

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

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

The Shire will endeavour to provide the community services and facilities to meet the needs of the members of the community and enable them to enjoy a pleasant and healthy way of life.

Principal place of business:  
37 Gibbons Street  
Yalgoo WA 6635

SHIRE OF YALGOO  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

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

Signed on the 14<sup>th</sup> day of May 202~~2~~4



Chief Executive Officer

IAN HOLLAND

Name of Chief Executive Officer

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

	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
<b>Revenue</b>				
Rates	23(a),2(a)	2,445,375	2,705,463	2,594,364
Operating grants, subsidies and contributions	2(a)	4,672,769	6,606,335	3,004,469
Fees and charges	22(c),2(a)	278,322	196,560	250,089
Interest earnings	2(a)	8,103	14,000	8,047
Other revenue	2(a)	11,246	48,250	50,265
		7,415,815	9,570,608	5,907,234
<b>Expenses</b>				
Employee costs		(1,796,949)	(2,121,198)	(1,588,079)
Materials and contracts		(2,535,907)	(5,037,192)	(1,893,209)
Utility charges		(95,840)	(46,000)	(66,910)
Depreciation	9(a)	(1,479,844)	(1,344,850)	(1,412,817)
Finance costs	2(b)	(10,727)	(10,987)	(15,463)
Insurance		(279,491)	(258,531)	(250,731)
Other expenditure	2(b)	(181,061)	(191,960)	(70,987)
		(6,379,819)	(9,010,718)	(5,298,196)
		1,035,996	559,890	609,038
Capital grants, subsidies and contributions	2(a)	777,095	2,187,651	664,348
Profit on asset disposals	9(b)	51,697	60,650	16,197
Loss on asset disposals	9(b)	(500)	0	(4,017)
Fair value adjustments to financial assets at fair value through profit or loss		1,921	0	646
Loss on revaluation of Other infrastructure	8(a)	0	0	0
		830,213	2,248,301	677,174
<b>Net result for the period</b>	22(b)	<b>1,866,209</b>	<b>2,808,191</b>	<b>1,286,212</b>
<b>Other comprehensive losses for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	14	(59,208)	0	0
<b>Total other comprehensive losses for the period</b>	14	<b>(59,208)</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>1,807,001</b>	<b>2,808,191</b>	<b>1,286,212</b>

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



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

	NOTE	2022	2021
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	4,629,105	2,999,589
Trade and other receivables	5	236,439	804,249
Other financial assets	4(a)	2,110,587	2,102,916
Other assets	6	738,007	-
<b>TOTAL CURRENT ASSETS</b>		<b>7,714,138</b>	<b>5,906,754</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	4(b)	20,372	18,451
Property, plant and equipment	7	11,906,791	11,189,023
Infrastructure	8	74,875,030	74,910,898
<b>TOTAL NON-CURRENT ASSETS</b>		<b>86,802,193</b>	<b>86,118,372</b>
<b>TOTAL ASSETS</b>		<b>94,516,331</b>	<b>92,025,126</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	1,435,218	697,080
Other liabilities	11	46,308	61,308
Borrowings	12	82,094	105,420
Employee related provisions	13	235,196	172,207
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,798,816</b>	<b>1,036,015</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	12	46,815	128,910
Employee related provisions	13	58,662	55,164
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>105,477</b>	<b>184,074</b>
<b>TOTAL LIABILITIES</b>		<b>1,904,293</b>	<b>1,220,089</b>
<b>NET ASSETS</b>		<b>92,612,038</b>	<b>90,805,037</b>
<b>EQUITY</b>			
Retained surplus		35,347,628	33,489,090
Reserve accounts	26	2,110,587	2,102,916
Revaluation surplus	14	55,153,823	55,213,031
<b>TOTAL EQUITY</b>		<b>92,612,038</b>	<b>90,805,037</b>

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

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

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2020</b>		<b>32,669,747</b>	<b>1,636,047</b>	<b>55,213,031</b>	<b>89,518,825</b>
Comprehensive income for the period					
Net result for the period		1,286,212	-	-	1,286,212
Total comprehensive income for the period		1,286,212	-	-	1,286,212
Transfers to reserves	26	(466,869)	466,869	-	-
<b>Balance as at 30 June 2021</b>		<b>33,489,090</b>	<b>2,102,916</b>	<b>55,213,031</b>	<b>90,805,037</b>
Comprehensive income for the period					
Net result for the period		1,866,209	-	-	1,866,209
Other comprehensive losses for the period	14	-	-	(59,208)	(59,208)
Total comprehensive income for the period		1,866,209	-	(59,208)	1,807,001
Transfers to reserves	26	(7,671)	7,671	-	-
<b>Balance as at 30 June 2022</b>		<b>35,347,628</b>	<b>2,110,587</b>	<b>55,153,823</b>	<b>92,612,038</b>

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

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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		2,664,687	2,874,348	2,414,245
Operating grants, subsidies and contributions		4,231,159	6,802,497	3,205,521
Fees and charges		289,673	196,560	249,530
Interest received		8,103	14,000	8,047
Goods and services tax received		366,088	109,468	382,055
Other revenue		31,166	48,250	1,158,228
		7,590,876	10,045,123	7,417,626
<b>Payments</b>				
Employee costs		(1,685,149)	(2,241,750)	(1,643,096)
Materials and contracts		(1,835,340)	(5,239,791)	(1,709,107)
Utility charges		(95,840)	(46,000)	(66,910)
Finance costs		(10,727)	(11,777)	(15,463)
Insurance paid		(279,491)	(258,531)	(250,731)
Goods and services tax paid		(368,000)	-	(368,809)
Other expenditure		(181,061)	(191,960)	(70,987)
		(4,455,608)	(7,989,809)	(4,125,103)
<b>Net cash provided by (used in) operating activities</b>	15(b)	3,135,268	2,055,314	3,292,523
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for financial assets at amortised cost		(7,671)	-	(2,102,916)
Payments for purchase of property, plant & equipment	7(a)	(623,804)	(2,738,320)	(1,057,883)
Payments for construction of infrastructure	8(a)	(1,642,820)	(1,573,000)	(1,116,893)
Non-operating grants, subsidies and contributions		777,095	2,187,651	664,348
Proceeds from sale of property, plant & equipment	9(b)	96,869	403,000	204,000
<b>Net cash provided by (used in) investing activities</b>		(1,400,331)	(1,720,669)	(3,409,344)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	25(a)	(105,421)	(105,420)	(100,652)
<b>Net cash provided by (used in) financing activities</b>		(105,421)	(105,420)	(100,652)
<b>Net increase (decrease) in cash held</b>		1,629,516	229,225	(217,473)
Cash at beginning of year		2,999,589	5,091,873	3,217,062
<b>Cash and cash equivalents at the end of the year</b>	3,15(a)	4,629,105	5,321,098	2,999,589

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

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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>NET CURRENT ASSETS - At start of financial year - surplus/(deficit)</b>	24(b)	3,062,634	3,049,556	2,929,897
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities (excluding general rate)</b>				
Operating grants, subsidies and contributions		4,672,769	6,606,335	3,004,469
Fees and charges		278,322	196,560	250,089
Interest earnings		8,103	14,000	8,047
Other revenue		11,246	48,250	50,265
Profit on asset disposals	9(b)	51,697	60,650	16,197
Fair value adjustments to financial assets at fair value through profit or loss		1,921	-	646
		5,024,058	6,925,795	3,329,713
<b>Expenditure from operating activities</b>				
Employee costs		(1,796,949)	(2,121,198)	(1,588,079)
Materials and contracts		(2,535,907)	(5,037,192)	(1,893,209)
Utility charges		(95,840)	(46,000)	(66,910)
Depreciation		(1,479,844)	(1,344,850)	(1,412,817)
Finance costs		(10,727)	(10,987)	(15,463)
Insurance		(279,491)	(258,531)	(250,731)
Other expenditure		(181,061)	(191,960)	(70,987)
Loss on asset disposals	9(b)	(500)	-	(4,017)
Loss on revaluation of non-current assets		-	-	-
		(6,380,319)	(9,010,718)	(5,302,213)
Non-cash amounts excluded from operating activities	24(a)	1,554,357	1,284,200	1,384,822
<b>Amount attributable to operating activities</b>		198,096	(800,723)	(587,678)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	777,095	2,187,651	664,348
Proceeds from disposal of assets	9(b)	96,869	403,000	204,000
Purchase of property, plant and equipment	7(a)	(623,804)	(2,738,320)	(1,057,883)
Purchase and construction of infrastructure	8(a)	(1,642,820)	(1,573,000)	(1,116,893)
		(1,392,660)	(1,720,669)	(1,306,428)
<b>Amount attributable to investing activities</b>		(1,392,660)	(1,720,669)	(1,306,428)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	25(a)	(105,421)	(105,420)	(100,652)
Transfers to reserves (restricted assets)	26	(7,671)	(3,128,206)	(466,869)
<b>Amount attributable to financing activities</b>		(113,092)	(3,233,626)	(567,521)
<b>Surplus/(deficit) before imposition of general rates</b>		1,754,978	(2,705,462)	468,270
<b>Total amount raised from general rates</b>	23(a)	2,445,375	2,705,463	2,594,364
<b>Surplus/(deficit) after imposition of general rates</b>	24(b)	<b>4,200,353</b>	<b>1</b>	<b>3,062,634</b>

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

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

**1. BASIS OF PREPARATION**

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

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

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, 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 27 of the financial report.

**Judgements and estimates**

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

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

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

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of useful lives of non-current assets
- estimation of fair values of land and buildings, and infrastructure.

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

**2. REVENUE AND EXPENSES**

**(a) Revenue**

**Contracts with customers**

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Output method based on regular weekly and fortnightly period as proportionate to collection service
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
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
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	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	When claim is agreed

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue Recognition

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

For the year ended 30 June 2022

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	2,445,375	-	2,445,375
Operating grants, subsidies and contributions	662,361	-	-	4,010,408	4,672,769
Fees and charges	64,934	-	11,204	202,184	278,322
Interest earnings	-	-	263	7,840	8,103
Other revenue	8,892	-	-	2,354	11,246
Non-operating grants, subsidies and contributions	-	777,095	-	-	777,095
<b>Total</b>	<b>736,187</b>	<b>777,095</b>	<b>2,456,842</b>	<b>4,222,786</b>	<b>8,192,910</b>

For the year ended 30 June 2021

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	2,594,364	-	2,594,364
Operating grants, subsidies and contributions	3,004,469	-	-	-	3,004,469
Fees and charges	250,089	-	-	-	250,089
Interest earnings	-	-	13	8,034	8,047
Other revenue	50,263	-	-	2	50,265
Non-operating grants, subsidies and contributions	-	664,348	-	-	664,348
<b>Total</b>	<b>3,304,821</b>	<b>664,348</b>	<b>2,594,377</b>	<b>8,036</b>	<b>6,571,582</b>

Note	2022 Actual	2022 Budget	2021 Actual
<b>Interest earnings</b>			
Interest on reserve funds	7,671	6,000	7,827
Rates instalment and penalty interest (refer Note 23(c))	263	5,000	13
Other interest earnings	169	3,000	207
	<b>8,103</b>	<b>14,000</b>	<b>8,047</b>
<b>(b) Expenses</b>			
<b>Auditors remuneration</b>			
- Audit of the Annual Financial Report	51,800	38,000	37,000
- Other services	1,500	-	2,150
	<b>53,300</b>	<b>38,000</b>	<b>39,150</b>
<b>Finance costs</b>			
Borrowings	25(a) 10,727	10,987	15,463
	<b>10,727</b>	<b>10,987</b>	<b>15,463</b>
<b>Other expenditure</b>			
Impairment losses on rates receivables	11,351	-	41,424
Sundry expenses	169,710	191,960	29,563
	<b>181,061</b>	<b>191,960</b>	<b>70,987</b>

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

**3. CASH AND CASH EQUIVALENTS**

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

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

Note	2022	2021
	\$	\$
	4,629,105	2,999,589
15(a)	4,629,105	2,999,589
	4,459,272	2,814,756
15(a)	169,833	184,833
	4,629,105	2,999,589

**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 reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

Details of restrictions on financial assets can be found at Note 15 and 26.

**4. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial assets at amortised cost

**Other financial assets at amortised cost**

Term deposits - restricted cash backed reserves

Held as  
 - Restricted other financial assets at amortised cost

**(b) Non-current assets**

Financial assets at fair value through profit and loss

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

Units in Local Government House Trust

	2022	2021
	\$	\$
	2,110,587	2,102,916
	2,110,587	2,102,916
	2,110,587	2,102,916
	2,110,587	2,102,916
15(a)	2,110,587	2,102,916
	2,110,587	2,102,916
	20,372	18,451
	20,372	18,451
	20,372	18,451
	20,372	18,451

**SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 19.

**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 21 (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.

**SHIRE OF YALGOO**  
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**5. TRADE AND OTHER RECEIVABLES**

**Current**

Rates receivable  
 Trade and other receivables  
 GST receivable  
 Allowance for credit losses of rates receivables  
 Other receivables - flood damage grant  
 Other receivables - ATO - FBT refund and fuel credits

Note	2022	2021
	\$	\$
	141,325	368,379
	38,890	347,653
	108,999	107,087
19(b)	(52,775)	(41,424)
	-	2,634
	-	19,920
	<b>236,439</b>	<b>804,249</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other receivables**

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

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

**Impairment and risk exposure**

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 19.

**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 YALGOO**  
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**6. OTHER ASSETS**

**Other assets - current**

Accrued income

	2022	2021
	\$	\$
	738,007	-
	738,007	-

**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.

**Accrued income**

Other financial assets include income which represents income earned but not yet received.

**SHIRE OF YALGOO**  
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**7. PROPERTY, PLANT AND EQUIPMENT**

**(a) Movements in Balances**

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

	Note	Land	Buildings - non- specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
		\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>		332,085	1,508,887	7,359,065	9,200,037	27,575	1,900,624	11,128,236
Additions		-	-	229,084	229,084	-	828,799	1,057,883
Disposals		-	-	-	-	-	(191,820)	(191,820)
Depreciation	9(a)	-	(47,197)	(225,595)	(272,792)	(8,070)	(524,414)	(805,276)
<b>Balance at 30 June 2021</b>		332,085	1,461,690	7,362,554	9,156,329	19,505	2,013,189	11,189,023
<b>Comprises:</b>								
Gross balance amount at 30 June 2021		332,085	1,648,758	8,225,414	10,206,257	54,146	3,740,046	14,000,449
Accumulated depreciation at 30 June 2021		-	(187,068)	(862,860)	(1,049,928)	(34,641)	(1,726,857)	(2,811,426)
<b>Balance at 30 June 2021</b>		332,085	1,461,690	7,362,554	9,156,329	19,505	2,013,189	11,189,023
Additions		-	-	339,321	339,321	15,097	269,386	623,804
Disposals		-	-	-	-	-	(45,672)	(45,672)
Revaluation increments / (decrements) transferred to revaluation surplus	14	(4,085)	125,690	236,592	358,197	-	-	358,197
Depreciation	9(a)	-	(47,374)	(239,183)	(286,557)	(7,462)	(524,542)	(818,561)
Transfers		-	5,194	594,806	600,000	-	-	600,000
<b>Balance at 30 June 2022</b>		328,000	1,545,200	8,294,090	10,167,290	27,140	1,712,361	11,906,791
<b>Comprises:</b>								
Gross balance amount at 30 June 2022		328,000	1,545,200	8,294,090	10,167,290	69,243	3,821,335	14,057,868
Accumulated depreciation at 30 June 2022		-	-	-	-	(42,103)	(2,108,974)	(2,151,077)
<b>Balance at 30 June 2022</b>		328,000	1,545,200	8,294,090	10,167,290	27,140	1,712,361	11,906,791

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**7. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
<b>Land and buildings</b>					
Land	Level 2	Market approach using recent observable market data for similar properties/income approach using discounted cashflow methodology	Independent registered valuer	June 2022	Price per hectare/market borrowing rates
Buildings - non-specialised	Level 2	Market approach using recent observable market data for similar properties/income approach using discounted cashflow methodology	Independent registered valuer	June 2022	Price per hectare/market borrowing rates
Buildings - specialised	Level 3	Improvements valued using cost approach using depreciated replacement cost	Independent registered valuer	June 2022	Improvements to land using construction costs (level 2), current condition, residual values and remaining useful life assessments (level 3) inputs
Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.					
During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.					
<b>(ii) Cost</b>					
<b>Furniture and equipment</b>	N/A	Cost	Cost	N/A	
<b>Plant and equipment</b>	N/A	Cost	Cost	N/A	



**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**8. INFRASTRUCTURE**

**(a) Movements in Balances**

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

	Note	Infrastructure - roads	infrastructure - airport	Other infrastructure	Total Infrastructure
		\$	\$	\$	\$
<b>Balance at 1 July 2020</b>		69,680,049	1,401,554	3,319,943	74,401,546
Additions		1,032,932	-	83,961	1,116,893
Depreciation	9(a)	(437,809)	(40,790)	(128,942)	(607,541)
<b>Balance at 30 June 2021</b>		70,275,172	1,360,764	3,274,962	74,910,898
<b>Comprises:</b>					
Gross balance at 30 June 2021		81,206,654	2,039,468	3,645,603	86,891,725
Accumulated depreciation at 30 June 2021		(10,931,482)	(678,704)	(370,641)	(11,980,827)
<b>Balance at 30 June 2021</b>		70,275,172	1,360,764	3,274,962	74,910,898
Additions		1,506,989	-	135,831	1,642,820
Revaluation increments / (decrements) transferred to revaluation surplus	14	-	(354,975)	(62,430)	(417,405)
Depreciation	9(a)	(479,666)	(40,789)	(140,828)	(661,283)
Transfers		-	-	(600,000)	(600,000)
<b>Balance at 30 June 2022</b>		71,302,495	965,000	2,607,535	74,875,030
<b>Comprises:</b>					
Gross balance at 30 June 2022		82,713,643	965,000	2,628,330	86,306,973
Accumulated depreciation at 30 June 2022		(11,411,148)	-	(20,795)	(11,431,943)
<b>Balance at 30 June 2022</b>		71,302,495	965,000	2,607,535	74,875,030

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

8. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>(i) Fair Value</b>					
Infrastructure - roads	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs (level 2), current condition, residual values and remaining useful life assessments (level 3) inputs
infrastructure - airport	Level 3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2022	Construction costs (level 2), current condition, residual values and remaining useful life assessments (level 3) inputs
Other infrastructure	Level 3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2022	Construction costs (level 2), current condition, residual values and remaining useful life assessments (level 3) inputs

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

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

**SHIRE OF YALGOO**  
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**9. FIXED ASSETS**

**(a) Depreciation**

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - non-specialised	7(a)	47,374	-	47,197
Buildings - specialised	7(a)	239,183	282,418	225,595
Furniture and equipment	7(a)	7,462	10,759	8,070
Plant and equipment	7(a)	524,542	658,976	524,414
Infrastructure - roads	8(a)	479,666	390,007	437,809
infrastructure - airport	8(a)	40,789	-	40,790
Other infrastructure	8(a)	140,828	2,690	128,942
		1,479,844	1,344,850	1,412,817

**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	35 years
Furniture and equipment	3 to 10 years
Plant and equipment	5 to 10 years
Sealed roads and streets	
construction/road base	41 years
Clearing and earthworks	not depreciated
Seal	
- bituminous seals	20 to 30 years
Gravel roads	
Construction/road base	23 years
Gravel sheet	23 years
Formed roads (unsealed)	
Clearing and earthworks	not depreciated
Construction/road base	14 years
Footpaths - slab	not depreciated
Airport infrastructure	40 to 50 years
Other infrastructure	6 to 67 years

SHIRE OF YALGOO  
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9. FIXED ASSETS (Continued)

(b) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Plant and equipment	\$ 45,672	\$ 96,869	\$ 51,697	\$ (500)	\$ 342,350	\$ 403,000	\$ 60,650	\$ -	\$ 191,820	\$ 204,000	\$ 16,197	\$ (4,017)
	45,672	96,869	51,697	(500)	342,350	403,000	60,650	-	191,820	204,000	16,197	(4,017)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
<b>Plant and Equipment</b>				
<b>Recreation and culture</b>				
Deluxe Bus	-	8,225	8,225	-
Kubota Utility Vehicle	12,780	12,280	-	(500)
<b>Other property and services</b>				
Toyota Prado	12,470	38,637	26,167	-
Toyota Prado GXL Wagon	20,422	37,727	17,305	-
	45,672	96,869	51,697	(500)

## 9. FIXED ASSETS (Continued)

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

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

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

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

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

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

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

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

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

#### Revaluation

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

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

#### Revaluation (continued)

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

#### Depreciation

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

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

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

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

#### Depreciation on revaluation

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

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

**SHIRE OF YALGOO**  
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**10. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors	1,106,659
Prepaid rates	21,799
Accrued payroll liabilities	77,797
ATO liabilities	88,067
Bonds and deposits held	34,098
Other payables - sundry liabilities	106,267
Other payables - accrued interest on borrowings	531
Other payables - superannuation contributions	-

2022	2021
\$	\$
1,106,659	496,766
21,799	29,541
77,797	16,394
88,067	104,157
34,098	15,930
106,267	2,219
531	790
-	31,283
1,435,218	697,080

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Trade and other payables**

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

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

**Prepaid rates**

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

**SHIRE OF YALGOO**  
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**11. OTHER LIABILITIES**

**Current**

Capital grant/contributions liabilities

Opening balance

Additions

Revenue from capital grant/contributions held as a liability at the start of the period

	2022	2021
	\$	\$
Capital grant/contributions liabilities	46,308	61,308
	46,308	61,308
Opening balance	61,308	61,308
Additions	46,308	-
Revenue from capital grant/contributions held as a liability at the start of the period	(61,308)	-
	46,308	61,308

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract liabilities**

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

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

**Capital grant/contribution liabilities**

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

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 21(i)) due to the unobservable inputs, including own credit risk.

**SHIRE OF YALGOO**  
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**12. BORROWINGS**

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Debentures		82,094	46,815	128,909	105,420	128,910	234,330
<b>Total secured borrowings</b>	25(a)	82,094	46,815	128,909	105,420	128,910	234,330

**Secured liabilities and assets pledged as security**

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

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing costs**

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

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

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

**Risk**

Information regarding exposure to risk can be found at Note 19.

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



**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**13. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

**Current provisions**

**Employee benefit provisions**

Annual Leave

Long Service Leave

**Non-current provisions**

Long Service Leave

	2022	2021
	\$	\$
	162,236	125,477
	72,960	46,730
	<u>235,196</u>	<u>172,207</u>
	58,662	55,164
	<u>58,662</u>	<u>55,164</u>
	<u>293,858</u>	<u>227,371</u>

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

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

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

Less than 12 months after the reporting date

More than 12 months from reporting date

	2022	2021
	\$	\$
	92,420	82,099
	201,438	145,272
	<u>293,858</u>	<u>227,371</u>

**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 YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**14. REVALUATION SURPLUS**

	2022 Opening Balance	2022 Revaluation Increment	2022 Revaluation (Decrement)	Total Movement on Revaluation	2022 Closing Balance	2021 Opening Balance	2021 Closing Balance
	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	62,000	-	(4,085)	(4,085)	57,915	62,000	62,000
Revaluation surplus - Buildings	1,901,848	631,380	(269,098)	362,282	2,264,130	1,901,848	1,901,848
Revaluation surplus - Furniture and equipment	25,665	-	-	-	25,665	25,665	25,665
Revaluation surplus - Plant and equipment	1,561,098	-	-	-	1,561,098	1,561,098	1,561,098
Revaluation surplus - Infrastructure - roads	49,372,768	-	-	-	49,372,768	49,372,768	49,372,768
Revaluation surplus - infrastructure - airport	1,335,784	-	(354,975)	(354,975)	980,809	1,335,784	1,335,784
Revaluation surplus - Other infrastructure	953,868	-	(62,430)	(62,430)	891,438	953,868	953,868
	55,213,031	631,380	(690,588)	(59,208)	55,153,823	55,213,031	55,213,031

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

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**15 NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

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

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	4,629,105	5,321,098	2,999,589

**Restrictions**

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

- Cash and cash equivalents	3	169,833	3,128,206	184,833
- Financial assets at amortised cost	4	2,110,587	2,102,916	2,102,916
		2,280,420	5,231,122	2,287,749

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

Restricted reserve accounts	26	2,110,587	5,231,122	2,102,916
Capital grants/contribution liabilities	11	46,308	-	61,308
Unspent loans	25(b)	123,525	-	123,525
<b>Total restricted financial assets</b>		2,280,420	5,231,122	2,287,749

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

Net result		1,866,209	2,808,191	1,286,212
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(1,921)	-	(646)
Depreciation/amortisation	9(a)	1,479,844	1,344,850	1,412,817
(Profit)/loss on sale of asset	9(b)	(51,197)	(60,650)	(12,180)
Loss on revaluation of fixed assets		-	-	-
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		567,810	535,823	1,174,634
(Increase)/decrease in other assets	6	(738,007)	-	-
Increase/(decrease) in trade and other payables		738,138	(323,941)	154,517
Increase/(decrease) in employee related provisions		66,487	-	(20,934)
Increase/(decrease) in capital grants/contributions liabilities		(15,000)	(61,308)	(37,549)
Non-operating grants, subsidies and contributions		(777,095)	(2,187,651)	(664,348)
Net cash provided by/(used in) operating activities		3,135,268	2,055,314	3,292,523

**(c) Undrawn Borrowing Facilities  
Credit Standby Arrangements**

Bank overdraft limit		50,000		50,000
Bank overdraft at balance date		-		-
Credit card limit		15,000		15,000
Credit card balance at balance date		(3,295)		(75)
<b>Total amount of credit unused</b>		61,705		64,925

**Loan facilities**

Loan facilities - current	12	82,094		105,420
Loan facilities - non-current	12	46,815		128,910
<b>Total facilities in use at balance date</b>		128,909		234,330

**Unused loan facilities at balance date**

NIL

NIL

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**16. CONTINGENT LIABILITIES**

Shire of Yalgoo has identified the following sites, in relation to land owned, vested or leased, that is known to be, or suspected of being contaminated. As at the date of this report the value and timing of remediation has not been ascertained.

Lot 196, 21 Stanley Street, Yalgoo - Shire depot, contaminated with heavy metals and hydrocarbons, investigation of rehabilitation works is required.

**17. CAPITAL COMMITMENTS**

	2022	2021
	\$	\$
Contracted for:		
- capital expenditure projects	182,761	138,151
Payable:		
- not later than one year	182,761	138,151

The Shire contracted Willoughby Construction and Murchison Rammed Earth to construct the Yalgoo Caravan Park Chalets. The outstanding commitment under the contract as at 30 June 2021 was \$138,151.

In 2022 the Shire contracted Modular WA to construct a transportable residence at 21 Campbell St Yalgoo. The outstanding commitment under the contract as at 30 June 2022 was \$182,761.

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

18. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>Councillor G Payne</b>			
President's annual allowance	11,000	12,000	11,000
Meeting attendance fees	6,458	7,500	7,281
Annual allowance for ICT expenses	3,208	3,500	3,500
Travel and accommodation expenses	5,446	1,250	832
	26,112	24,250	22,613
<b>Councillor G Trenfield</b>			
Deputy President's annual allowance	3,000	3,000	3,000
Meeting attendance fees	3,186	4,500	3,557
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	-	1,250	-
	9,686	12,250	10,057
<b>Councillor T Hodder</b>			
Meeting attendance fees	4,130	4,500	3,321
Annual allowance for ICT expenses	3,792	3,500	3,500
Travel and accommodation expenses	960	1,250	-
	8,882	9,250	6,821
<b>Councillor P Lawson</b>			
Meeting attendance fees	472	4,500	2,140
Annual allowance for ICT expenses	292	3,500	3,500
Travel and accommodation expenses	-	1,250	-
	764	9,250	5,640
<b>Councillor R Valenzuela</b>			
Meeting attendance fees	4,366	4,500	3,678
Annual allowance for ICT expenses	3,792	3,500	3,500
Travel and accommodation expenses	-	1,250	-
	8,158	9,250	7,178
<b>Councillor G Simpson</b>			
Meeting attendance fees	3,894	4,500	2,613
Annual allowance for ICT expenses	3,500	3,500	3,208
Travel and accommodation expenses	960	1,250	-
	8,354	9,250	5,821
<b>Councillor S Willock</b>			
Meeting attendance fees	2,242	-	-
Annual allowance for ICT expenses	2,333	-	-
	4,575	-	-
	66,531	73,500	58,130

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

President's annual allowance	11,000	12,000	11,000
Deputy President's annual allowance	3,000	3,000	3,000
Meeting attendance fees	24,748	30,000	22,590
Annual allowance for ICT expenses	20,417	21,000	20,708
Travel and accommodation expenses	7,366	7,500	832
18(b)	66,531	73,500	58,130

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

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

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

	2022 Actual	2021 Actual
	\$	\$
Short-term employee benefits	159,533	200,323
Post-employment benefits	26,492	20,967
Employee - other long-term benefits	29,583	15,957
Council member costs	66,531	58,130
18(a)	282,139	295,377

*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.

*Council member costs*

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

**(c) Transactions with related parties**

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

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

	2022 Actual	2021 Actual
	\$	\$
Purchase of goods and services	12,367	19,823
<b>Amounts outstanding from related parties:</b>		
Trade and other receivables	443	63
<b>Amounts payable to related parties:</b>		
Trade and other payables	0	4,701

**(d) Related Parties**

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

*i. Key management personnel*

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

*ii. Other Related Parties*

An associate person of KMP was employed by the Shire under normal employment terms and conditions.

Any 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 related parties in relation to the Shire.

*iii. Entities subject to significant influence by the Shire*

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence.

Significant influence may be gained by share ownership, statute or agreement.

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**19. FINANCIAL RISK MANAGEMENT**

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

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

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

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

**(a) Interest rate risk**

**Cash and cash equivalents**

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

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

	<b>Weighted Average Interest Rate</b>	<b>Carrying Amounts</b>	<b>Fixed Interest Rate</b>	<b>Variable Interest Rate</b>	<b>Non Interest Bearing</b>
	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2022</b>					
Cash and cash equivalents	1.00%	4,629,105	-	4,628,905	200
Financial assets at amortised cost - term deposits	3.20%	2,110,587	2,110,587	-	-
<b>2021</b>					
Cash and cash equivalents	0.50%	2,999,589	-	2,999,389	200
Financial assets at amortised cost - term deposits	0.30%	2,102,916	2,102,916	-	-

**Sensitivity**

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

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% movement in interest rates on profit and loss and equity*	46,289	29,994

\* Holding all other variables constant

**Borrowings**

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

The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings.

Details of interest rates applicable to each borrowing may be found at Note 25(a).

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

**(b) Credit risk**

**Trade and Other Receivables**

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

Credit risk on rates and annual charges is minimised by the ability of the Shire to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The Shire is able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2021 or 1 July 2022 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

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

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
<b>30 June 2022</b>						
Rates receivable						
Expected credit loss	-	-	-	100%		
Gross carrying amount	47,884	18,083	22,583	52,775	141,325	
Loss allowance	-	-	-	52,775	52,775	5
<b>30 June 2021</b>						
Rates receivable						
Expected credit loss	-	-	-	65.62%		
Gross carrying amount	61,215	194,234	50,249	62,681	368,379	
Loss allowance	-	-	-	41,424	41,424	5

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

	Less than 30 days past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2022</b>					
Trade and other receivables					
Expected credit loss	-	-	-	-	
Gross carrying amount	30,546	269	-	7,783	38,598
<b>30 June 2021</b>					
Trade and other receivables					
Expected credit loss	-	-	-	-	
Gross carrying amount	301,295	-	240	46,118	347,653



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

**(b) Credit risk**

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

	Rates receivable		Trade and other receivables	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual
<b>Opening loss allowance as at 1 July</b>	\$ 41,424	\$ 41,424	\$ -	\$ -
Increase in loss allowance recognised in profit or loss during the year	11,351	41,424	-	-
<b>Closing loss allowance at 30 June</b>	52,775	41,424	-	-

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

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

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

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

**(c) Liquidity risk**

**Payables and borrowings**

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 15(c).

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

	<b>Due within 1 year</b>	<b>Due between 1 &amp; 5 years</b>	<b>Due after 5 years</b>	<b>Total contractual cash flows</b>	<b>Carrying values</b>
	\$	\$	\$	\$	\$
<b><u>2022</u></b>					
Trade and other payables	1,435,218	-	-	1,435,218	1,435,218
Borrowings	88,109	48,882	-	136,991	128,909
	<u>1,569,635</u>	<u>48,882</u>	<u>-</u>	<u>1,618,517</u>	<u>1,564,127</u>
<b><u>2021</u></b>					
Trade and other payables	697,080	-	-	697,080	697,080
Borrowings	116,407	136,991	-	253,398	234,330
	<u>874,795</u>	<u>136,991</u>	<u>-</u>	<u>1,011,786</u>	<u>931,410</u>

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

**20. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

The Shire of Yalgoo has not identified any events occurring after 30 June 2022.

**21. OTHER SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

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

**c) Rounding off figures**

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

**d) Comparative figures**

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

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

**e) Budget comparative figures**

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

**f) Superannuation**

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

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

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

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

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

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

**h) Interest earnings**

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

**i) Fair value hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

**j) Impairment of assets**

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

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

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

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

**k) Initial application of accounting standards**

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

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

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

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

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

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

**22. FUNCTION AND ACTIVITY**

**(a) Service objectives and descriptions**

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

<b>Objective</b>	<b>Description</b>
<p><b>Governance</b>                      To provide a decision making process for the efficient allocation of scarce resources.</p>	<p>Administration and operation facilities and services to the members of the Council. Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern other specific functions/activities of the Shire are also recorded here.</p>
<p><b>General purpose funding</b>                      To collect revenue to allow for the provision of services.</p>	<p>Rates, general purpose government grants and interest revenue.</p>
<p><b>Law, order, public safety</b>                      To provide services to help ensure a safer and environmentally conscious community.</p>	<p>Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.</p>
<p><b>Health</b>                      To provide an operational framework for environmental and community health.</p>	<p>Food quality, pest control and immunisation services.</p>
<p><b>Education and welfare</b>                      To provide services to disadvantaged persons, the elderly, children and youth.</p>	<p>To promote education services through the education initiatives.</p>
<p><b>Housing</b>                      To provide housing for Shire of Yalgoo staff.</p>	<p>Provision and maintenance of staff, rental and Joint Venture Housing.</p>
<p><b>Community amenities</b>                      To provide services required by the community.</p>	<p>Rubbish collection services, operation of rubbish disposal sites, noise control, litter control, administration of town planning schemes, strategic planning, maintenance of the cemetery, public conveniences and town storm water drainage.</p>
<p><b>Recreation and culture</b>                      To establish and effectively manage infrastructure and resources which will help the social well being of the community.</p>	<p>Maintenance of public halls, water park, recreation grounds and various reserves. The operation of library and maintenance of cultural heritage assets and TV/radio transmission services.</p>
<p><b>Transport</b>                      To provide safe, effective and efficient transport services to the community.</p>	<p>Construction and maintenance of roads, streets, footpaths, drainage works, lighting of streets, maintenance of the depot and airstrips.</p>
<p><b>Economic services</b>                      To help promote the shire and its economic wellbeing.</p>	<p>Regulation and provision of tourism services including the caravan park, area promotion, community activities, building control, noxious weeds and vermin control.</p>
<p><b>Other property and services</b>                      To monitor and control Shire's overheads operating accounts.</p>	<p>Private works operation, plant repair and operation costs and engineering operation costs.</p>

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

**22. FUNCTION AND ACTIVITY (Continued)**

**(b) Income and expenses**

**Income excluding grants, subsidies and contributions**

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
General purpose funding	2,454,372	2,719,663	2,603,154
Law, order, public safety	9,106	4,100	4,090
Health	841	450	1,641
Housing	11,850	17,500	14,850
Community amenities	17,501	14,750	18,588
Recreation and culture	22,275	4,800	9,111
Transport	43,472	39,950	16,197
Economic services	184,744	169,010	193,775
Other property and services	52,503	54,700	58,202

2,796,664      3,024,923      2,919,608

**Grants, subsidies and contributions**

Governance	-	1,190,651	2,464,847
General purpose funding	3,118,913	1,118,130	250,420
Law, order, public safety	25,768	25,000	17,187
Health	8,742	15,578	-
Education and welfare	-	11,348	-
Housing	1,000	-	-
Community amenities	5,000	19,875	-
Recreation and culture	6,300	300,000	7,000
Transport	2,034,568	6,000,319	772,981
Economic services	92,181	113,085	156,382
Other property and services	157,392	-	-

5,449,864      8,793,986      3,668,817

**Total Income**

8,246,528      11,818,909      6,588,425

**Expenses**

Governance	(380,700)	(503,337)	(379,719)
General purpose funding	(201,940)	(205,361)	(197,644)
Law, order, public safety	(162,073)	(196,748)	(166,083)
Health	(96,847)	(116,178)	(113,030)
Education and welfare	(8,493)	(20,912)	(6,921)
Housing	(300,894)	(346,889)	(354,031)
Community amenities	(179,299)	(256,826)	(201,510)
Recreation and culture	(822,680)	(1,055,547)	(923,422)
Transport	(3,028,928)	(5,403,456)	(2,102,895)
Economic services	(825,515)	(891,336)	(847,017)
Other property and services	(372,950)	(14,128)	(9,941)

**Total expenses**

(6,380,319)      (9,010,718)      (5,302,213)

**Net result for the period**

1,866,209      2,808,191      1,286,212

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

**22. FUNCTION AND ACTIVITY (Continued)**

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
<b>(c) Fees and Charges</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
General purpose funding	(350)	200	184
Law, order, public safety	9,106	100	89
Health	841	450	1,641
Housing	11,850	17,500	14,850
Community amenities	17,501	14,750	18,588
Recreation and culture	13,945	4,050	-
Transport	-	-	9,111
Economic services	184,478	159,010	193,774
Other property and services	40,951	500	11,852
	<b>278,322</b>	<b>196,560</b>	<b>250,089</b>
<b>(d) Total Assets</b>	<b>\$</b>	<b>\$</b>	
Governance	2,737	4,407	
General purpose funding	5,092,454	3,484,342	
Law, order, public safety	86,070	149,627	
Health	51,000	923,965	
Housing	2,581,663	2,424,277	
Community amenities	924,608	1,036,316	
Recreation and culture	5,351,653	6,406,566	
Transport	76,239,427	75,071,923	
Economic services	2,113,590	2,029,270	
Other property and services	314,919	494,433	
	<b>94,516,331</b>	<b>92,025,126</b>	

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

23. RATING INFORMATION

(a) General Rates

RATE TYPE		2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2020/21
Rate Description	Basis of valuation	Rate in \$	Number of Properties	Actual Rateable Value *	Actual Rate Revenue	Actual Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Back Rate	Budget Total Revenue	Actual Total Revenue
		\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
GRV - Townsites Improved	Gross rental valuation	0.078318	31	254,390	19,923	393	-	20,316	20,103	-	-	20,103	19,614
GRV - Mining Infrastructure	Gross rental valuation	0.297500	6	2,461,000	732,148	-	-	732,148	774,690	-	-	774,690	732,147
UV - Pastoral / Rural	Unimproved valuation	0.069079	21	886,216	61,218	(1,113)	-	60,105	65,642	-	-	65,642	65,607
UV - Mining / Mining Tenements	Unimproved valuation	0.320000	118	4,358,439	1,394,497	(15,382)	-	1,379,115	1,636,626	-	-	1,636,626	1,593,710
UV - Exploration / Prospecting	Unimproved valuation	0.198825	186	1,128,395	224,353	(17,976)	-	206,377	161,352	5,000	-	166,352	138,046
<b>Sub-Total</b>			362	9,088,440	2,432,139	(34,078)	-	2,398,061	2,658,413	5,000	-	2,663,413	2,549,124
<b>Minimum payment</b>		<b>\$</b>											
GRV - Townsites Improved	Gross rental valuation	290	5	16,224	1,450	-	-	1,450	1,160	-	-	1,160	1,450
GRV - Townsites Vacant	Gross rental valuation	290	10	1,240	2,900	(536)	-	2,364	2,900	-	-	2,900	2,900
UV - Pastoral / Rural	Unimproved valuation	290	12	16,676	3,480	-	-	3,480	4,350	-	-	4,350	4,060
UV - Mining / Mining Tenements	Unimproved valuation	290	41	29,436	11,890	-	-	11,890	11,310	-	-	11,310	11,890
UV - Exploration / Prospecting	Unimproved valuation	290	97	66,268	28,130	-	-	28,130	22,330	-	-	22,330	24,940
<b>Sub-Total</b>			165	129,844	47,850	(536)	-	47,314	42,050	-	-	42,050	45,240
			527	9,218,284	2,479,989	(34,614)	-	2,445,375	2,700,463	5,000	-	2,705,463	2,594,364
<b>Total amount raised from general rates</b>								2,445,375				2,705,463	2,594,364
								<b>2,445,375</b>				<b>2,705,463</b>	<b>2,594,364</b>

\* Rateable value is based on the value of properties at the time the rate is raised.

(b) Total Rates

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



23. RATING INFORMATION (Continued)

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

Incentives

The Council offered the following rate incentive scheme in the 2021-22 financial year:

Cash prize of \$1000 made to the first drawn entry of ratepayers who have paid their rates by the due date and in one lump sum.

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

23. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option One</b>				
Single full payment	25/10/2021	-	-	7%
<b>Option Two</b>				
First instalment	25/10/2021	-	-	7%
Second instalment	27/12/2021	10	-	7%
Third instalment	28/02/2022	10	-	7%
Fourth instalment	25/04/2022	10	-	7%

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Interest on unpaid rates	263	5,000	13
Charges on instalment plan	40	200	184
	303	5,200	197

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

**24. RATE SETTING STATEMENT INFORMATION**

		2021/22 Budget	2020/21
	2021/22 (30 June 2022 Carried Forward)	(30 June 2022 Carried Forward)	(30 June 2021 Carried Forward)
Note	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	9(b) (51,697)	(60,650)	(16,197)
Less: Fair value adjustments to financial assets at fair value through profit and loss	(1,921)	-	(646)
Add: Loss on disposal of assets	9(b) 500	-	4,017
Add: Loss on revaluation of fixed assets	8(a) -	-	-
Add: Depreciation	9(a) 1,479,844	1,344,850	1,412,817
Add: Accrued salaries and wages	61,403	-	6,008
Add: Accrued interest on long term borrowings	(259)	-	(243)
Non-cash movements in non-current assets and liabilities:			
Employee benefit provisions	66,487	-	(20,934)
	1,554,357	1,284,200	1,384,822
<b>(b) Surplus/(deficit) after imposition of general rates</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
<b>Adjustments to net current assets</b>			
Less: Reserve accounts	26 (2,110,587)	(5,231,122)	(2,102,916)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	12 82,094	-	105,420
- Accrued salaries and wages	77,797	16,394	16,394
- Accrued interest on long term borrowings	531	790	790
- Employee benefit provisions	235,196	172,207	172,207
<b>Total adjustments to net current assets</b>	(1,714,969)	(5,041,731)	(1,808,105)
<b>Net current assets used in the Rate Setting Statement</b>			
Total current assets	7,714,138	5,579,674	5,906,754
Less: Total current liabilities	(1,798,816)	(537,942)	(1,036,015)
Less: Total adjustments to net current assets	(1,714,969)	(5,041,731)	(1,808,105)
<b>Net current assets used in the Rate Setting Statement</b>	4,200,353	1	3,062,634

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

25. BORROWINGS

(a) Borrowings

Purpose	Note	Actual							Budget			
		Principal at 1 July 2020	New Loans During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
19a and 19b Stanley Street		67,263	-	(17,676)	49,587	-	(18,869)	30,718	49,587	-	(18,869)	30,718
18c and 18d Shamrock Street		93,561	-	(21,212)	72,349	-	(22,602)	49,747	72,349	-	(22,602)	49,747
Staff Housing		135,517	-	(52,983)	82,534	-	(54,607)	27,927	82,534	-	(54,606)	27,928
Public Toilets		38,641	-	(8,781)	29,860	-	(9,343)	20,517	29,860	-	(9,343)	20,517
<b>Total Borrowings</b>	12	<b>334,982</b>	<b>-</b>	<b>(100,652)</b>	<b>234,330</b>	<b>-</b>	<b>(105,421)</b>	<b>128,909</b>	<b>234,330</b>	<b>-</b>	<b>(105,420)</b>	<b>128,910</b>

Borrowing Interest Repayments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021
						\$	\$	\$
19a and 19b Stanley Street		Housing	53	WATC*	6.54%	(2,838)	(2,940)	(4,064)
18c and 18d Shamrock Street		Housing	55	WATC*	6.35%	(4,087)	(4,241)	(5,432)
Staff Housing		Housing	56	WATC*	3.04%	(2,093)	(2,097)	(3,709)
Public Toilets		Community amenities	54	WATC*	6.20%	(1,709)	(1,709)	(2,258)
<b>Total</b>						<b>(10,727)</b>	<b>(10,987)</b>	<b>(15,463)</b>
<b>Total Interest Repayments</b>	2(b)					<b>(10,727)</b>	<b>(10,987)</b>	<b>(15,463)</b>

\* WA Treasury Corporation

(b) Unspent Borrowings

Particulars	Institution	Date Borrowed	Unspent Balance 1 July 2021	Borrowed During Year	Expended During Year	Unspent Balance 30 June 2022
			\$	\$	\$	\$
Staff Housing - Loan 56	WATC*	31/12/2014	123,525	-	-	123,525
			123,525	-	-	123,525

\* WA Treasury Corporation

SHIRE OF YALGOO  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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26. RESERVE ACCOUNTS

	2022	2022	2022	2022	2022	2022	2022	2021	2021	2021	2021	
	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Actual	Actual	Actual	Actual	
	Opening	Transfer to	Transfer	Closing	Opening	Transfer to	Transfer	Opening	Transfer to	Transfer	Closing	
	Balance		(from)	Balance	Balance		(from)	Balance		(from)	Balance	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Restricted by legislation/agreement</b>												
(a) Leave reserve	49,655	181	-	49,836	49,655	142	-	49,797	49,270	385	-	49,655
(b) Plant reserve	61,449	224	-	61,673	61,449	612,342	-	673,791	60,972	477	-	61,449
(c) Building reserve	163,522	597	-	164,119	163,521	467	-	163,988	162,254	1,268	-	163,522
(d) Yalgoo-Ninghan road reserve	853,975	3,113	-	857,088	853,975	2,485,087	-	3,339,062	532,234	321,741	-	853,975
(e) Sports complex reserve	96,538	353	-	96,891	96,539	275	-	96,814	95,789	749	-	96,538
(f) Housing maintenance reserve	124,210	453	-	124,663	124,210	354	-	124,564	123,247	963	-	124,210
(g) General road reserve	129,800	474	-	130,274	129,800	370	-	130,170	493	129,307	-	129,800
(h) Community amenities maintenance	273,709	999	-	274,708	273,709	781	-	274,490	271,586	2,123	-	273,709
(i) HCP reserve	142,867	521	-	143,388	142,867	408	-	143,275	141,759	1,108	-	142,867
(j) Yalgoo-Morawa road reserve	182,161	664	-	182,825	182,161	27,909	-	210,070	173,608	8,553	-	182,161
(k) Superannuation back-pay reserve	24	-	-	24	24	-	-	24	24	-	-	24
(l) Office equipment reserve	3,651	14	-	3,665	3,651	10	-	3,661	3,624	27	-	3,651
(m) Natural disaster trigger point reserv	12,907	47	-	12,954	12,907	37	-	12,944	12,807	100	-	12,907
(n) Emergency road repairs reserve	8,448	31	-	8,479	8,448	24	-	8,472	8,380	68	-	8,448
	2,102,916	7,671	-	2,110,587	2,102,916	3,128,206	-	5,231,122	1,636,047	466,869	-	2,102,916

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves - cash/financial assets backed.

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave reserve	Ongoing	To be used to fund annual and long service leave requirements.
(b) Plant reserve	Ongoing	To be used for the purchase of major plant.
(c) Building reserve	Ongoing	To be used for the replacement of council properties including housing and other properties.
(d) Yalgoo-Ninghan road reserve	Ongoing	To be used to maintain the sealed Yalgoo Ninghan Road.
(e) Sports complex reserve	Ongoing	To be used for the development of new recreational facilities.
(f) Housing maintenance reserve	Ongoing	To be used for the maintenance of staff and other housing owned by the Shire.
(g) General road reserve	Ongoing	To be used for the maintenance of grids, etc on roads in the Shire.
(h) Community amenities maintenance	Ongoing	To be used for the maintenance of community amenities.
(i) HCP reserve	Ongoing	To be used for future community projects operating expenditure.
(j) Yalgoo-Morawa road reserve	Ongoing	To be used to maintain the sealed Yalgoo Morawa Road.
(k) Superannuation back-pay reserve	Ongoing	To be used for the purpose of paying any superannuation and back pay costs.
(l) Office equipment reserve	Ongoing	To be used for the purpose of purchase of new office equipment and the maintenance of existing equipment.
(m) Natural disaster trigger point reserv	Ongoing	To be used to fund the Shire mandatory contribution when the Shire receives funding for reparation after natural disaster events.
(n) Emergency road repairs reserve	Ongoing	To be used to fund emergency repairs to roads that are damaged by unfunded events (storm damages, vehicular, etc).

**SHIRE OF YALGOO**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**27. TRUST FUNDS**

The Shire held no funds at balance date which are required to be held in trust and which are not included in the financial statements.