

SHIRE OF GINGIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

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

“We are a welcoming inclusive community that celebrates its unique coastal and inland landscapes with an aim to increase visitation to the region.”

Principal place of business:
7 Brockman Street
GINGIN

**SHIRE OF GINGIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

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

STATEMENT BY CEO

The accompanying financial report of the Shire of Gingin has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2023 and the financial position as at 30 June 2023.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the 5th day of December 2023



Chief Executive Officer

Aaron Cook

Name of Chief Executive Officer



SHIRE OF GINGIN
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
Revenue				
Rates	2(a),25	9,437,442	9,422,765	8,889,160
Grants, subsidies and contributions	2(a)	3,973,105	1,332,638	4,032,448
Fees and charges	2(a)	4,165,761	3,941,679	3,925,738
Interest revenue	2(a)	351,498	113,775	69,274
Other revenue	2(a)	416,418	237,509	562,162
		18,344,224	15,048,366	17,478,782
Expenses				
Employee costs	2(b)	(6,085,531)	(6,254,772)	(5,873,096)
Materials and contracts		(7,014,752)	(6,649,869)	(6,321,670)
Utility charges		(484,922)	(474,691)	(462,885)
Depreciation		(6,084,962)	(4,922,951)	(6,310,701)
Finance costs	2(b)	(89,953)	(92,430)	(102,467)
Insurance		(382,019)	(350,872)	(368,772)
Other expenditure	2(b)	(709,283)	(460,465)	(437,338)
		(20,851,422)	(19,206,050)	(19,876,929)
		(2,507,198)	(4,157,684)	(2,398,147)
Capital grants, subsidies and contributions	2(a)	5,317,689	8,088,343	4,482,933
Profit on asset disposals		226,582	0	0
Loss on asset disposals		(217,662)	0	(4,040)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	3,686	0	3,997
		5,330,295	8,088,343	4,482,890
Net result for the period		2,823,097	3,930,659	2,084,743
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	17	60,571,526	0	0
Total other comprehensive income for the period		60,571,526	0	0
Total comprehensive income for the period		63,394,623	3,930,659	2,084,743

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



SHIRE OF GINGIN
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	NOTE	2023	2022
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	13,161,376	13,598,004
Trade and other receivables	5	958,703	1,975,769
Other financial assets	4(a)	4,291	4,207
Inventories	6	22,913	48,891
Other assets	7	422,967	19,325
TOTAL CURRENT ASSETS		14,570,250	15,646,196
NON-CURRENT ASSETS			
Trade and other receivables	5	169,380	153,311
Other financial assets	4(b)	100,015	100,620
Property, plant and equipment	8	51,756,372	51,210,036
Infrastructure	9	218,636,014	151,247,484
Right-of-use assets	11(a)	44,774	76,741
TOTAL NON-CURRENT ASSETS		270,706,555	202,788,192
TOTAL ASSETS		285,276,805	218,434,388
CURRENT LIABILITIES			
Trade and other payables	12	1,985,146	3,407,473
Other liabilities	13	922,102	1,410,754
Lease liabilities	11(b)	20,122	31,608
Borrowings	14	261,817	250,521
Employee related provisions	15	1,257,422	930,057
TOTAL CURRENT LIABILITIES		4,446,609	6,030,413
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	25,274	45,789
Borrowings	14	1,580,847	1,592,664
Employee related provisions	15	65,612	254,868
Other provisions	16	5,253,186	0
TOTAL NON-CURRENT LIABILITIES		6,924,919	1,893,321
TOTAL LIABILITIES		11,371,528	7,923,734
NET ASSETS		273,905,277	210,510,654
EQUITY			
Retained surplus		49,827,476	47,351,695
Reserve accounts	28	8,092,530	7,745,214
Revaluation surplus	17	215,985,271	155,413,745
TOTAL EQUITY		273,905,277	210,510,654

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



**SHIRE OF GINGIN
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2021		46,559,741	6,452,425	155,413,745	208,425,911
Comprehensive income for the period					
Net result for the period		2,084,743	0	0	2,084,743
Total comprehensive income for the period		2,084,743	0	0	2,084,743
Transfers from reserve accounts	28	85,482	(85,482)	0	0
Transfers to reserve accounts	28	(1,378,270)	1,378,270	0	0
Balance as at 30 June 2022		47,351,695	7,745,214	155,413,745	210,510,654
Comprehensive income for the period					
Net result for the period		2,823,097	0	0	2,823,097
Other comprehensive income for the period	17	0	0	60,571,526	60,571,526
Total comprehensive income for the period		2,823,097	0	60,571,526	63,394,623
Transfers from reserve accounts	28	907,624	(907,624)	0	0
Transfers to reserve accounts	28	(1,254,940)	1,254,940	0	0
Balance as at 30 June 2023		49,827,476	8,092,530	215,985,271	273,905,277

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

**SHIRE OF GINGIN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual \$	2022 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		9,429,452	9,340,165
Grants, subsidies and contributions		5,068,407	5,227,435
Fees and charges		4,164,702	3,924,714
Interest revenue		351,498	69,274
Goods and services tax received		1,684,518	1,454,386
Other revenue		416,418	562,162
		21,114,995	20,578,136
Payments			
Employee costs		(5,906,899)	(5,740,429)
Materials and contracts		(8,864,022)	(5,256,631)
Utility charges		(484,922)	(462,885)
Finance costs		(89,953)	(102,467)
Insurance paid		(382,019)	(368,772)
Goods and services tax paid		(1,689,491)	(1,456,066)
Other expenditure		(693,587)	(437,338)
		(18,110,893)	(13,824,588)
Net cash provided by (used in) operating activities		3,004,102	6,753,548
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment		(1,287,990)	(2,381,466)
Payments for construction of infrastructure		(6,320,781)	(4,402,396)
Capital grants, subsidies and contributions		3,794,169	4,482,933
Proceeds from financial assets at amortised cost - self supporting loans		4,207	(2,021)
Proceeds from sale of property, plant & equipment		404,273	0
Net cash provided by (used in) investing activities		(3,406,122)	(2,302,950)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	27(a)	(250,521)	(259,387)
Payments for principal portion of lease liabilities	27(c)	(34,087)	(31,606)
Proceeds from new borrowings	27(a)	250,000	0
Net cash provided by (used In) financing activities		(34,608)	(290,993)
Net increase (decrease) in cash held		(436,628)	4,159,605
Cash at beginning of year		13,598,004	9,438,399
Cash and cash equivalents at the end of the year	3	13,161,376	13,598,004

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

SHIRE OF GINGIN
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	25	9,431,143	9,416,965	8,883,383
Rates excluding general rates	25	6,299	5,800	5,777
Grants, subsidies and contributions		3,973,105	1,332,638	4,032,448
Fees and charges		4,165,761	3,941,679	3,925,738
Interest revenue		351,498	113,775	69,274
Other revenue		416,418	237,509	562,162
Profit on asset disposals		226,582	0	0
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	3,686	0	3,997
		<u>18,574,492</u>	<u>15,048,366</u>	<u>17,482,779</u>
Expenditure from operating activities				
Employee costs		(6,085,531)	(6,254,772)	(5,873,096)
Materials and contracts		(7,014,752)	(6,649,869)	(6,321,670)
Utility charges		(484,922)	(474,691)	(462,885)
Depreciation		(6,084,962)	(4,922,951)	(6,310,701)
Finance costs		(89,953)	(92,430)	(102,467)
Insurance		(382,019)	(350,872)	(368,772)
Other expenditure		(709,283)	(460,465)	(437,338)
Loss on asset disposals		(217,662)	0	(4,040)
		<u>(21,069,084)</u>	<u>(19,206,050)</u>	<u>(19,880,969)</u>
Non-cash amounts excluded from operating activities	26(a)	5,867,031	4,922,951	6,488,878
Amount attributable to operating activities		<u>3,372,439</u>	<u>765,267</u>	<u>4,090,688</u>
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		5,317,689	8,088,343	4,482,933
Proceeds from disposal of assets		404,273	307,000	0
Proceeds from financial assets at amortised cost - self supporting loans		4,207	13,252	7,979
		<u>5,726,169</u>	<u>8,408,595</u>	<u>4,490,912</u>
Outflows from investing activities				
Payments for financial assets at amortised cost - self supporting loans		0	0	(10,000)
Purchase of property, plant and equipment	8(a)	(2,235,635)	(6,658,428)	(2,381,466)
Purchase and construction of infrastructure	9(a)	(11,573,967)	(6,702,036)	(4,402,396)
		<u>(13,809,602)</u>	<u>(13,360,464)</u>	<u>(6,793,862)</u>
Non-cash amounts excluded from investing activities	26(b)	5,253,186	0	0
Amount attributable to investing activities		<u>(2,830,247)</u>	<u>(4,951,869)</u>	<u>(2,302,950)</u>
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	27(a)	250,000	550,000	0
Transfers from reserve accounts	28	907,624	1,818,497	85,482
		<u>1,157,624</u>	<u>2,368,497</u>	<u>85,482</u>
Outflows from financing activities				
Repayment of borrowings	27(a)	(250,521)	(250,520)	(259,387)
Payments for principal portion of lease liabilities	27(c)	(34,087)	(32,001)	(31,606)
Transfers to reserve accounts	28	(1,254,940)	(539,595)	(1,378,270)
		<u>(1,539,548)</u>	<u>(822,116)</u>	<u>(1,669,263)</u>
Amount attributable to financing activities		<u>(381,924)</u>	<u>1,546,381</u>	<u>(1,583,781)</u>
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	26(c)	2,148,491	2,640,221	1,944,534
Amount attributable to operating activities		3,372,439	765,267	4,090,688
Amount attributable to investing activities		(2,830,247)	(4,951,869)	(2,302,950)
Amount attributable to financing activities		(381,924)	1,546,381	(1,583,781)
Surplus or deficit after imposition of general rates	26(c)	<u>2,308,759</u>	<u>0</u>	<u>2,148,491</u>

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

**SHIRE OF GINGIN
FOR THE YEAR ENDED 30 JUNE 2023
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SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

1. BASIS OF PREPARATION

The financial report of the Shire of Gingin, which is a band 3 local government, 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 except for disclosure requirements of:

- AASB 7 Financial Instruments Disclosures
- AASB 16 Leases paragraph 58
- AASB 101 Presentation of Financial Statements paragraph 61
- AASB 107 Statement of Cash Flows paragraphs 43 and 45
- AASB 116 Property, Plant and Equipment paragraph 79
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets paragraph 85
- AASB 140 Investment Property paragraph 75(f)
- AASB 1052 Disaggregated Disclosures paragraph 11
- AASB 1054 Australian Additional Disclosures paragraph 16

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

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

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 29 of the financial report.

Judgements and estimates

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

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

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

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

Initial application of accounting standards

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date
- AASB 2021-7a Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [general editorials]
- AASB 2022-3 Amendments to Australian Accounting Standards - Illustrative Examples for Not-for-Profit Entities accompanying AASB 15

These amendments have no material impact on the current annual financial report

New accounting standards for application in future years

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

- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
This standard will result in a terminology change for significant accounting policies
- AASB 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
- AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities
The amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.

Except as described above these amendments are not expected to have any material impact on the financial report on initial application.

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

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 of goods or services is provided in the table below:

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	9,437,442	0	9,437,442
Grants, subsidies and contributions	3,973,105	0	0	0	3,973,105
Fees and charges	4,165,761	0	0	0	4,165,761
Interest revenue	0	0	351,498	0	351,498
Other revenue	133,233	0	0	283,185	416,418
Capital grants, subsidies and contributions	0	5,317,689	0	0	5,317,689
Total	8,272,099	5,317,689	9,788,940	283,185	23,661,913

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	8,889,160	0	8,889,160
Grants, subsidies and contributions	4,032,448	0	0	0	4,032,448
Fees and charges	3,925,738	0	0	0	3,925,738
Interest revenue	0	0	69,274	0	69,274
Other revenue	198,505	0	0	363,657	562,162
Capital grants, subsidies and contributions	0	4,482,933	0	0	4,482,933
Total	8,156,691	4,482,933	8,958,434	363,657	21,961,715

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2023 Actual \$	2022 Actual \$
Interest revenue		
Financial assets at amortised cost - self supporting loans	355	404
Interest on reserve account funds	187,525	0
Trade and other receivables overdue interest	68,943	68,692
Other interest revenue	94,675	178
	351,498	69,274
The 2023 original budget estimate in relation to: Trade and other receivables overdue interest was \$77,050		
Fees and charges relating to rates receivable		
Charges on instalment plan	3,165	15,965
The 2023 original budget estimate in relation to: Charges on instalment plan was \$16,000		
(b) Expenses		
Auditors remuneration		
- Audit of the Annual Financial Report	30,808	37,000
- Other services – grant acquittals	1,500	1,800
	32,308	38,800
Employee Costs		
Employee benefit costs	5,781,153	5,572,828
Other employee costs	304,378	300,268
	6,085,531	5,873,096
Finance costs		
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	89,111	101,273
Lease liabilities	842	1,194
	89,953	102,467
Other expenditure		
Impairment losses on trade receivables	8,871	9,930
Write down of inventories to net realisable value	6,825	0
Sundry expenses	693,587	427,408
	709,283	437,338

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

3. CASH AND CASH EQUIVALENTS

Note	2023	2022
	\$	\$
Cash at bank and on hand	13,161,376	13,598,004
Total cash and cash equivalents	13,161,376	13,598,004
Held as		
- Unrestricted cash and cash equivalents	4,146,744	4,442,036
- Restricted cash and cash equivalents	9,014,632	9,155,968
18	13,161,376	13,598,004

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, 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 and for which no liability has been recognised.

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Self supporting loans receivable

Held as

- Unrestricted other financial assets at amortised cost

(b) Non-current assets

Financial assets at amortised cost

Financial assets at fair value through profit or loss

Financial assets at amortised cost

Financial assets at amortised cost - self supporting loans

Financial assets at amortised cost - loan advances

Financial assets at fair value through profit or loss

Units in Local Government House Trust - opening balance

Movement attributable to fair value increment

Units in Local Government House Trust - closing balance

	2023	2022
	\$	\$
Financial assets at amortised cost	4,291	4,207
	4,291	4,207
Other financial assets at amortised cost		
Self supporting loans receivable	4,291	4,207
	4,291	4,207
Held as		
- Unrestricted other financial assets at amortised cost	4,291	4,207
	4,291	4,207
(b) Non-current assets		
Financial assets at amortised cost	18,525	22,816
Financial assets at fair value through profit or loss	81,490	77,804
	100,015	100,620
Financial assets at amortised cost		
Financial assets at amortised cost - self supporting loans	10,454	12,816
Financial assets at amortised cost - loan advances	8,071	10,000
	18,525	22,816
Financial assets at fair value through profit or loss		
Units in Local Government House Trust - opening balance	77,804	73,807
Movement attributable to fair value increment	3,686	3,997
Units in Local Government House Trust - closing balance	81,490	77,804

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 27(a) as self supporting loans. Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

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

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

Financial assets at fair value through profit or loss

The Shire has elected to classify the following financial assets at fair value through profit or 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 elected to recognise as fair value gains and losses through profit or loss.

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

5. TRADE AND OTHER RECEIVABLES

Note	2023	2022
	\$	\$
Current		
Rates and statutory receivables	393,515	399,663
Trade receivables	382,730	1,351,120
GST receivable	66,464	61,491
Allowance for credit losses of trade receivables	(8,871)	(9,930)
Other receivables - Legal costs - recovery of rates	78,010	133,099
Other receivables - Rubbish fees	46,855	40,326
	958,703	1,975,769
Non-current		
Rates and statutory receivables	169,380	153,311
	169,380	153,311

Disclosure of opening and closing balances related to contracts with customers

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

Note	30 June 2023 Actual	30 June 2022 Actual	1 July 2021 Actual
	\$	\$	\$
Trade and other receivables from contracts with customers	382,730	1,351,120	1,727,666
Contract assets	7 383,908	0	0
Allowance for credit losses of trade receivables	5 (8,871)	(9,930)	(10,954)
Total trade and other receivables from contracts with customers	757,767	1,341,190	1,716,712

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables

Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

Trade receivables

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations as part of the ordinary course of business.

Other receivables

Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers including grants for the construction of recognisable non financial assets.

Measurement

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

Classification and subsequent measurement

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

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

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

**SHIRE OF GINGIN
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FOR THE YEAR ENDED 30 JUNE 2023**

6. INVENTORIES

	Note	2023	2022
Current		\$	\$
Fuel and materials		8,222	34,026
History books held for sale		14,691	14,865
		22,913	48,891
The following movements in inventories occurred during the year:			
Balance at beginning of year		48,891	31,092
Inventories expensed during the year		(362,339)	(325,897)
Write down of inventories to net realisable value	2(b)	(6,825)	0
Additions to inventory		343,186	343,696
Balance at end of year		22,913	48,891

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

**SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

7. OTHER ASSETS

Other assets - current

Prepayments
Contract assets

2023	2022
\$	\$
39,059	19,325
383,908	0
422,967	19,325

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

Contract assets

Contract assets primarily relate to the Shire's right to . consideration for work completed but not billed at the end of the period.

Impairment of assets associated with contracts with customers are detailed at Note 2(b)

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land	Buildings - non- specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Vehicles	Buildings - work in progress	Tools	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	12,809,102	1,713,700	30,342,620	44,865,422	157,518	4,920,912	0	418,921	3,640	50,366,413
Additions	0	0	228,813	228,813	0	0	0	2,152,653	0	2,381,466
Depreciation	0	(33,646)	(738,673)	(772,319)	(42,539)	(469,060)	(253,024)	0	(901)	(1,537,843)
Transfers	0	0	0	0	0	(1,046,050)	1,046,050	0	0	0
Balance at 30 June 2022	12,809,102	1,680,054	29,832,760	44,321,916	114,979	3,405,802	793,026	2,571,574	2,739	51,210,036
Comprises:										
Gross balance amount at 30 June 2022	12,809,102	1,713,700	30,571,433	45,094,235	343,462	6,048,745	2,024,995	2,571,574	12,900	56,095,911
Accumulated depreciation at 30 June 2022	0	(33,646)	(738,673)	(772,319)	(228,483)	(2,642,943)	(1,231,969)	0	(10,161)	(4,885,875)
Balance at 30 June 2022	12,809,102	1,680,054	29,832,760	44,321,916	114,979	3,405,802	793,026	2,571,574	2,739	51,210,036
Additions	2,625	0	522,126	524,751	0	366,436	1,324,991	19,457	0	2,235,635
Disposals	0	0	(119,583)	(119,583)	0	(40,249)	(151,492)	0	(375)	(311,699)
Depreciation	0	(33,634)	(794,999)	(828,633)	(17,171)	(333,237)	(155,599)	0	(757)	(1,335,397)
Transfers	0	0	2,548,828	2,548,828	0	0	0	(2,591,031)	0	(42,203)
Balance at 30 June 2023	12,811,727	1,646,420	31,989,132	46,447,279	97,808	3,398,752	1,810,926	0	1,607	51,756,372
Comprises:										
Gross balance amount at 30 June 2023	12,811,727	1,713,700	33,514,190	48,039,617	343,462	6,330,181	2,841,485	0	9,150	57,563,895
Accumulated depreciation at 30 June 2023	0	(67,280)	(1,525,058)	(1,592,338)	(245,654)	(2,931,429)	(1,030,559)	0	(7,543)	(5,807,523)
Balance at 30 June 2023	12,811,727	1,646,420	31,989,132	46,447,279	97,808	3,398,752	1,810,926	0	1,607	51,756,372

The 2023 additions included \$947,645 of non-cash additions for vehicles received from the Department of Fire and Emergency Services

**SHIRE OF GINGIN
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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	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2021	Price per hectare
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent valuer and Management valuation	June 2021	Price per square meter / market borrowing rate
Buildings - specialised	3	Cost approach using current replacement cost	Independent registered valuers	June 2021	Construction costs and current condition, residual values and remaining useful life assessments inputs
<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 property, plant and equipment using either level 2 or level 3 inputs.</p>					
(ii) Cost					
Furniture and equipment	N/A	Cost model	N/A	N/A	N/A
Plant and equipment	N/A	Cost model	N/A	N/A	N/A

SHIRE OF GINGIN
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9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - parks and ovals	Infrastructure - other	Infrastructure - bridges	Infrastructure - work in progress	Infrastructure - Landfill assets	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	128,999,812	262,180	10,491,322	9,618,400	2,218,304	0	0	151,590,018
Additions	3,534,697	379,459	14,000	140,356	309,325	24,559	0	4,402,396
(Disposals)	0	0	(4,040)	0	0	0	0	(4,040)
Depreciation	(3,259,262)	(25,666)	(832,352)	(481,454)	(142,156)	0	0	(4,740,890)
Transfers	0	0	(318,789)	13,850	0	304,939	0	0
Balance at 30 June 2022	129,275,247	615,973	9,350,141	9,291,152	2,385,473	329,498	0	151,247,484
Comprises:								
Gross balance at 30 June 2022	141,469,102	674,710	12,099,840	9,772,606	2,894,594	329,498	0	167,240,350
Accumulated depreciation at 30 June 2022	(12,193,855)	(58,737)	(2,749,699)	(481,454)	(509,121)	0	0	(15,992,866)
Balance at 30 June 2022	129,275,247	615,973	9,350,141	9,291,152	2,385,473	329,498	0	151,247,484
Additions	4,950,819	25,894	477,704	126,200	114,119	626,045	5,253,186	11,573,967
(Disposals)	0	0	(80,738)	(2,916)	0	0	0	(83,654)
Revaluation increments / (decrements) transferred to revaluation surplus	53,543,518	3,711,720	(488,085)	0	3,310,415	0	493,958	60,571,526
Depreciation	(3,291,738)	(25,675)	(770,479)	(484,613)	(143,007)	0	0	(4,715,512)
Transfers	0	0	690,763	(45,859)	0	(690,763)	88,062	42,203
Balance at 30 June 2023	184,477,846	4,327,912	9,179,306	8,883,964	5,667,000	264,780	5,835,206	218,636,014
Comprises:								
Gross balance at 30 June 2023	184,477,846	4,327,912	9,179,306	9,843,206	5,667,000	264,780	5,842,044	219,602,094
Accumulated depreciation at 30 June 2023	0	0	0	(959,242)	0	0	(6,838)	(966,080)
Balance at 30 June 2023	184,477,846	4,327,912	9,179,306	8,883,964	5,667,000	264,780	5,835,206	218,636,014

(a) The 'Infrastructure - Landfill assets' class was disclosed for the first time this year and included landfill cells and post-closure assets.

(b) The Additions for 2022-23 included \$5,253,186 of non-cash additions for the post-closure assets.

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9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using current replacement cost	Independent registered valuers	June 2023	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - footpaths	3	Cost approach using current replacement cost	Independent registered valuers	June 2023	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - parks and ovals	3	Cost approach using current replacement cost	Independent registered valuers	June 2023	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - other	3	Cost approach using current replacement cost	Independent registered valuers	June 2021	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - bridges	3	Cost approach using current replacement cost	Independent registered valuers	June 2023	Construction costs and current condition, residual values and remaining useful life assessments

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

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

**SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset Class	Useful life
Buildings - non-specialised	25 to 50 years
Buildings - specialised	25 to 50 years
Furniture and equipment	3 to 50 years
Plant and equipment	5 to 20 years
Vehicles	1 to 5 years
Tools	4 to 10 years
Infrastructure - roads	20 to 50 years
Infrastructure - footpaths	25 years
Infrastructure - parks and ovals	13 years
Infrastructure - other	3 - 25 years
Infrastructure - bridges	25 years
Infrastructure - Landfill assets	6-16 years

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

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 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.

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

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the Shire's revaluation policy, 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 consistent with *Financial Management Regulation 17A(4)*.

Revaluation

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

At the end of each period, the carrying amount for each asset class is reviewed and, where appropriate, the fair value is updated to reflect current market conditions consistent with *Financial Management Regulation 17A(2)* which requires land, buildings, infrastructure 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 asset classes 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.

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 the following way:

- (i) 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.

Impairment

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 or losses on disposal

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.

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

11. LEASES

(a) Right-of-Use Assets

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

	Right-of-use assets - land and buildings	Right-of-use assets - plant and equipment	Right-of-use assets Total
Note	\$	\$	\$
Balance at 1 July 2021	13,916	95,184	109,100
Lease modification	0	(391)	(391)
Depreciation	(6,958)	(25,010)	(31,968)
Balance at 30 June 2022	6,958	69,784	76,741
Lease modification	2,085	0	2,085
Depreciation	(9,043)	(25,010)	(34,053)
Balance at 30 June 2023	0	44,774	44,774

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

	2023 Actual \$	2022 Actual \$
Depreciation on right-of-use assets	(34,053)	(31,968)
Finance charge on lease liabilities	(842)	(1,194)
Low-value asset lease payments recognised as expense	(34,087)	(31,608)
Total amount recognised in the statement of comprehensive income	(68,982)	(64,770)
Total cash outflow from leases	(34,929)	(32,800)
(b) Lease Liabilities		
Current	20,122	31,608
Non-current	25,274	45,789
	27(c) 45,396	77,397

Secured liabilities and assets pledged as security

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

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 27(c).

Right-of-use assets - measurement

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

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

Right-of-use assets - depreciation

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

SHIRE OF GINGIN
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12. TRADE AND OTHER PAYABLES

Current

Sundry creditors	916,094	2,326,986
Prepaid rates	197,201	195,270
Accrued payroll liabilities	176,013	138,647
ATO liabilities	0	20,766
Bonds and deposits held	678,934	664,309
Other payables -accrued interest on long term borrowings	16,904	19,425
Other payables - income received in advance	0	5,070
Other payables - accrued expenses	0	37,000

2023	2022
\$	\$
916,094	2,326,986
197,201	195,270
176,013	138,647
0	20,766
678,934	664,309
16,904	19,425
0	5,070
0	37,000
1,985,146	3,407,473

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

Financial liabilities are derecognised where the related profit or loss.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are 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 income for the prepaid rates that have not been refunded.

SHIRE OF GINGIN
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13. OTHER LIABILITIES

Current

Contract liabilities	454,424	367,201
Capital grant/contributions liabilities	467,678	1,043,553
	<u>922,102</u>	<u>1,410,754</u>

Reconciliation of changes in contract liabilities

Opening balance	367,201	283,892
Additions	160,957	160,760
Revenue from contracts with customers included as a contract liability at the start of the period	(73,734)	(77,451)
	<u>454,424</u>	<u>367,201</u>

The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$922,102 (2022: \$1,410,754)

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

Reconciliation of changes in capital grant/contribution liabilities

Opening balance	1,043,553	437,465
Additions	390,658	856,184
Revenue from capital grant/contributions held as a liability at the start of the period	(966,533)	(250,096)
	<u>467,678</u>	<u>1,043,553</u>

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

**SHIRE OF GINGIN
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14. BORROWINGS

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		261,817	1,580,847	1,842,664	250,521	1,592,664	1,843,185
Total secured borrowings	27(a)	261,817	1,580,847	1,842,664	250,521	1,592,664	1,843,185

Secured liabilities and assets pledged as security

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

The Shire of Gingin has complied with the financial covenants of its borrowing facilities during the 2023 and 2022 years.

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

The Shire has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

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

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

Risk

Details of individual borrowings required by regulations are provided at Note 27(a).

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2023	2022
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	721,704	660,483
Long service leave	535,718	269,574
	1,257,422	930,057
Total current employee related provisions	1,257,422	930,057
Non-current provisions		
Employee benefit provisions		
Long service leave	65,612	254,868
	65,612	254,868
Total non-current employee related provisions	65,612	254,868
Total employee related provisions	1,323,034	1,184,925

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

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

16. OTHER PROVISIONS

	Provision for Landfill	
	Rehabilitation	Total
	\$	\$
Opening balance at 1 July 2022	0	0
Additional provision	5,253,186	5,253,186
Balance at 30 June 2023	5,253,186	5,253,186
Comprises		
Non-current	5,253,186	5,253,186
	5,253,186	5,253,186

Other provisions

Amounts which are expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligations is unable to be reliably estimated as it is dependent on factors beyond the control of the local government.

Provision for Landfill Rehabilitation

The estimated future obligations include the costs of restoring the affected sites and continued monitoring of the sites. The provision for future remediation costs is the best estimate of the present value of the expenditure required to settle the remediation obligation at the reporting date. Future remediation costs are reviewed annually and any changes in the estimates are reflected in the remediation provision at each reporting date.

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 GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

17. REVALUATION SURPLUS

	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance	2022 Opening Balance	2022 Closing Balance
	\$	\$	\$	\$	\$
Revaluation surplus - Land	5,726,807	0	5,726,807	5,726,807	5,726,807
Revaluation surplus - Buildings - non-specialised	17,292,645	0	17,292,645	17,292,645	17,292,645
Revaluation surplus - Buildings - specialised	8,146,954	0	8,146,954	8,146,954	8,146,954
Revaluation surplus - Plant and equipment	2,491,906	0	2,491,906	2,491,906	2,491,906
Revaluation surplus - Infrastructure - roads	107,822,769	53,543,518	161,366,287	107,822,769	107,822,769
Revaluation surplus - Infrastructure - footpaths	385,798	3,711,720	4,097,518	385,798	385,798
Revaluation surplus - Infrastructure - parks and ovals	5,649,812	(488,085)	5,161,727	5,649,812	5,649,812
Revaluation surplus - Infrastructure - other	5,153,054	0	5,153,054	5,153,054	5,153,054
Revaluation surplus - Infrastructure - bridges	2,744,000	3,310,415	6,054,415	2,744,000	2,744,000
Revaluation surplus - Infrastructure - Landfill assets	0	493,958	493,958	0	0
	155,413,745	60,571,526	215,985,271	155,413,745	155,413,745

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

18. RESTRICTIONS OVER FINANCIAL ASSETS

	Note	2023 Actual \$	2022 Actual \$
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	9,014,632	9,155,968
		9,014,632	9,155,968
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	28	8,092,530	7,745,214
Contract liabilities	13	454,424	367,201
Capital grant liabilities	13	467,678	1,043,553
Total restricted financial assets		9,014,632	9,155,968

19. UNDRAWN BORROWING FACILITIES AND CREDIT STANDBY ARRANGEMENTS

Bank overdraft limit		500,000	500,000
Bank overdraft at balance date		0	0
Credit card limit		27,000	27,000
Credit card balance at balance date		(10,104)	(1,127)
Total amount of credit unused		516,896	525,873
Loan facilities			
Loan facilities - current		261,817	250,521
Loan facilities - non-current		1,580,847	1,592,664
Total facilities in use at balance date		1,842,664	1,843,185
Unused loan facilities at balance date		0	0

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

20. CONTINGENT LIABILITIES

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

There are no contingent liabilities to disclose at the end of the reporting period.

21. CAPITAL COMMITMENTS

	2023	2022
	\$	\$
Contracted for:		
- capital expenditure projects	80,046	221,571
- plant & equipment purchases	412,152	0
	492,198	221,571
Payable:		
- not later than one year	492,198	221,571

The 2023 capital commitments relate to the following projects:

- Guilderton foreshore road reserve purchase \$70,000
- Old Ledge Point Road design survey \$10,046
- Purchase of side tipping semi trailer \$152,908
- Purchase of 2 x mowers \$67,186
- Purchase of CESM utility \$66,873
- Purchase of track loader \$125,185

The 2022 capital commitments relate to the following projects:

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

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

22. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

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

Note	2023 Actual	2023 Budget	2022 Actual
	\$	\$	\$
President's annual allowance	16,000	16,000	16,000
President's meeting attendance fees	15,600	15,600	15,000
President's annual allowance for ICT expenses	2,500	2,500	2,000
President's travel and accommodation expenses	1,631	3,438	763
	35,731	37,538	33,763
Deputy President's annual allowance	4,000	4,000	4,000
Deputy President's meeting attendance fees	8,320	8,320	8,000
Deputy President's annual allowance for ICT expenses	2,500	2,500	2,000
Deputy President's travel and accommodation expenses	0	3,438	0
	14,820	18,258	14,000
All other council member's meeting attendance fees	41,600	49,920	49,859
All other council member's annual allowance for ICT expenses	12,500	15,000	11,840
All other council member's travel and accommodation expenses	6,107	20,624	12,960
	60,207	85,544	74,659
22(b)	110,758	141,340	122,422

(b) Key Management Personnel (KMP) Compensation

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

Note	2023 Actual	2022 Actual
	\$	\$
Short-term employee benefits	677,421	622,767
Post-employment benefits	84,559	76,225
Employee - other long-term benefits	69,576	62,127
Employee - termination benefits	0	5,895
Council member costs	110,758	122,422
22(a)	942,314	889,436

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

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

Council member costs

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

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

22. RELATED PARTY TRANSACTIONS

Transactions with related parties

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

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

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

	2023	2022
	Actual	Actual
	\$	\$
Sale of goods and services	3,520	3,173
Purchase of goods and services - contract services general maintenance	155,756	35,874

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 22(a) and 22(b)

ii. Other Related Parties

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

During the current year, companies controlled by related parties of council members, were engaged for general maintenance services in the areas of mechanical, roadworks and fire mitigation to the value of \$155,756 (\$34,874 in the prior year).

**SHIRE OF GINGIN
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23. JOINT ARRANGEMENTS

Share of joint operations

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

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

Statement of Financial Position	2023 Actual	2022 Actual
	\$	\$
Land Lot 84 Atkinson Way Lancelin	20,002	20,002
Atkinson Way Lancelin (5 x 2 bedroom units) Units 1-5 @36.10%	330,479	336,712
Atkinson Way Lancelin (5 x 2 bedroom units) Units 6-11 @39.37%	450,072	425,730
Total assets	800,553	782,444
Statement of Comprehensive Income		
Other revenue	100,807	85,007
Other expense	(39,578)	(37,351)
Profit/(loss) for the period	61,229	47,656
Total comprehensive income for the period	61,229	47,656

SIGNIFICANT ACCOUNTING POLICIES

Joint operations

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

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

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

24. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

Interest revenue 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 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.

**SHIRE OF GINGIN
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FOR THE YEAR ENDED 30 JUNE 2023**

25. RATING INFORMATION

(a) General Rates

RATE TYPE	Basis of valuation	Rate in \$	Number of Properties	2022/23 Actual Rateable Value*	2022/23 Actual Rate Revenue	2022/23 Actual Interim Rates	2022/23 Actual Total Revenue	2022/23 Budget Rate Revenue	2022/23 Budget Interim Rate	2022/23 Budget Total Revenue	2021/22 Actual Total Revenue
Rate Description		\$		\$	\$	\$	\$	\$	\$	\$	\$
GRV Townsites	Gross rental valuation	0.086993	1,582	30,278,696	2,631,635	7,589	2,639,224	2,634,035	1,300	2,635,335	2,419,486
GRV Other	Gross rental valuation	0.086993	959	17,774,825	1,546,286	8,147	1,554,433	1,546,286	0	1,546,286	1,370,020
UV Rural	Unimproved valuation	0.005380	511	319,283,000	1,717,743	9,051	1,726,794	1,720,594	0	1,720,594	1,321,678
UV Other	Unimproved valuation	0.005380	3	2,191,000	11,788	0	11,788	11,788	0	11,788	10,202
UV Intensive/Mining	Unimproved valuation	0.008157	147	86,524,000	704,305	(3,041)	701,264	701,452	0	701,452	491,792
UV Exploration Mining	Unimproved valuation	0.005380	(3)	0	0	(2,920)	(2,920)	0	0	0	6,613
Total general rates			3,199	456,051,521	6,611,757	18,826	6,630,583	6,614,155	1,300	6,615,455	5,619,791
Minimum payment		\$									
GRV Townsites	Gross rental valuation	1,166	1,046	10,054,365	1,219,636	0	1,219,636	1,218,470	0	1,218,470	1,245,288
GRV Other	Gross rental valuation	1,166	764	4,626,920	890,824	0	890,824	891,990	0	891,990	952,614
UV Rural	Unimproved valuation	1,350	301	57,442,700	408,250	0	408,250	402,300	0	402,300	623,015
UV Other	Unimproved valuation	1,350	1	160,000	1,350	0	1,350	1,350	0	1,350	1,470
UV Intensive/Mining	Unimproved valuation	2,300	102	16,551,139	234,600	0	234,600	241,500	0	241,500	398,575
UV Exploration Mining	Unimproved valuation	1,350	34	97,233	45,900	0	45,900	45,900	0	45,900	42,630
Total minimum payments			2,248	88,932,357	2,800,560	0	2,800,560	2,801,510	0	2,801,510	3,263,592
Total general rates and minimum payments			5,447	544,983,878	9,412,317	18,826	9,431,143	9,415,665	1,300	9,416,965	8,883,383
Ex-gratia Rates					6,299	0	6,299	5,800		5,800	5,777
Total amount raised from rates (excluding general rates)					6,299	0	6,299	5,800	0	5,800	5,777
Total Rates							9,437,442			9,422,765	8,889,160
Rate instalment interest							26,244			26,000	25,102
Rate overdue interest							42,699			50,000	43,590

The rate revenue was recognised from the rate record as soon as practicable after the Shire resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

*Rateable Value at time of raising of rate.

SHIRE OF GINGIN
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26. DETERMINATION OF SURPLUS OR DEFICIT

	Note	2022/23	2022/23	2021/22
		(30 June 2023 Carried Forward)	Budget (30 June 2023 Carried Forward)	(30 June 2022 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 Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals		(226,582)	0	0
Less: Fair value adjustments to financial assets at fair value through profit or loss		(3,686)	0	(3,997)
Add: Loss on disposal of assets		217,662	0	4,040
Add: Depreciation		6,084,962	4,922,951	6,310,701
Non-cash movements in non-current assets and liabilities:				
Pensioner deferred rates		(16,069)	0	(10,511)
Employee benefit provisions		(189,256)	0	188,645
Non-cash amounts excluded from operating activities		5,867,031	4,922,951	6,488,878
(b) Non-cash amounts excluded from investing activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to investing activities				
Movement in non-current capital expenditure provisions		5,253,186	0	0
Non-cash amounts excluded from investing activities		5,253,186	0	0
(c) Surplus or deficit after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserve accounts	28	(8,092,530)	(6,532,846)	(7,745,214)
Less: Financial assets at amortised cost - self supporting loans	4(a)	(4,291)	0	(4,207)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	14	261,817	550,001	250,521
- Current portion of lease liabilities	11(b)	20,122	0	31,608
Total adjustments to net current assets		(7,814,882)	(5,982,845)	(7,467,292)
Net current assets used in the Statement of Financial Activity				
Total current assets		14,570,250	10,929,523	15,646,196
Less: Total current liabilities		(4,446,609)	(4,946,678)	(6,030,413)
Less: Total adjustments to net current assets		(7,814,882)	(5,982,845)	(7,467,292)
Surplus or deficit after imposition of general rates		2,308,759	0	2,148,491

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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27. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual						Budget				
		Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Gingin Medical Centre		101,572	0	(31,681)	69,891	0	(33,809)	36,082	69,891	0	(33,809)	36,082
Wannamal West Road - Tip Rationalisation		416,289	0	(20,063)	396,226	0	(21,387)	374,839	396,226	0	(21,386)	374,840
Guilderton Country Club		334,441	0	(38,331)	296,110	0	(41,117)	254,993	296,110	0	(41,117)	254,993
Regional Hardcourt Facility		242,071	0	(23,772)	218,299	0	(25,386)	192,913	218,299	0	(25,386)	192,913
Lot 44 Weld Street Gingin		153,143	0	(17,652)	135,491	0	(18,902)	116,589	135,491	0	(18,902)	116,589
Regional Hardcourt Facility		233,441	0	(21,903)	211,538	0	(22,817)	188,721	211,538	0	(22,817)	188,721
Swimming Pool Tiling		80,757	0	(15,173)	65,584	0	(15,647)	49,937	65,584	0	(15,647)	49,937
Seabird Sea Wall		124,211	0	(21,335)	102,876	0	(21,874)	81,002	102,876	0	(21,874)	81,002
Lancelin Caravan Park Assets		62,651	0	(41,505)	21,146	0	(21,146)	0	21,146	0	(21,146)	0
Altus Financials Suite Software Upgrade		157,743	0	(9,156)	148,587	0	(9,334)	139,253	148,587	0	(9,334)	139,253
Gingin Outdoor Activity Space		177,000	0	(16,586)	160,414	0	(16,824)	143,590	160,415	0	(16,824)	143,591
Cunliffe Street Redevelopment		0	0	0	0	250,000	0	250,000	0	250,000	0	250,000
Guilderton Caravan Park Waste Water		0	0	0	0	0	0	0	0	300,000	0	300,000
Total		2,083,319	0	(257,157)	1,826,162	250,000	(248,243)	1,827,919	1,826,163	550,000	(248,242)	2,127,921
Self Supporting Loans												
Ledge Point Country Club Cool Room		19,253	0	(2,230)	17,023	0	(2,278)	14,745	17,023	0	(2,278)	14,745
Total Self Supporting Loans		19,253	0	(2,230)	17,023	0	(2,278)	14,745	17,023	0	(2,278)	14,745
Total Borrowings	14	2,102,572	0	(259,387)	1,843,185	250,000	(250,521)	1,842,664	1,843,186	550,000	(250,520)	2,142,666

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

Borrowing Finance Cost Payments

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022
						\$	\$	\$
Gingin Medical Centre		100	WATC*	6.51%	30/01/2024	(3,084)	(4,009)	(5,239)
Wannamal West Road - Tip Rationalisation		111	WATC*	6.49%	15/08/2026	(24,852)	(25,374)	(26,208)
Guilderton Country Club		114	WATC*	7.14%	20/05/2028	(20,086)	(20,421)	(22,895)
Regional Hardcourt Facility		120	WATC*	6.68%	21/06/2029	(14,110)	(14,165)	(15,728)
Lot 44 Weld Street Gingin		123	WATC*	6.96%	16/04/2028	(8,834)	(9,107)	(10,102)
Regional Hardcourt Facility		124A	WATC*	4.13%	04/06/2030	(8,434)	(8,503)	(9,350)
Swimming Pool Tiling		126	WATC*	3.10%	03/02/2026	(1,714)	(1,913)	(2,194)
Seabird Sea Wall		127	WATC*	2.51%	27/07/2026	(2,211)	(2,446)	(2,755)
Lancelin Caravan Park Assets		128	WATC*	2.52%	16/08/2022	(68)	(266)	(929)
Altus Financials Suite Software Upgrade		131	WATC*	1.94%	20/06/2036	(2,829)	(2,835)	(3,007)
Gingin Outdoor Activity Space		132	WATC*	1.43%	20/06/2031	(2,228)	(2,237)	(2,467)
Cunliffe Street Redevelopment		133	WATC*	4.56%	21/06/2033	(311)	0	0
Total						(88,761)	(91,276)	(100,874)

Self Supporting Loans Finance Cost Payments

Ledge Point Country Club Cool Room 130

WATC*

2.16%

22/05/2029

Total Self Supporting Loans Finance Cost Payments

Total Finance Cost Payments

				(350)	(355)	(399)
				(350)	(355)	(399)
				(89,111)	(91,631)	(101,273)

* WA Treasury Corporation

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

(b) New Borrowings - 2022/23

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate %	Amount Borrowed		Amount (Used)		Total Interest & Charges \$	Actual Balance Unspent \$
					2023 Actual	2023 Budget	2023 Actual	2023 Budget		
					\$	\$	\$	\$		
Cunliffe Street Redevelopment	WATC*	Council	10	4.55%	250,000	250,000	(250,000)	(250,000)	0	0
Guilderton Caravan Park Waste Water	WATC*	N/A	N/A	N/A	0	300,000	0	(300,000)	0	0
					250,000	550,000	(250,000)	(550,000)	0	0

* WA Treasury Corporation

(c) Lease Liabilities

Purpose	Note	Actual							Budget				
		Principal		Principal		Principal		Principal		Principal		Principal	
		Principal at 1 July 2021	New Leases During 2021-22	Repayments During 2021-22	Principal at 30 June 2022	New Leases During 2022-23	Repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2022	New Leases During 2022-23	Repayments During 2022-23	Principal at 30 June 2023	
Lancelin administration office		13,994	0	(6,951)	7,043	2,085	(9,127)	1	7,041	0	(7,041)	0	
Postal franking machine		388	(388)	0	0	0	0	0	0	0	0	0	
Photocopier - Ineo 958		17,720	0	(7,539)	10,181	0	(7,622)	2,559	10,181	0	(7,622)	2,559	
IT Server		77,290	0	(17,116)	60,174	0	(17,338)	42,836	60,175	0	(17,338)	42,837	
Total Lease Liabilities	11(b)	109,392	(388)	(31,606)	77,397	2,085	(34,087)	45,396	77,397	0	(32,001)	45,396	

Lease Finance Cost Payments

Purpose	Note	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022	Lease Term
Lancelin administration office		1	L J Hughes	2.10%		(91)	(50)	(140)	36
Photocopier - Ineo 958		4	QPC Group	1.10%		(75)	(73)	(156)	36
IT Server		5	Dell Financial Services	1.30%		(676)	(676)	(898)	60
Total Finance Cost Payments						(842)	(799)	(1,194)	

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

28. RESERVE ACCOUNTS

	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance	2023 Budget Opening Balance	2023 Budget Transfer to	2023 Budget Transfer (from)	2023 Budget Closing Balance	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
LSL, Annual, Sick Leave and Staff Contingency	429,670	10,405	0	440,075	429,670	2,912	0	432,582	429,670	0	0	429,670
Office Equipment Reserve	0	0	0	0	0	69	0	69	0	0	0	0
Plant and Equipment Reserve	1,593,153	79,742	(193,008)	1,479,887	1,593,152	8,985	(987,200)	614,937	1,593,153	0	0	1,593,153
Land and Buildings Reserve	916,406	22,191	(45,427)	893,170	916,407	4,976	(590,097)	331,286	916,406	0	0	916,406
Guilderton Caravan Park Reserve	34,018	824	(30,000)	4,842	34,018	246	0	34,264	34,018	0	0	34,018
Shire Recreation Development Reserve	469,779	11,376	(88,145)	393,010	515,566	518	0	516,084	75,135	418,644	(24,000)	469,779
Redfield Park Reserve	31,469	762	0	32,231	31,469	217	0	31,686	31,469	0	0	31,469
Ocean Farm Recreation Reserve	31,161	755	0	31,916	31,160	215	0	31,375	31,161	0	0	31,161
Tip Rationalisation Reserve	1,973,830	358,153	(29,670)	2,302,313	1,973,829	28,060	(55,000)	1,946,889	1,606,186	367,644	0	1,973,830
Lancelin Community Sport and Recreation Reserve	103,512	29,380	(5,352)	127,540	98,640	425	0	99,065	98,639	18,872	(13,999)	103,512
Community Infrastructure Reserve	36,530	859	(1,600)	35,789	36,531	12,000	0	48,531	15,730	20,800	0	36,530
Staff Housing	33,559	813	0	34,372	33,560	0	0	33,560	33,559	0	0	33,559
Future Infrastructure reserve	529,305	12,817	0	542,122	567,840	0	0	567,840	567,840	0	(38,535)	529,305
Guilderton Country Club Reserv	27,237	8,982	(15,000)	21,219	19,157	0	0	19,157	19,157	8,080	0	27,237
Coastal Management Reserve - Coastal Inundation	292,391	107,080	(55,200)	344,271	292,391	0	(40,200)	252,191	192,391	100,000	0	292,391
Guilderton Foreshore Reserve	121,075	111,335	0	232,410	121,076	69,520	0	190,596	0	121,075	0	121,075
Unspent Grants Reserve - Youth Services Website Grant	5,014	121	0	5,135	5,014	0	0	5,014	5,014	0	0	5,014
Seniors Housing Reserve	162,145	28,926	(33,945)	157,126	162,145	80,957	(146,000)	97,102	81,188	80,957	0	162,145
Gingin Railway Station Reserve	5,747	139	0	5,886	5,747	0	0	5,747	5,747	0	0	5,747
Contributions to Roads Reserve - Cullala Road Intersection	45,128	1,093	0	46,221	45,128	0	0	45,128	45,128	0	0	45,128
Contributions to Roads Reserve - Cowalla Road Intersection	16,046	389	0	16,435	16,045	0	0	16,045	16,046	0	0	16,046
Contributions to Roads Reserve - Chitna Road	3,009	73	0	3,082	3,008	0	0	3,008	3,009	0	0	3,009
Contributions to Roads Reserve - Balance of Muni Funds	700,376	379,460	(340,250)	739,586	700,375	300,000	0	1,000,375	492,809	207,567	0	700,376
Community Infrastructure Reserve - Lower Coastal Fire Control	25,266	612	0	25,878	25,266	15	0	25,281	25,266	0	0	25,266
Community Infrastructure Reserve - Gingin Logo Plates	8,030	467	0	8,497	8,030	0	0	8,030	8,030	0	0	8,030
Community Infrastructure Reserve - Gingin Ambulance	48,120	7,165	0	55,285	48,120	6,000	0	54,120	42,120	6,000	0	48,120
Community Infrastructure Reserve - Lancelin Ambulance	30,937	18,749	0	49,686	30,937	18,000	0	48,937	12,937	18,000	0	30,937
Subdivision Reserve - Mallee Lane Subdivision Contribution to DUP	14,672	355	(15,027)	0	14,672	0	0	14,672	14,672	0	0	14,672
Public Open Space Reserve	26,050	631	0	26,681	26,050	0	0	26,050	26,050	0	0	26,050
Guilderton Trailer Parking Reserve	26,745	6,169	0	32,914	26,745	6,480	0	33,225	29,896	5,797	(8,948)	26,745
Gingin Outdoor Activity Space	4,834	117	0	4,951	0	0	0	0	0	4,834	0	4,834
Wheatbelt Development Commission - Tourism Project	0	55,000	(55,000)	0	0	0	0	0	0	0	0	0
	7,745,214	1,254,940	(907,624)	8,092,530	7,811,748	539,595	(1,818,497)	6,532,846	6,452,426	1,378,270	(85,482)	7,745,214

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

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

Name of reserve account	Purpose of the reserve account
Restricted by council	
LSL, Annual, Sick Leave and Staff Contingency	Used to fund annual leave, long service leave, sick leave, redundancy/retirement and staff contingency.
Office Equipment Reserve	Used for the acquisition and/ or replacement of major items of office equipment (including computer systems).
Plant and Equipment Reserve	Used for the purchase of major plant and equipment.
Land and Buildings Reserve	Used for the replacement and/or acquisition of land and buildings.
Guilderton Caravan Park Reserve	Used for the development of Guilderton Caravan Park facilities.
Shire Recreation Development Reserve	Used for the development of Shire Recreation facilities.
Redfield Park Reserve	Used for the development of Public Open Space within the Redfield Park subdivision.
Ocean Farm Recreation Reserve	Used for the development of recreation and community facilities within the Ocean Farm subdivision.
Tip Rationalisation Reserve	Used for rationalisation of rubbish tip facilities within the Shire.
Lancelin Community Sport and Recreation Reserve	Used in developing building and other associated infrastructure at the Lancelin Community Sporting Club and are to be spent upon request from the Club, and approval from Council.
Community Infrastructure Reserve	Used to assist in the financing of community facilities.
Staff Housing	To be used to fund Staff housing infrastructure additions and/or replacement.
Future Infrastructure reserve	To used to fund future infrastructure construction, purchase, additions and/or renewals.
Guilderton Country Club Reserv	To be used to fund the development of the Guilderton Country Club and are to be spent upon request from the Club, and approval from Council.
Coastal Management Reserve - Coastal Inundation	For the purpose of funding coastal erosion mitigation and inundation works.
Guilderton Foreshore Reserve	For the purpose to upgrade facilities and amenity within the Guilderton foreshore area.
Unspent Grants Reserve - Youth Services Website Grant	For the purpose of isolating grant funds received and not used during a financial period.
Seniors Housing Reserve	For the purpose of repairs, improvements, extensions or construction of seniors housing.
Gingin Railway Station Reserve	For the purpose of improving and maintaining the Gingin Railway Station.
Contributions to Roads Reserve - Cullala Road Intersection	For the purpose of funding future road works
Contributions to Roads Reserve - Cowalla Road Intersection	For the purpose of funding future road works.
Contributions to Roads Reserve - Chitna Road	For the purpose of funding future road works.
Contributions to Roads Reserve - Balance of Muni Funds	For the purpose of funding future road works.
Community Infrastructure Reserve - Lower Coastal Fire Control	Used to assist in the financing of community facilities.
Community Infrastructure Reserve - Gingin Logo Plates	Used to assist in the financing of community facilities.
Community Infrastructure Reserve - Gingin Ambulance	Used to assist in the financing of community facilities.
Community Infrastructure Reserve - Lancelin Ambulance	Used to assist in the financing of community facilities.
Subdivision Reserve - Mallee Lane Subdivision Contribution to DUP	For the purpose of isolating subdivision monies intended for future works.
Public Open Space Reserve	For the purpose of funding development of public open space.
Guilderton Trailer Parking Reserve	For the purpose of future trailer park bay maintenance at Guilderton Foreshore.
Gingin Outdoor Activity Space	For the purpose of maintenance at the Gingin Outdoor Activity Space
Wheatbelt Development Commission - Tourism Project	To be used to fund future infrastructure construction, purchase, additions and/or renewals.

**SHIRE OF GINGIN
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2023**

29. TRUST FUNDS

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

	1 July 2022	Amounts Received	Amounts Paid	30 June 2023
	\$	\$	\$	\$
Public Open Space	11,326	0	(11,326)	0
	<u>11,326</u>	<u>0</u>	<u>(11,326)</u>	<u>0</u>