property, plant and equipment	8(a)	(3,321,713)	(4,319,733)	(551,311)
Purchase and construction of infrastructure	9(a)	(6,415,830)	(8,364,004)	(7,473,953)
Amount attributable to investing activities		(4,427,266)	(5,998,388)	(2,722,663)
FINANCING ACTIVITIES				
Proceeds from new borrowings	25(a)	2,393,000	2,393,000	50,000
Repayment of borrowings	25(a)	(191,043)	(193,266)	(117,333)
Payment of self supporting loan and cash advance to community group	25(a)	(35,100)	(35,100)	(50,000)
Self-supporting loan principal income		45,032	45,032	45,453
Community group cash advance principal income		35,100	35,100	2,076
Payment of right of use lease	25(c)	(32,934)	(32,716)	(40,530)
Transfer to reserves	26(a)	(625,536)	(180,933)	(159,776)
Transfer from reserves	26(a)	1,103,022	1,233,428	825,014
Amount attributable to financing activities		2,691,541	3,264,545	554,904
Budgeted deficiency before general rates		(3,723,810)	(7,252,905)	(4,921,230)
Amount to be raised from general rates	23(a)	6,631,882	6,607,076	6,331,039
Surplus/(deficit) after imposition of general rates	24(b)	2,908,072	(645,829)	1,409,809

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 2022

1. BASIS OF PREPARATION

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

Local Government Act 1995 requirements

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

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

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

The local government reporting entity

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

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

Judgements and estimates

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

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

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

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation uncertainties made in relation to lease accounting
- estimation of useful lives of non-current assets

2 REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	Timing of revenue recognition
Rates	· General rates and rates charged for specific defined purposes.	When rates notice is issued.
Operating Grants, Subsidies and Contributions	· 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.
	· 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	· 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	· 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	· Sale of scrap materials. · Insurance claims. · Commissions on licencing and ticket	At a point in time when the goods have been transferred and

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

Revenue Recognition

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

For the year ended 30 June 2022

Nature or type	Contracts with customers	Grant contracts for services and transfers for recognisable non-financial assets	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	6,631,882	-	6,631,882
Operating grants, subsidies and contributions	-	294,496	-	-	294,496
Fees and charges	2,014,500	-	5,076	-	2,019,576
Interest earnings	-	-	42,459	-	42,459
Other revenue	-	-	-	106,479	106,479
Non-operating grants, subsidies and contributions	-	4,310,880	-	-	4,310,880
Total	2,014,500	4,605,376	6,679,417	106,479	13,405,772

For the year ended 30 June 2021

Nature or type	Contracts with customers	Grant contracts for services and transfers for recognisable non-financial assets	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	6,329,320	-	6,329,320
Operating grants, subsidies and contributions	-	323,560	-	-	323,560
Fees and charges	1,954,085	-	195,261	-	2,149,346
Interest earnings	-	-	30,853	-	30,853
Other revenue	-	-	-	98,476	98,476
Non-operating grants, subsidies and contributions	-	5,535,497	-	-	5,535,497
Total	1,954,085	5,859,057	6,555,434	98,476	14,467,052

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

2 REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Assets and services acquired below fair value

Contributed assets

Interest earnings

Financial assets at amortised cost - self supporting loans

Interest on municipal fund

Interest on reserve fund funds

Rates instalment and penalty interest (refer Note 23 (c))

Other interest earnings

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report

- Other services

Finance Costs

- Borrowings

- Lease liabilities

Other Expenditure

- Sundry expenses

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Contributed assets	343,259	-	-
	<u>343,259</u>	<u>-</u>	<u>-</u>
Financial assets at amortised cost - self supporting loans	2,308	-	3,670
Interest on municipal fund	19	1,000	321
Interest on reserve fund funds	5,095	20,000	26,330
Rates instalment and penalty interest (refer Note 23 (c))	35,706	31,420	-
Other interest earnings	1,639	1,000	531
	<u>44,767</u>	<u>53,420</u>	<u>30,853</u>
Auditors remuneration			
- Audit of the Annual Financial Report	38,280	35,000	35,000
- Other services	5,575	5,000	4,220
	<u>43,855</u>	<u>40,000</u>	<u>39,220</u>
Finance Costs			
- Borrowings	39,200	27,007	9,027
- Lease liabilities	941	779	1,329
	<u>40,141</u>	<u>27,786</u>	<u>10,356</u>
Other Expenditure			
- Sundry expenses	741,173	710,830	703,320
	<u>741,173</u>	<u>710,830</u>	<u>703,320</u>

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

3 CASH AND CASH EQUIVALENTS

Notes	2022	2021
	\$	\$
Cash at bank and on hand	10,475,021	6,966,878
Total cash and cash equivalents	10,475,021	6,966,878
Held as		
- Unrestricted cash and cash equivalents	4,210,848	1,038,422
- Restricted cash and cash equivalents	6,264,173	5,928,456
	10,475,021	6,966,878
The restricted assets are a result of the following specific purposes to which the assets may be used:		
Reserves - cash backed	26 4,549,851	5,027,337
Contract liabilities from contracts with customers	49,000	-
Contract liabilities from transfers for recognisable non financial assets	1,481,729	754,587
Bonds, deposits and collections	183,592	146,531
Total restricted assets	6,264,172	5,928,456

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 2022

4 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

	2022	2021
	\$	\$
	20,648	45,032
	20,648	45,032
	-	45,032
	-	45,032
	60,478	81,127
	97,255	97,255
	157,733	178,381
	60,478	81,127
	60,478	81,127
	97,255	97,255
	97,255	97,255

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 20.

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 2022**

5 RECEIVABLES

Current

Rates receivable
Sundry receivables
GST receivable
Allowance for impairment of receivables

Non-current

Pensioner's rates and ESL deferred

2022	2021
\$	\$
238,005	399,436
405,580	1,441,469
86,167	-
(1,418)	(3,060)
728,334	1,837,846
68,365	56,707
68,365	56,707

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

Impairment and risk exposure

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

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 2022

6 INVENTORIES

Current

Fuel and materials

	2022	2021
	\$	\$
	28,503	25,612
	28,503	25,612
	25,612	32,574
Inventories expensed during the year	(351,092)	(275,483)
Additions to inventory	353,983	268,521
	28,503	25,612

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 2022

7 OTHER ASSETS

Other current assets

Accrued income

2022	2021
\$	\$
-	406
-	406

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

8 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
	\$	\$	\$	\$	\$	\$	\$
Balance 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)
Revaluation increments/ (decrements) transferred to revaluation surplus	-	-	-	-	-	-	-
Depreciation expense	-	(1,165,492)	(1,165,492)	(117,775)	(615,505)	-	(1,898,772)
Transfers	-	15,000	15,000	-	-	(15,000)	-
Balance 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)
Balance at 30 June 2021	2,884,000	28,797,958	31,681,958	734,490	3,029,675	259,202	35,705,325
Additions	-	409,019	409,019	397,239	759,828	1,755,627	3,321,713
Disposals	(210,000)	(128,806)	(338,806)	-	(160,209)	-	(499,015)
Depreciation expense	-	(1,138,609)	(1,138,609)	(131,365)	(556,766)	-	(1,826,740)
Transfers	-	113,106	113,106	146,096	-	(259,202)	-
Balance at 30 June 2022	2,674,000	28,052,668	30,726,668	1,146,460	3,072,528	1,755,627	36,701,283
Comprises:							
Gross carrying amount at 30 June 2022	2,674,000	57,605,075	60,279,075	3,561,243	9,263,519	1,755,627	74,859,464
Accumulated depreciation at 30 June 2022	-	(29,552,407)	(29,552,407)	(2,414,783)	(6,190,991)	-	(38,158,181)
Balance at 30 June 2022	2,674,000	28,052,668	30,726,668	1,146,460	3,072,528	1,755,627	36,701,283

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

8 PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

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
<p>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.</p> <p>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.</p>					
(ii) Cost					
Furniture and equipment		Cost	Cost		Purchase cost
Plant and equipment		Cost	Cost		Purchase cost

SHIRE OF DANDARAGAN
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FOR THE YEAR ENDED 30 JUNE 2022

9 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
	\$	\$	\$	\$	\$	\$	\$
Balance 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	7,473,952
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	251,487,601
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
Additions	3,231,391	471,267	-	395,093	564,579	1,753,500	6,415,830
Disposals	-	-	-	(19,808)	-	-	(19,808)
Revaluation increments/ (decrements) transferred to revaluation surplus	35,714,547	1,739,728	(1,359,605)	1,634	1,917,912	-	38,014,216
Depreciation expense	(2,733,417)	(272,655)	(121,596)	(180,070)	(645,768)	-	(3,953,506)
Transfers	-	86,479	-	-	-	(86,479)	-
Carrying amount as at 30 June 2022	261,487,007	10,662,646	3,380,181	1,932,700	12,728,300	1,753,500	291,944,334
Comprises:							
Gross carrying amount at 30 June 2022	339,627,820	12,884,602	6,307,547	3,744,500	22,144,200	1,753,500	386,462,169
Accumulated depreciation at 30 June 2022	(78,140,813)	(2,221,956)	(2,927,366)	(1,811,800)	(9,415,900)	-	(94,517,835)
Carrying amount at 30 June 2022	261,487,007	10,662,646	3,380,181	1,932,700	12,728,300	1,753,500	291,944,334

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

9 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 2022	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 2022	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 2022	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 2022	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 2022	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.

SHIRE OF DANDARAGAN
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10 FIXED ASSETS (Continued)

(a) Depreciation

	2022	2022	2021
	Actual	Budget	Actual
	\$	\$	\$
Buildings	1,138,609	1,166,100	1,165,492
Furniture and equipment	131,365	113,724	117,775
Plant and equipment	556,766	610,224	615,505
Infrastructure - Roads	2,733,417	2,676,960	2,680,459
Infrastructure - Footpaths	272,655	281,292	282,367
Infrastructure - Parks and Reserves	180,070	179,316	180,136
Infrastructure - Drainage	121,596	121,332	121,354
Infrastructure - Other	645,768	653,112	658,843
Right of use assets - Plant and equipment	32,867	30,504	40,590
	5,813,113	5,832,564	5,862,521

Depreciation rates

Typical estimated useful lives for the different asset classes

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

10 FIXED ASSETS (Continued)

(b) Disposals of Assets

	2022	2022	2022	2022	2022	2022	2022	2021	2021	2021	2021	
	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	210,000	300,000	90,000	-	-	-	-	-	19,000	15,000	-	(4,000)
Buildings - non-specialised	72,408	105,000	32,592	-	-	-	-	-	49,000	115,000	66,000	-
Buildings - specialised	56,398	-	-	(56,398)	-	-	-	-	-	-	-	-
Furniture and equipment	-	1,273	1,273	-	-	1,400	1,400	-	-	-	-	-
Plant and equipment	160,209	249,866	89,657	-	377,545	403,500	84,127	(58,172)	-	-	-	-
Infrastructure - other	19,808	-	-	(19,808)	-	-	-	-	17,331	-	-	(17,331)
	518,823	656,139	213,522	(76,206)	377,545	404,900	85,527	(58,172)	85,331	130,000	66,000	(21,331)

The following assets were disposed of during the year.

	2022	2022	2022	2022
	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss
	\$	\$	\$	\$
Plant and Equipment				
Governance				
Administration Vehicle	39,220	45,455	6,235	-
Administration Vehicle	32,902	38,730	5,828	-
Governance Total	72,122	84,185	12,063	-
Other property and services				
Grader	77,087	124,000	46,913	-
Roller	-	23,500	23,500	-
Utility Vehicle	11,000	18,181	7,181	-
Other property and services Total	88,087	165,681	77,594	-
Total Plant and Equipment	160,209	249,866	89,657	-
Furniture and Equipment				
Transport				
Metrocount 5600	-	1,273	1,273	-
Transport Total	-	1,273	1,273	-
Total Furniture and Equipment	-	1,273	1,273	-
Land				
Other property and services				
Land 3517 Dandaragan Road	15,000	20,000	5,000	-
Land Cervantes Industrial Block	195,000	280,000	85,000	-
Other property and services Total	210,000	300,000	90,000	-
Total Land	210,000	300,000	90,000	-
Non-specialised building				
Other property and services				
Residence 3517 Dandaragan Road	72,408	105,000	32,592	-
Other property and services Total	72,408	105,000	32,592	-
Total Non-specialised building	72,408	105,000	32,592	-
Specialised building				
Community Amenities				
Heaton Street Public Amenities	56,060	-	-	(56,060)
Community Amenities Total	56,060	-	-	(56,060)
Other property and services				
Tennis Pavilion Cervantes	338	-	-	(338)
Other property and services Total	338	-	-	(338)
Total Specialised building	56,398	-	-	(56,398)
Infrastructure - other				
Other Recreation and Sport				
Sound Shell	19,808	-	-	(19,808)
Other Recreation and Sport Total	19,808	-	-	(19,808)
Total Infrastructure - other	19,808	-	-	(19,808)
	518,823	656,139	213,522	(76,206)

10 FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

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

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

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

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

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

Revaluation

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

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

Revaluation (continued)

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

Depreciation

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

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

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

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

Depreciation on revaluation

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

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

Amortisation

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

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

Amortisation is included within depreciation in the Statement of Comprehensive Income and in Note 1(a).

11 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.

	Right of use assets - plant and equipment	Right of use assets Total
	\$	\$
Balance at 1 July 2020	89,542	89,542
Additions	-	-
Depreciation expense	(40,591)	(40,591)
Balance at 30 June 2021	48,951	48,951
Additions	59,068	59,068
Depreciation expense	(32,867)	(32,867)
Balance at 30 June 2022	72,403	72,403

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

	2022 Actual	2021 Actual
	\$	\$
Depreciation expense on lease liabilities	(32,867)	(40,590)
Interest expense on lease liabilities	(941)	(1,329)
Short-term lease payments recognised as expense	(9,819)	(12,322)
Profit on disposal - break lease	43	-
Total amount recognised in the statement of comprehensive income	(43,584)	(54,241)
Total cash outflow from leases	(43,694)	(54,181)
Current	33,971	21,007
Non-current	38,990	28,612
	72,961	49,619

(b) Lease Liabilities

Current
 Non-current

The Shire has the following leases:
 Photocopier Lease - 5 year term to expire June 2024
 Drinking Water Devices - 29 month term to expire October 2026

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 10 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.

11 RIGHT-OF-USE ASSETS (Continued)

(c) 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.

	2022 Actual	2021 Actual
	\$	\$
Less than 1 year	152,155	152,156
1 to 2 years	152,153	152,155
2 to 3 years	135,317	152,153
3 to 4 years	117,740	135,317
4 to 5 years	111,336	118,479
> 5 years	2,398,558	2,509,894
	<u>3,067,259</u>	<u>3,220,154</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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12 TRADE AND OTHER PAYABLES

Current

Sundry creditors	1,205,304
Prepaid rates	92,443
Bonds, deposits and collections	183,592
GST payable	-
Accrued interest on borrowings	9,370
Accrued expenses and income in advance	43,330
Accrued salaries and wages	92,787

	2022	2021
	\$	\$
Sundry creditors	1,205,304	528,344
Prepaid rates	92,443	71,297
Bonds, deposits and collections	183,592	146,531
GST payable	-	1,876
Accrued interest on borrowings	9,370	2,444
Accrued expenses and income in advance	43,330	148,431
Accrued salaries and wages	92,787	78,625
	1,626,826	977,548

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
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13 GRANT LIABILITIES

Grant Liabilities

Current

2022	2021
\$	\$
1,530,729	754,587
1,530,729	754,587

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 JU

14 BORROWINGS

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		163,019	2,241,022	2,404,041	120,957	81,127	202,084
Total secured borrowings	25(a)	163,019	2,241,022	2,404,041	120,957	81,127	202,084

Secured liabilities and assets pledged as security

Debentures are secured by a floating charge over the assets of the Shire of Dandaragan

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 21(i)) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 20 (a)

Details of individual borrowings required by regulations are provided at Note 25.

15 EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Annual Leave
 Long Service Leave

Non-current provisions

Long Service Leave

Amounts are expected to be settled on the following basis:

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

Long Service Leave expected reimbursements from other WA local governments

	2022	2021
	317,293	315,107
	299,087	346,353
	616,380	661,460
	113,631	99,814
	113,631	99,814
	730,011	761,274
	445,160	439,471
	284,851	350,675
	730,011	790,146
	(19,701)	(28,872)

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 2022

16 REVALUATION SURPLUS

	2022	2022	2022	2022	2022	2021	2021	2021	2021	2021
	Opening	Revaluation	Revaluation	Total	2022	Opening	Revaluation	Revaluation	Total	2021
	Balance	Increment	Decrement	Movement on	Closing	Balance	Increment	Decrement	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	2,278,204	-	-	-	2,278,204
Revaluation surplus - Buildings	15,310,678	-	-	-	15,310,678	15,310,678	-	-	-	15,310,678
Revaluation surplus - Infrastructure roads	51,755,832	35,714,546	-	35,714,546	87,470,378	51,755,832	-	-	-	51,755,832
Revaluation surplus - Infrastructure drainage	3,883,302	-	(1,359,605)	(1,359,605)	2,523,697	3,883,302	-	-	-	3,883,302
Revaluation surplus - Infrastructure footpaths	5,160,275	1,739,728	-	1,739,728	6,900,003	5,160,275	-	-	-	5,160,275
Revaluation surplus - Infrastructure parks and reserves	-	1,634	-	1,634	1,634	-	-	-	-	-
Revaluation surplus - Infrastructure other	8,214,627	1,917,912	-	1,917,912	10,132,539	8,214,627	-	-	-	8,214,627
	88,647,025	39,373,820	(1,359,605)	38,014,215	126,661,240	88,647,025	-	-	-	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.

17 NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Note	2022 Actual	2022 Budget	2021 Actual
Cash and cash equivalent	3	\$ 10,475,021	\$ 4,406,723	\$ 6,966,878

Restrictions

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

Restricted reserve accounts	26	4,549,851	3,974,843	5,027,337
Unspent loans		484,891	-	-
Total restricted assets		5,034,742	3,974,843	5,027,337

(b) Reconciliation of net cash provided by operating activities to net result

Net result		2,210,211	1,126,010	2,230,577
Non-cash flow items:				
Adjustment to fair value of financial assets through profit and loss		-	-	(8,228)
Depreciation		5,813,113	5,832,564	5,862,521
(Profit)/loss on sale of asset		(137,359)	(27,355)	(44,669)
Changes in assets and liabilities;				
(Increase)/decrease in trade and other receivables		1,144,803	1,430,000	(1,041,502)
(Increase)/decrease in inventories		(2,892)	-	6,962
Increase/(decrease) in trade and other payables		602,735	(100,000)	57,895
Increase/(decrease) in employee related provisions		(31,263)	-	(34,962)
Increase/(decrease) in grant liabilities		776,143	(754,587)	296,516
Grants/contributions for the development of assets		(5,381,280)	(5,525,862)	(5,493,781)
Net cash from operating activities		4,994,211	1,980,770	1,831,329

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

18 CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects
- plant & equipment purchases

Payable:

- not later than one year

	2022	2021
	\$	\$
	1,730,460	906,000
	106,177	-
	1,836,637	906,000

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

19 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	16,000	5,333	16,000
Meeting attendance fees	24,720	18,883	24,720
Other expenses	2,083	-	
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	4,099	2,778	4,267
	50,402	30,494	48,487

Cr. Peter Scharf

Deputy President's allowance	4,000	1,333	4,000
Meeting attendance fees	15,965	15,965	15,965
Other expenses	505	-	
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	821	2,778	-
	24,791	23,576	23,465

Cr. Ann Eyre

Meeting attendance fees	15,965	5,322	15,965
Other expenses	505	-	
Annual allowance for ICT expenses	3,500	1,167	3,500
Travel and accommodation expenses	-	926	954
	19,970	7,414	20,419

Cr. Dahlia Richardson

Meeting attendance fees			9,207
Annual allowance for ICT expenses			2,018
Travel and accommodation expenses			877
	-	-	12,102

Cr. Darren Slyns

Meeting attendance fees	4,691	5,322	15,965
Annual allowance for ICT expenses	1,028	1,167	3,500
Travel and accommodation expenses	-	926	-
	5,719	7,414	19,465

Cr. Jason Clarke

Meeting attendance fees	15,965	5,322	15,965
Other expenses	1,896	-	
Annual allowance for ICT expenses	3,500	1,167	3,500
Travel and accommodation expenses	513	926	954
	21,874	7,414	20,419

Cr. Rob Shanhun

Meeting attendance fees	15,965	5,322	15,965
Other expenses	505	-	
Annual allowance for ICT expenses	3,500	1,167	3,500
Travel and accommodation expenses	-	926	-
	19,970	7,414	19,465

Cr. Rudy Rybarczyk

Meeting attendance fees	15,965	15,965	15,965
Other expenses	505	-	
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	1,219	2,778	1,803
	21,189	22,243	21,268

Cr. Wayne Gibson

Meeting attendance fees	15,965	15,965	15,965
Other expenses	505	-	
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	6,123	2,778	2,524
	26,093	22,243	21,989

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

19 ELECTED MEMBERS REMUNERATION (Cont.)

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Cr. Maddi McDonald			
Meeting attendance fees	11,230	-	-
Other expenses	614	-	-
Annual allowance for ICT expenses	2,462	-	-
	14,306	-	-
Cr. Rose Glasfurd			
Meeting attendance fees	11,230	-	-
Other expenses	614	-	-
Annual allowance for ICT expenses	2,462	-	-
	14,306	-	-
Elected President			
President's allowance	-	10,667	-
Meeting attendance fees	-	5,837	-
	-	16,503	-
Elected Deputy President			
Deputy President's allowance	-	2,667	-
	-	2,667	-
Elected member 1			
Meeting attendance fees	-	10,643	-
Annual allowance for ICT expenses	-	2,333	-
Travel and accommodation expenses	-	1,852	-
	-	14,829	-
Elected member 2			
Meeting attendance fees	-	10,643	-
Annual allowance for ICT expenses	-	2,333	-
Travel and accommodation expenses	-	1,852	-
	-	14,829	-
Elected member 3			
Meeting attendance fees	-	10,643	-
Annual allowance for ICT expenses	-	2,333	-
Travel and accommodation expenses	-	1,852	-
	-	14,829	-
Elected member 4			
Meeting attendance fees	-	10,643	-
Annual allowance for ICT expenses	-	2,333	-
Travel and accommodation expenses	-	1,852	-
	-	14,829	-
Elected member 5			
Meeting attendance fees	-	10,643	-
Annual allowance for ICT expenses	-	2,333	-
Travel and accommodation expenses	-	1,852	-
	-	14,829	-
Total Elected Member Remuneration	218,620	221,526	207,080

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

19 RELATED PARTY TRANSACTIONS (Continued)

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Meeting attendance fees	147,661	147,118	145,682
President's meeting attendance fees	-	-	-
President's allowance	16,000	16,000	16,000
Deputy President's allowance	4,000	4,000	4,000
Other expenses	7,732	-	-
Travel and accommodation expenses	12,775	24,075	11,379
Annual allowance for ICT expenses	30,452	30,333	30,018
	218,620	221,526	207,080

Key Management Personnel (KMP) Compensation Disclosure

	2022	2021
	\$	\$
The total remuneration for KMP of the Shire during the year are as follows:		
Short-term employee benefits	853,727	821,768
Post-employment benefits	98,672	94,555
Other long-term benefits	86,169	83,743
	1,038,568	1,000,066

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:

	2022	2021
	\$	\$
Purchase of goods and services from KMP	903	4,200
Sale of goods and services to KMP	-	-
Purchase of goods and services from close family member of KMP	-	750

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.

20 FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
2022					
Cash and cash equivalents	0.04%	10,475,021	-	10,475,021	-
2021					
Cash and cash equivalents	0.07%	6,966,878	-	6,966,878	-

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

	2022 \$	2021 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	104,750	69,669

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs.

The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 25(a).

20 FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The Shires 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 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 and the corresponding historical losses experienced.

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
	\$	\$	\$	\$	\$
30 June 2022					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	157,517	38,946	23,810	86,099	306,371
Loss allowance	-	-	-	-	-
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	-	-	-	-	-

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	\$	\$	\$	\$	\$
30 June 2022					
Sundry Receivables					
Expected credit loss	0.06%	0.34%	1.82%	2.92%	
Gross carrying amount	354,107	3,041	3,037	38,814	399,000
Loss allowance	218	10	55	1,135	1,418
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

20 FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

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

	Trade and other receivables	
	2022 Actual	2021 Actual
	\$	\$
Opening loss allowance as at 1 July	3,060	865
Movement in loss allowance recognised in profit or loss during the year	(1,641)	2,195
Receivables written off during the year as uncollectible	(993)	(529)
Unused amount reversed	(426)	(2,531)
Closing loss allowance at 30 June	1,418	3,060

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

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

20 FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables

Payables are subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 17(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2022					
Trade and other payables	1,626,827	-	-	1,626,827	1,626,827
Borrowings	215,508	729,818	1,177,644	2,122,970	2,404,041
Lease liabilities	34,667	36,218	-	70,885	72,961
	1,877,002	766,036	1,177,644	3,820,682	4,103,829
2021					
Trade and other payables	977,548			977,548	977,548
Borrowings	21,755	77,480	1,699	100,934	126,159
Lease liabilities	29,630	70,989	-	100,619	49,619
	1,028,933	148,469	1,699	1,179,101	1,153,326

21 OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest earnings

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

k) Initial application of accounting standards

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

New accounting standards for application in future years

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

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

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

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

22 FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

PROGRAM NAME	OBJECTIVE	DESCRIPTION
GOVERNANCE	To provide a decision making process for the efficient allocation of scarce resources.	Includes the activities of members of Council and the administrative support available to the Council for the provision of governance 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 2022

22 FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Income excluding grants, subsidies and contributions			
Governance	12,206	5,776	14,698
General purpose funding	6,709,901	6,688,795	6,385,759
Law, order, public safety	372,497	390,588	357,794
Health	19,461	14,690	15,336
Education and welfare	-	20,000	-
Community amenities	1,252,056	1,246,260	1,282,330
Recreation and culture	531,619	355,556	454,867
Transport	120,723	59,017	28,787
Economic services	288,703	239,947	250,973
Other property and services	256,223	123,981	196,700
	9,563,389	9,144,611	8,987,242
Grants, subsidies and contributions			
Governance	12,294	5,100	1,961
General purpose funding	2,817,993	919,310	1,639,926
Law, order, public safety	40,009	25,004	56,939
Health	7,902	2,000	36,512
Education and welfare	-	-	13,500
Community amenities	37,397	19,077	30,210
Recreation and culture	1,080,780	674,292	1,256,961
Transport	3,919,013	5,969,017	4,248,702
Economic services	4,430	5,200	16,547
Other property and services	31,438	12,047	73,388
	7,951,256	7,631,048	7,374,648
Total Income	17,514,645	16,775,658	16,361,891
Expenses			
Governance	(597,055)	(632,696)	(570,992)
General purpose funding	(289,617)	(220,674)	(193,328)
Law, order, public safety	(1,365,174)	(1,472,914)	(1,248,706)
Health	(317,989)	(357,450)	(301,168)
Education and welfare	(88,539)	(122,643)	(98,409)
Community amenities	(2,181,158)	(2,295,672)	(2,192,914)
Recreation and culture	(3,286,523)	(3,439,818)	(3,225,804)
Transport	(5,789,658)	(5,671,766)	(5,297,712)
Economic services	(760,303)	(789,288)	(700,991)
Other property and services	(628,418)	(646,728)	(301,289)
Total expenses	(15,304,434)	(15,649,649)	(14,131,313)
Net result for the period	2,210,211	1,126,010	2,230,577

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

22 FUNCTION AND ACTIVITY (Continued)

(c) Fees and Charges

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Governance	71	525	193
General purpose funding	36,572	28,300	19,307
Law, order, public safety	364,303	376,588	357,794
Health	19,461	14,690	15,336
Education and welfare	-	20,000	-
Community amenities	1,210,621	1,228,840	1,264,910
Recreation and culture	530,406	355,556	452,526
Transport	72,521	22,328	28,787
Economic services	288,703	238,948	248,538
Other property and services	44,037	34,000	65,253
	2,566,695	2,319,775	2,452,644

(d) Total Assets

	2022 Actual	2021 Actual
	\$	\$
Governance	5,015,898	5,115,606
Law, order, public safety	1,332,337	1,132,868
Health	749,850	771,066
Education and welfare	608,770	60,984
Community amenities	7,909,230	9,424,258
Recreation and culture	29,363,175	27,100,835
Transport	280,019,849	239,678,308
Economic services	1,174,946	1,343,304
Other property and services	7,001,813	7,323,295
Unallocated	7,020,758	4,402,217
	340,196,626	296,352,740

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

23 RATING INFORMATION

(a) General Rates

RATE TYPE		2022	2022	2022	2022	2022	2022	2022	2022	2021			
Rate Description	Basis of Valuation	Rate in \$	Number of Properties	Actual Rateable Value*	Actual Rate Revenue	Actual Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Back Rate	Budget Total Revenue	Actual Total Revenue
		\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
General	Gross rental valuation	8.3362	1,899	32,028,520	2,669,961	11,933	-	2,681,894	2,669,155	-	-	2,669,155	2,562,645
General	Unimproved valuation	0.6638	358	425,770,580	2,826,265	6,225	-	2,832,490	2,826,265	-	-	2,826,265	2,836,896
Sub-Total			2,257	457,799,100	5,496,226	18,158	-	5,514,384	5,495,420	-	-	5,495,420	5,399,541
Minimum payment													
General Minimum	Gross rental valuation	985	976	5,330,901	961,360	-	-	961,360	961,360	-	-	961,360	926,166
Dandaragan and Badgingarra	Gross rental valuation	744	30	118,252	22,320	-	-	22,320	23,064	-	-	23,064	20,020
Mining	Unimproved valuation	930	88	1,789,977	81,840	-	-	81,840	81,840	-	-	81,840	68,838
Other UV	Unimproved valuation	744	389	32,330,200	289,416	-	-	289,416	288,672	-	-	288,672	159,445
Sub-Total			1,483	39,569,330	1,354,936	-	-	1,354,936	1,354,936	-	-	1,354,936	1,174,469
			3,740	497,368,430	6,851,162	18,158	-	6,869,320	6,850,356	-	-	6,850,356	6,574,010
Discounts (refer Note 24(d))								(239,243)				(245,000)	(244,690)
Total amount raised from general rate								6,630,077				6,605,356	6,329,320
* Rateable value is based on the value of properties at the time the rate is raised													
(b) Rates (excluding general rates)													
Ex-gratia rates								1,805				1,719	1,719
Sub-Total								1,805				1,719	1,719
(c) Total Rate								6,631,882				6,607,075	6,331,039

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

23 RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee	Discount	2022 Actual	2022 Budget	2021 Actual	Circumstances in which Discount is Granted
Discount Granted	%	\$	\$	\$	
General and minimum rates	5.00%	239,243	245,000	244,690	Current rates paid in full within 35 days of the date of issue noted on the rate notice.
		239,243	245,000	244,690	

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount	2022 Actual	2022 Budget	2021 Actual
		%	\$	\$	\$
Rate assessment	Write-off		59,229	-	14
Civic Centre hire charges	Waiver		938	-	1,123
Landing fees	Waiver		8,449	-	8,449
			68,616	-	9,586

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
Rate assessments	Apex camp rate write-off		To clear rate assessment balance to allow the property to be returned to State control
Civic Centre hire charges	Fees waived for education providers to utilise rooms at the Civic Centre		To ensure the Civic Centre achieves its purpose
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
			Administrative efficiency
			To progress new ownership and development of the derelict parcel of land
			Improved access to education facilities to improve education offering within the Shire was a key driver for the construction of the Civic Centre.
			To encourage landing at the Jurien Bay airstrip

23 RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	17-Sep-21	-	0.00%	7.00%
Option Two				
First instalment	17-Sep-21	-	3.00%	7.00%
Second instalment	17-Nov-21	6.67	3.00%	7.00%
Third instalment	17-Jan-22	6.67	3.00%	7.00%
Fourth instalment	17-Mar-22	6.66	3.00%	7.00%

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Interest on unpaid rates	26,698	21,420	-
Interest on instalment plan	9,008	10,000	-
Charges on instalment plan	10,652	13,000	-
	46,358	44,420	-

SHIRE OF DANDARAGAN
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24 RATE SETTING STATEMENT INFORMATION

Notes	2021/2022	2021/2022	2020/2021	
	(30 June 2022 Carried Forward)	Budget (30 June 2022 Carried Forward)	(30 June 2021 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	10(b)	(213,565)	(85,527)	(66,000)
Fair value adjustment to financial assets at fair value through profit and loss		-	-	(8,228)
Loss on asset disposals	10(b)	76,206	58,172	21,331
Movement in employee benefit provisions		13,817	-	(22,618)
Movement in deferred rates		(11,659)	-	(6,582)
Depreciation on assets	10(a)	5,813,113	5,832,564	5,862,521
Non cash amounts excluded from operating activities		5,677,912	5,805,209	5,780,424
(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	(4,549,851)	(3,974,843)	(5,027,337)
Less: Other financial assets at amortised cost - self support loan		(20,648)	(10,681)	(45,032)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		163,019	139,447	120,957
- Current portion of lease liabilities		33,971	32,716	21,007
Total adjustments to net current assets		(4,373,509)	(3,813,361)	(4,930,406)
Net current assets used in the Rate Setting Statement				
Total current assets		11,252,506	4,854,532	8,875,774
Less: Total current liabilities		(3,970,925)	(1,687,000)	(2,535,560)
Less: Total adjustments to net current assets		(4,373,509)	(3,813,361)	(4,930,406)
Net current assets used in the Rate Setting Statement		2,908,072	(645,829)	1,409,809

25 BORROWING AND LEASE LIABILITIES

(a) Repayments - Borrowings

Purpose	Note	Actual						Budget				
		Principal at 1 July 2020	New Loans During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Jurien Bay Administration Centre		147,805	-	71,880	75,925	-	75,925	-	75,925	-	75,925	-
Dandaragan residential house - GROH		-	-	-	-	643,000	29,512	613,488	-	643,000	29,926	613,074
Jurien Bay foreshore redevelopment		-	-	-	-	1,500,000	29,099	1,470,901	-	1,500,000	30,748	1,469,252
Jurien Bay depot building		-	-	-	-	250,000	11,474	238,526	-	250,000	11,635	238,365
Total		147,805	-	71,880	75,925	2,393,000	146,010	2,322,915	75,925	2,393,000	148,234	2,320,691
Self Supporting Loans												
Jurien Bay Bowling Club - Club renovations		48,162	-	23,494	24,668	-	24,668	-	24,668	-	24,668	-
Jurien Bowling Club - Renewal		3,182	-	3,182	-	-	-	-	-	-	-	-
Jurien Bowling Club - Renewal		3,604	-	3,604	-	-	-	-	-	-	-	-
Jurien Bay Progress Association - Shed		43,374	-	6,791	36,584	-	6,962	29,622	36,583	-	6,961	29,622
Jurien Bay Mens Shed - Shed		23,290	-	3,455	19,835	-	3,500	16,335	19,835	-	3,500	16,335
Badgingarra Bowling Club - Synthetic surface		-	50,000	4,928	45,072	-	9,903	35,169	45,072	-	9,903	35,169
Total		121,612	50,000	45,454	126,159	-	45,033	81,126	126,158	-	45,032	81,126
Total Borrowings	14	269,417	50,000	117,334	202,084	2,393,000	191,043	2,404,041	202,083	2,393,000	193,266	2,401,817
Cash Advance to Community Groups												
Cervantes Bowling Club		2,076	-	2,076	-	-	-	-	-	-	-	-
Jurien Bay Chamber of Commerce		-	-	-	-	35,100	35,100	-	-	35,100	35,100	-
Total		2,076	-	2,076	-	35,100	35,100	-	-	35,100	35,100	-

* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 5 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

Borrowing Interest Repayments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending	Budget for year ending	Actual for year ending
						30 June 2022	30 June 2022	30 June 2021
						\$	\$	\$
Jurien Bay Administration Centre		Governance	127	WATC	2.78%	3,175	3,175	5,682
Dandaragan residential house - GROH		Education & Welfare	136	WATC	1.78%	5,731	4,808	0
Jurien Bay foreshore redevelopment		Recreation & Culture	137	WATC	2.51%	18,833	14,847	0
Jurien Bay depot building		Other Property and Services	138	WATC	1.78%	2,228	1,869	0
Total						29,967	24,699	5,682
Self Supporting Loans Interest Repayments								
Jurien Bay Bowling Club - Club renovations		Recreation & Culture	130	WATC	2.47%	918	918	1,777
Jurien Bowling Club - Renewal		Recreation & Culture	131	WATC	2.68%	864	864	19
Jurien Bowling Club - Renewal		Recreation & Culture	132	WATC	2.36%	-	-	24
Jurien Bay Progress Association - Shed		Recreation & Culture	133	WATC	2.48%	-	-	964
Jurien Bay Mens Shed - Shed		Recreation & Culture	134	WATC	1.32%	250	250	293
Badgingarra Bowling Club - Synthetic surface		Recreation & Culture	135	WATC	0.65%	276	276	267
Total Self Supporting Loans Interest Repayments						2,308	2,308	3,344
Total Interest Repayments	2(b)					32,275	27,007	9,026

25 BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2021/22

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate %	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2022 Actual	2022 Budget	2022 Actual	2022 Budget		
Dandaragan Residential House - GROH lease	WATC	Annuity Lending	10	1.78%	\$ 643,000	\$ 643,000	\$ (547,786)	\$ (643,000)	\$ 5,731	\$ 95,214
Jurien Bay Foreshore Redevelopment	WATC	Annuity Lending	20	2.51%	1,500,000	1,500,000	(1,184,934)	(1,500,000)	18,833	315,066
Jurien Bay Depot Building	WATC	Annuity Lending	10	1.78%	250,000	250,000	(175,389)	(250,000)	2,228	74,611
					2,393,000	2,393,000	(1,908,109)	(2,393,000)	26,792	484,891

* WA Treasury Corporation

Unspent Borrowings

Particulars	Institution	Date Borrowed	Unspent Balance 1 July 2021	Borrowed	Expended	Unspent
				During Year	During Year	Balance 30 June 2022
Dandaragan Residential House - GROH lease	WATC	29/10/2021	\$ 0	\$ 643,000	\$ (547,786)	\$ 95,214
Jurien Bay Foreshore redevelopment	WATC	29/10/2021	0	1,500,000	(1,184,934)	315,066
Jurien Bay Depot Building	WATC	29/10/2021	0	250,000	(175,389)	74,611
			0	2,393,000	(1,908,109)	484,891

* WA Treasury Corporation

25 BORROWING AND LEASE LIABILITIES (Continued)

(c) Lease Liabilities

Purpose	Note	Actual							Budget				
		Principal at 1 July 2020	New Leases During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Leases During 2021-22	Break Lease During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 30 June 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
Multifunction copiers		\$ 56,478	\$ -	\$ (13,841)	\$ 42,637	\$ 2,939	\$ -	\$ (14,815)	\$ 30,761	\$ 42,637	\$ 7,695	\$ (16,431)	\$ 33,901
Utility vehicle		10,152	-	(10,152)	-	-	-	-	-	-	-	-	-
Drinking water devices		23,519	-	(16,537)	6,982	-	(2,792)	(4,190)	-	6,982	-	(6,982)	-
Drinking water devices		-	-	-	-	56,129	-	(13,929)	42,200	-	81,791	(9,303)	72,488
Total Lease Liabilities	11(b)	90,149	-	(40,530)	49,619	59,068	(2,792)	(32,934)	72,961	49,619	89,486	(32,716)	106,389

Lease Interest Repayments

Purpose	Note	Function and activity	Lease Number	Institution	Interest Rate	Actual for	Budget for	Actual for	Lease Term
						year ending 30 June 2022	year ending 30 June 2022	year ending 30 June 2021	
Multifunction copiers		Governance	O881825045	Ricoh Finance	1.33%	\$ (599)	\$ (84)	\$ (751)	60 months
Utility vehicle		Law, order, public safety	6041062	Toyota Fleet	1.33%	-	-	(135)	21 months
Drinking water devices		Governance	WLA RA 111008	Waterlogic	1.33%	(10)	(695)	(81)	29 months
Drinking water devices		Recreation and culture	WLA RA 111008	Waterlogic	1.33%	(26)	-	(193)	29 months
Drinking water devices		Transport	WLA RA 111008	Waterlogic	1.33%	(21)	-	(168)	29 months
Drinking water devices		Governance	WLA RA 118257	Waterlogic	0.51%	(47)	-	-	36 months
Drinking water devices		Recreation and culture	WLA RA 118257	Waterlogic	0.51%	(140)	-	-	36 months
Drinking water devices		Transport	WLA RA 118257	Waterlogic	0.51%	(98)	-	-	36 months
Total Interest Repayments	2(b)					(941)	(779)	(1,329)	

26 RESERVES - CASH BACKED

(a) Cash Backed Reserves - Movement

	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Change of Purpose	2021 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant Reserve	255,578	255,315	(150,000)	360,893	255,578	894	(150,000)	106,472	254,398	1,180	-	-	255,578
Building Renewal Reserve	656,958	211,727	(161,949)	706,736	656,958	9,295	(442,283)	223,970	790,929	10,183	(144,154)	-	656,958
Rubbish Reserve	499,506	495	(63,197)	436,804	499,507	1,525	(87,549)	413,483	434,007	65,499	-	-	499,506
Community Centre Reserve	395,291	6,391	-	401,682	395,291	7,361	-	402,652	387,494	7,797	-	-	395,291
Television Services Reserve	98,182	97	(45,202)	53,077	98,182	343	-	98,525	97,728	453	-	-	98,182
Information Technology Reserve Reserve	57,282	57	-	57,339	57,282	200	-	57,482	57,018	264	-	-	57,282
Caravan Park Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Development Reserve	70,989	70	-	71,059	70,989	248	-	71,237	70,662	328	-	-	70,989
Parking Requirements (Lot 1154 Sandpiper Street) Reserve	11,458	11	-	11,469	11,458	40	-	11,498	11,405	53	-	-	11,458
Parks and Recreation Grounds Development (Seagate) Reserve	353,053	350	(202,500)	150,903	353,053	1,322	(202,500)	151,875	376,292	1,745	(24,983)	-	353,053
Sport and Recreation Reserve	163,437	162	-	163,599	163,437	1,091	(99,059)	65,469	310,643	1,383	(148,589)	-	163,437
Landscaping Reserve	2,659	3	-	2,662	2,659	10	-	2,669	2,647	12	-	-	2,659
Aerodrome Reserve	152,218	22,593	-	174,811	152,218	22,896	-	175,114	129,177	23,041	-	-	152,218
Public Open Space Renewal Reserve	454,639	450	(242,650)	212,439	454,639	1,961	(220,000)	236,600	558,221	37,561	(141,143)	-	454,639
Infrastructure Renewal Reserve	710,752	704	(32,037)	679,419	710,752	2,853	(32,037)	681,568	811,987	3,765	(105,000)	-	710,752
Public Open Space Construction Reserve	9,428	9	-	9,437	9,428	397	-	9,825	112,904	550	(104,027)	-	9,428
Infrastructure Construction Reserve	55,604	126,030	(35,100)	146,534	55,604	126,194	-	181,798	62,338	283	(7,018)	-	55,604
Building Construction Reserve	116,730	116	(90,000)	26,846	116,730	408	-	117,138	116,191	539	-	-	116,730
Leave Reserve	261,411	261	(80,387)	181,285	261,411	914	-	262,325	260,204	1,206	-	-	261,411
Economic Development Initiatives Reserve	647,650	641	-	648,291	647,650	2,789	-	650,439	794,068	3,682	(150,100)	-	647,650
Turquoise Way Path Reserve	52,006	52	-	52,058	52,006	182	-	52,188	51,766	240	-	-	52,006
Cash in lieu of landscaping – Lot 1146 Sandpiper Street Reserve	2,506	2	-	2,508	2,506	10	-	2,516	2,495	12	-	-	2,506
	5,027,337	625,536	(1,103,022)	4,549,851	5,027,337	180,933	(1,233,428)	3,974,843	5,692,576	159,776	(825,014)	-	5,027,337

26 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 2022

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 2021	Amounts Received	Amounts Paid	30 June 2022
	\$	\$	\$	\$
Cash In Lieu POS - L9000 Valencia	200,277	-	-	200,277
	200,277	-	-	200,277



Auditor General

INDEPENDENT AUDITOR'S REPORT 2022 Shire of Dandaragan

To the Councillors of the Shire of Dandaragan

Opinion

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

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

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2022 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 for the audit of the financial report section below.

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

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial report and my auditor's report.

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

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

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to

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

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

The Chief Executive Officer of the Shire is responsible for:

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

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



Jordan Langford-Smith
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
22 November 2022

