

SHIRE OF DONNYBROOK BALINGUP
BUDGET FOR THE YEAR ENDING 30 JUNE 2023

Shire of Donnybrook Balingup



"Hand in Hand" Deb Vanallen – 2022 Shire Calendar

2022-2023 ANNUAL BUDGET

Adopted 24 August 2022

SHIRE OF DONNYBROOK BALINGUP

ANNUAL BUDGET

FOR THE YEAR ENDED 30 JUNE 2023

LOCAL GOVERNMENT ACT 1995

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SHIRE OF DONNYBROOK BALINGUP
STATEMENT OF COMPREHENSIVE INCOME BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
Revenue				
Rates	2(a)	6,535,076	6,122,936	6,110,565
Operating grants, subsidies and contributions	11	1,506,091	5,333,237	2,432,997
Fees and charges	16	1,885,721	1,749,861	1,582,087
Interest earnings	12(a)	99,410	80,288	104,000
Other revenue	12(b)	409	900	400
		10,026,707	13,287,222	10,230,049
Expenses				
Employee costs		(5,779,016)	(5,691,193)	(5,597,803)
Materials and contracts		(3,605,082)	(2,865,581)	(3,714,673)
Utility charges		(461,585)	(402,382)	(379,610)
Depreciation on non-current assets	6	(5,798,081)	(5,799,834)	(5,758,977)
Interest expenses	12(d)	(85,448)	(11,497)	(12,372)
Insurance expenses		(434,693)	(377,201)	(367,996)
Other expenditure		(243,007)	(227,875)	(209,599)
		(16,406,912)	(15,375,563)	(16,041,030)
		(6,380,205)	(2,088,341)	(5,810,981)
Non-operating grants, subsidies and contributions	11	12,665,285	4,886,934	11,389,111
Profit on asset disposals	5(b)	57,531	130,482	24,018
Loss on asset disposals	5(b)	(29,955)	(1,129,574)	(28,303)
		12,692,861	3,887,842	11,384,826
Net result for the period		6,312,656	1,799,501	5,573,845
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		6,312,656	1,799,501	5,573,845

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

SHIRE OF DONNYBROOK BALINGUP
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		6,535,076	6,122,936	6,110,565
Operating grants, subsidies and contributions		1,506,091	5,333,237	2,432,997
Fees and charges		1,885,721	1,749,861	1,582,087
Interest received		99,410	80,288	104,000
Goods and services tax received		1,300,000	1,200,000	1,200,000
Other revenue		409	900	400
		11,326,707	14,487,222	11,430,049
Payments				
Employee costs		(5,779,016)	(5,691,193)	(5,597,803)
Materials and contracts		(3,605,082)	(2,865,581)	(3,719,622)
Utility charges		(461,585)	(402,382)	(379,610)
Interest expenses		(85,448)	(11,497)	(12,372)
Insurance paid		(434,693)	(377,201)	(367,996)
Goods and services tax paid		(1,300,000)	(1,200,000)	(1,200,000)
Other expenditure		(243,007)	(227,875)	(209,599)
		(11,908,831)	(10,775,729)	(11,487,002)
Net cash provided by (used in) operating activities	4	(582,124)	3,711,493	(56,953)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(13,453,191)	(2,120,725)	(7,314,497)
Payments for construction of infrastructure	5(a)	(5,538,060)	(7,322,883)	(7,505,073)
Non-operating grants, subsidies and contributions		12,665,285	4,886,934	11,389,111
Proceeds from sale of property, plant and equipment	5(b)	287,260	238,091	143,870
Proceeds on financial assets at amortised cost - self supporting loans		9,396	9,396	9,396
Proceeds on financial assets at amortised cost - commercial loans		13,333	1,113	0
Net cash provided by (used in) investing activities		(6,015,977)	(4,308,074)	(3,277,193)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(109,902)	(63,578)	(63,577)
Principal elements of lease payments	8	(15,031)	(29,043)	(39,309)
Repayment of lease liability		(275,000)	(260,000)	(308,000)
Proceeds from lease		275,000	260,000	275,000
Proceeds from new borrowings	7(a)	3,000,000	0	2,500,000
Net cash provided by (used in) financing activities		2,875,067	(92,621)	2,364,114
Net increase (decrease) in cash held		(3,723,034)	(689,202)	(970,032)
Cash at beginning of year		10,442,278	11,131,480	11,242,319
Cash and cash equivalents at the end of the year	4	6,719,244	10,442,278	10,272,287

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

SHIRE OF DONNYBROOK BALINGUP
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Underlying net current assets at start of year - surplus / (deficit)		251,022	326,245	43,924
Advance payment of untied financial assistance grant		1,571,428	1,020,598	1,084,258
Net current assets at start of financial year - surplus/(deficit)	3	1,822,450	1,346,843	1,128,182
Revenue from operating activities (excluding rates)				
Operating grants, subsidies and contributions	11	1,506,091	5,333,237	2,432,997
Fees and charges	16	1,885,721	1,749,861	1,582,087
Interest earnings	12(a)	99,410	80,288	104,000
Other revenue	12(b)	409	900	400
Profit on asset disposals	5(b)	57,531	130,482	24,018
		3,549,162	7,294,768	4,143,502
Expenditure from operating activities				
Employee costs		(5,779,016)	(5,691,193)	(5,597,803)
Materials and contracts		(3,605,082)	(2,865,581)	(3,714,673)
Utility charges		(461,585)	(402,382)	(379,610)
Depreciation on non-current assets	6	(5,798,081)	(5,799,834)	(5,758,977)
Interest expenses	12(d)	(85,448)	(11,497)	(12,372)
Insurance expenses		(434,693)	(377,201)	(367,996)
Other expenditure		(243,007)	(227,875)	(209,599)
Loss on asset disposals	5(b)	(29,955)	(1,129,574)	(28,303)
		(16,436,867)	(16,505,137)	(16,069,333)
Non-cash amounts excluded from operating activities	3(b)	5,770,505	4,864,166	5,763,262
Amount attributable to operating activities		(5,294,750)	(2,999,360)	(5,034,387)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	11	12,665,285	4,886,934	11,389,111
Payments for property, plant and equipment	5(a)	(13,453,191)	(1,125,493)	(7,314,497)
Payments for construction of infrastructure	5(a)	(5,538,060)	(5,322,883)	(7,505,073)
Proceeds from disposal of assets	5(b)	287,260	238,091	143,870
Proceeds from financial assets at amortised cost - self supporting loans		9,396	9,396	9,396
Proceeds from financial assets at amortised cost - commercial loans		13,333	1,113	0
Amount attributable to investing activities		(6,015,977)	(1,312,842)	(3,277,193)
Amount attributable to investing activities		(6,015,977)	(1,312,842)	(3,277,193)
FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(109,902)	(63,578)	(63,577)
Principal elements of finance lease payments	8	(15,031)	(29,043)	(39,309)
Proceeds from new borrowings	7(b)	3,000,000	0	2,500,000
Proceeds from new leases		275,000	260,000	275,000
Repayment of lease liability		(275,000)	(260,000)	(308,000)
Transfers to cash backed reserves (restricted assets)	9(a)	(779,400)	(998,867)	(824,638)
Transfers from cash backed reserves (restricted assets)	9(a)	2,679,984	1,103,204	1,647,768
Amount attributable to financing activities		4,775,651	11,716	3,187,244
Budgeted deficiency before general rates		(6,535,076)	(4,300,486)	(5,124,336)
Estimated amount to be raised from general rates	2(a)	6,535,076	6,122,936	6,110,565
Net current assets at end of financial year - surplus/(deficit)	3	0	1,822,450	986,229

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

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SHIRE OF DONNYBROOK BALINGUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

1 (a) BASIS OF PREPARATION

The annual budget has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

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

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

Accounting policies which have been adopted in the preparation of this annual budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the budget 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.

Financial reporting disclosures in relation to assets and liabilities required by the Australian Accounting Standards have not been made unless considered important for the understanding of the budget or required by legislation.

The local government reporting entity

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 15 to the annual budget.

2021/22 actual balances

Balances shown in this budget as 2021/22 Actual are estimates as forecast at the time of preparation of the annual budget and are subject to final adjustments.

Budget comparative figures

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

Comparative figures

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

Initial application of accounting standards

During the budget year, the below revised Australian Accounting Standards and Interpretations are expected to be compiled, become mandatory and be applicable to its operations.

- *AASB 2020-3 Amendments to Australian Accounting Standards* - Annual Improvements 2018-2020 and Other Amendments
- *AASB 2020-6 Amendments to Australian Accounting Standards* - Classification of Liabilities as Current or Non-current - Deferral of Effective Date

It is not expected these standards will have an impact on the annual budget.

New accounting standards for application in future years

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

- *AASB 2021-2 Amendments to Australian Accounting Standards* - Disclosure of Accounting Policies or Definition of Accounting Estimates
- *AASB 2021-6 Amendments to Australian Accounting Standards* - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards

It is not expected these standards will have an impact on the annual budget.

Judgements, estimates and assumptions

The preparation of the annual budget 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
- estimation of fair values of land and buildings and investment property
- impairment of financial assets
- estimation uncertainties and judgements made in relation to lease accounting
- estimated useful life of assets

Rounding off figures

All figures shown in this statement are rounded to the nearest dollar.

SHIRE OF DONNYBROOK BALINGUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

1 (b) KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts and concessions offered. Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

SERVICE CHARGES

Service charges imposed under Division 6 of Part 6 of the *Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services.

Excludes rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

PROFIT ON ASSET DISPOSAL

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

FEES AND CHARGES

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

INTEREST EARNINGS

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

OTHER REVENUE / INCOME

Other revenue, which can not be classified under the above headings, includes dividends, discounts, and rebates. Reimbursements and recoveries should be separated by note to ensure the correct calculation of ratios.

EXPENSES

EMPLOYEE COSTS

All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences safety expenses, medical examinations, fringe benefit tax, etc.

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

INSURANCE

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets includes loss on disposal of long term investments.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

INTEREST EXPENSES

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

OTHER EXPENDITURE

Statutory fees, taxes, provision for bad debts, member's fees or State taxes. Donations and subsidies made to community groups.

1 (c) KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the Shire's Community Vision, and for each of its broad activities/programs.

OBJECTIVE

Governance

To provide a decision-making process for the efficient allocation of scarce resources.

General purpose funding

To collect revenue to allow for the provision of services.

Law, order, public safety

To provide services to help ensure a safer and environmentally conscious community.

Health

To provide an operational framework for environmental and community health.

Education and welfare

To provide services to disadvantaged persons, the elderly, children and youth.

Housing

To provide and maintain elderly residents housing.

Community amenities

To provide services required by the community.

Recreation and culture

To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.

Transport

To provide safe, effective and efficient transport services to the community.

Economic services

To help promote the local government and its economic wellbeing.

Other property and services

To monitor and control operating accounts.

ACTIVITIES

Includes the activities of members of Council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific local government services.

Rates, general purpose government grants and interest revenue.

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of

Provision and maintenance of staff and elderly residents housing.

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery, and public conveniences.

Maintenance of public halls, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens, and playgrounds. Operation of library, museum and other cultural facilities.

Construction and maintenance of roads, streets, footpaths, depots, cycleways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control, and standpipes. Building Control.

Private works operations, plant repair and costs.

SHIRE OF DONNYBROOK BALINGUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in	Number of properties	Rateable value	2022/23 Budgeted rate revenue	2022/23 Budgeted interim rates	2022/23 Budgeted back rates	2022/23 Budgeted total revenue	2021/22 Actual total revenue	2021/22 Budget total revenue
		\$		\$	\$	\$	\$	\$	\$	\$
(i) Differential general rates or general rates										
Gross Rental Value		0.105258	1,066	21,100,819	2,221,030	35,504	0	2,256,534	2,059,839	2,047,127
Unimproved Value		0.005931	800	374,234,699	2,219,586	0	0	2,219,586	2,067,134	2,067,134
Sub-Total			1,866	395,335,518	4,440,616	35,504	0	4,476,120	4,126,973	4,114,261
Minimum										
Minimum payment		\$								
Gross Rental Value		1,421	919	8,724,354	1,305,899	0	0	1,305,899	1,221,248	1,221,248
Unimproved Value		1,421	600	91,066,122	852,600	0	0	852,600	777,756	777,756
Sub-Total			1,519	99,790,476	2,158,499	0	0	2,158,499	1,999,004	1,999,004
			3,385	495,125,994	6,599,115	35,504	0	6,634,619	6,125,977	6,113,265
Rates Written Off								(1,944)	0	0
Concessions on general rates (Refer note 2(e))								(97,599)	(3,041)	(2,700)
Total amount raised from general rates								6,535,076	6,122,936	6,110,565
Total specified area and ex gratia rates								0	0	0
Total rates								6,535,076	6,122,936	6,110,565

All land (other than exempt land) in the Shire of Donnybrook Balingup is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire of Donnybrook Balingup.

The general rates detailed for the 2022/23 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of local government services/facilities.

2. RATES AND SERVICE CHARGES (CONTINUED)

(b) Interest Charges and Instalments - Rates and Service Charges

The following instalment options are available to ratepayers for the payment of rates and service charges.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	14 October 2022	N/A	N/A	7.0%
Option two				
First instalment	14 October 2022	N/A	N/A	7.0%
Second instalment	13 February 2023	\$12.00	5.5%	7.0%
Option three				
First instalment	14 October 2022	N/A	N/A	7.0%
Second instalment	13 December 2022	\$12.00	5.5%	7.0%
Third instalment	13 February 2023	\$12.00	5.5%	7.0%
Fourth instalment	14 April 2023	\$12.00	5.5%	7.0%

	2022/23 Budget revenue	2021/22 Actual revenue	2021/22 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	25,500	23,415	25,000
Instalment plan interest earned	17,340	17,161	17,000
Unpaid rates and service charge interest earned	39,375	40,047	37,500
	82,215	80,623	79,500

SHIRE OF DONNYBROOK BALINGUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Specified Area Rate

The Shire did not raise a specified area rate for the year ended 30th June 2023.

(d) Service Charges

The Shire did not raise service charges for the year ended 30th June 2023.

2. RATES AND SERVICE CHARGES (CONTINUED)

(e) Waivers or concessions

Rate, fee or charge to which the waiver or concession is granted	Type	Waiver/Concession	Discount %	Discount (\$)	2022/23 Budget	2021/22 Actual	2021/22 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
General Rates	Rate	Concession	Various	Various	\$ 2,916	\$ 3,041	\$ 2,700	A concession of general rates where the district boundary bisects properties	To recognise the impact of rates charges by two local governments for the same property
General Rates	Rate	Concession	Rate in \$ Discount = 1.57 percentage points	Minimum Payment Discount = \$20.00	94,683	0	0	All rateable properties for the 2022/23 financial year.	The purpose of the one off concession in 2022/23 is to return the balance of the COVID-19 Reserve to ratepayers by way of a rates concession, as the reserve is no longer required
					97,599	3,041	2,700		

SHIRE OF DONNYBROOK BALINGUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

3. NET CURRENT ASSETS

	Note	2022/23 Budget 30 June 2023	2021/22 Actual 30 June 2022	2021/22 Budget 30 June 2022
		\$	\$	\$
(a) Composition of estimated net current assets				
Current assets				
Cash and cash equivalents - unrestricted	4	3,297,907	5,120,357	5,556,159
Cash and cash equivalents - restricted	4	3,421,337	5,321,921	4,716,128
Financial assets - unrestricted		0	22,989	0
Receivables		800,000	828,774	1,076,023
Contract assets		0	36,812	96,978
Inventories		200,000	257,644	45,499
		7,719,244	11,588,497	11,490,787
Less: current liabilities				
Trade and other payables		(2,000,000)	(1,300,290)	(2,462,647)
Contract liabilities		(1,397,907)	(2,264,505)	(2,000,000)
Lease liabilities	8	15,031	(15,032)	(30,000)
Long term borrowings	7	(2,890,098)	(65,983)	(137,663)
Employee provisions		(900,000)	(856,343)	(189,391)
		(7,172,974)	(4,502,153)	(4,819,701)
Net current assets		546,270	7,086,344	6,671,086
Less: Total adjustments to net current assets	3.(c)	(546,270)	(5,263,894)	(5,684,857)
Net current assets used in the Rate Setting Statement		0	1,822,450	986,229

3. NET CURRENT ASSETS (CONTINUED)

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

Items excluded from calculation of budgeted deficiency

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

(b) Non-cash amounts excluded from operating activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32*.

Adjustments to operating activities

	Note	2022/23 Budget 30 June 2023	2021/22 Actual 30 June 2022	2021/22 Budget 30 June 2022
		\$	\$	\$
Less: Profit on asset disposals	5(b)	(57,531)	(130,482)	(24,018)
Add: Loss on disposal of assets	5(b)	29,955	1,129,574	28,303
Add: Depreciation on assets	6	5,798,081	5,799,834	5,758,977
Movement in non-current pensioner deferred rates		0	(16,254)	0
Movement in non-current employee provisions		0	44,149	0
Movement in non-current contract liability		0	(45,168)	0
Movement in non-current income		0	(1,925)	0
Movement of non-current inventory		0	(1,700,125)	0
Movement in current contract liabilities associated with restricted cash		0	(215,437)	0
Non cash amounts excluded from operating activities		5,770,505	4,864,166	5,763,262

SHIRE OF DONNYBROOK BALINGUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023
(c) Current assets and liabilities excluded from budgeted deficiency

The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

Adjustments to net current assets

Less: Unspent borrowings	7(c)	0	0	(986,229)
Less: Cash - restricted reserves	9	(3,421,337)	(5,321,921)	(4,716,128)
Less: Current assets not expected to be received at end of year				
- Current portion of self supporting loans receivable		0	(9,655)	0
- Current portion of commercial loans receivable		0	(13,333)	0
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		2,890,098	65,983	0
- Current portion of lease liabilities		(15,031)	15,032	0
- Current portion of contract liability held in reserve		0	0	17,500
Total adjustments to net current assets		(546,270)	(5,263,894)	(5,684,857)

SHIRE OF DONNYBROOK BALINGUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

3 (d) NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

An 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.

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 of Donnybrook Balingup becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

PREPAID RATES

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

INVENTORIES

General

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

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

Superannuation

The Shire of Donnybrook Balingup contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Donnybrook Balingup contributes are defined contribution plans.

LAND HELD FOR RESALE

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

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.

TRADE AND OTHER RECEIVABLES

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

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

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

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

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.

PROVISIONS

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

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

EMPLOYEE BENEFITS

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

SHIRE OF DONNYBROOK BALINGUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

4. RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

Note	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Cash at bank and on hand	6,719,244	10,442,278	10,272,287
Total cash and cash equivalents	6,719,244	10,442,278	10,272,287
Held as			
- Unrestricted cash and cash equivalents	3(a) 3,297,907	2,339,636	3,556,159
- Restricted - Bonds and Deposits	572,452	572,452	200,000
- Restricted - Unspent grants, subsidies and contributions	0	2,208,269	1,800,000
- Restricted - cash backed reserves	3(a) 3,421,337	5,321,921	4,716,128
	7,291,696	10,442,278	10,272,287
Restrictions			
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Restricted - Cash Backed Reserves	3,421,337	5,321,921	4,716,128
- Restricted - Bonds and Deposits	572,452	572,452	200,000
- Restricted - Unspent grants, subsidies and contributions	0	2,208,269	1,800,000
			0
	3,993,789	8,102,642	6,716,128
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Financially backed reserves	9 3,421,337	5,321,921	4,716,128
	3,421,337	5,321,921	4,716,128
Reconciliation of net cash provided by operating activities to net result			
Net result	6,312,656	1,799,501	5,573,845
Depreciation	6 5,798,081	5,799,834	5,758,977
(Profit)/loss on sale of asset	5(b) (27,576)	999,092	4,285
Share of profit or (loss) of associates accounted for using the equity method	0	0	0
(Increase)/decrease in receivables	50,000	(141,024)	(250,000)
(Increase)/decrease in contract assets	0	(102,126)	300,000
(Increase)/decrease in inventories	0	211,457	200,000
Increase/(decrease) in payables	0	(38,168)	300,000
Increase/(decrease) in contract liabilities	0	123,280	(700,000)
Increase/(decrease) in unspent non-operating grants	0	0	332,051
Increase/(decrease) in other provision	0	0	13,000
Increase/(decrease) in employee provisions	(50,000)	(53,419)	(200,000)
Non-operating grants, subsidies and contributions	(12,665,285)	(4,886,934)	(11,389,111)
Net cash from operating activities	(582,124)	3,711,493	(56,953)

SIGNIFICANT ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

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

Bank overdrafts are shown as short term borrowings in current liabilities in Note 3 - Net Current Assets.

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.

SHIRE OF DONNYBROOK BALINGUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

5. FIXED ASSETS

(a) Acquisition of Assets

The following assets are budgeted to be acquired during the year.

Asset class	Reporting program									2022/23 Budget total	2021/22 Actual total	2021/22 Budget total
	Governance	Law, order, public safety	Health	Education and welfare	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>												
Land - vested in and under the control of council										0	0	0
Buildings - non-specialised	234,057	1,337,221	15,000	1,720,227	5,500	9,023,373	58,863	39,768	0	12,434,009	831,279	6,720,624
Furniture and equipment	114,811	0	0	0	0	5,030	0	0	0	119,841	32,582	52,410
Plant and equipment	0	51,638	0	0	0	0	756,072	0	91,631	899,341	261,632	541,463
	348,868	1,388,859	15,000	1,720,227	5,500	9,028,403	814,935	39,768	91,631	13,453,191	1,125,493	7,314,497
<i>Infrastructure</i>												
Infrastructure - roads	0	0	0	0	0	0	2,897,764	0	0	2,897,764	2,995,780	3,307,605
Infrastructure - other	0	0	0	0	15,000	471,020	0	0	0	486,020	2,193,561	2,471,097
Infrastructure - footpaths	0	0	0	0	0	0	221,590	0	0	221,590	82,277	227,500
Infrastructure - bridges	0	0	0	0	0	0	1,932,686	0	0	1,932,686	51,265	1,498,871
	0	0	0	0	15,000	471,020	5,052,040	0	0	5,538,060	5,322,883	7,505,073
Total acquisitions	348,868	1,388,859	15,000	1,720,227	20,500	9,499,423	5,866,975	39,768	91,631	18,991,251	6,448,376	14,819,570

A detailed breakdown of acquisitions on an individual asset basis can be found in the supplementary information attached to this budget document as follows:

SIGNIFICANT ACCOUNTING POLICIES

RECOGNITION OF ASSETS

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.

SHIRE OF DONNYBROOK BALINGUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

5. FIXED ASSETS

(b) Disposals of Assets

The following assets are budgeted to be disposed of during the year.

	2022/23 Budget Net Book Value	2022/23 Budget Sale Proceeds	2022/23 Budget Profit	2022/23 Budget Loss	2021/22 Actual Net Book Value	2021/22 Actual Sale Proceeds	2021/22 Actual Profit	2021/22 Actual Loss	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Law, order, public safety	0	0	0	0	0	0	0	0	10,192	16,200	6,008	0
Health	17,557	16,200	0	(1,357)	0	0	0	0	0	0	0	0
Recreation and culture	0	0	0	0	1,005,012	2,646	114,000	(1,116,366)	0	0	0	0
Transport	169,805	203,060	33,255	0	73,976	79,900	16,482	(10,558)	118,449	115,670	18,010	(20,789)
Economic services	28,598	0	0	(28,598)	158,191	155,545	0	(2,646)	19,514	12,000	0	(7,514)
Other property and services	43,724	68,000	24,276	0	4	0	0	(4)	0	0	0	0
	259,684	287,260	57,531	(29,955)	1,237,183	238,091	130,482	(1,129,574)	148,155	143,870	24,018	(28,303)
By Class												
<u>Property, Plant and Equipment</u>												
Land - freehold land	0	0	0	0	93,000	140,000	114,000	(67,000)	0	0	0	0
Plant and equipment	259,684	287,260	57,531	(29,955)	92,167	98,091	16,482	(10,558)	148,155	143,870	24,018	(28,303)
<u>Infrastructure</u>												
Infrastructure - other	0	0	0	0	1,052,012	0	0	(1,052,012)	0	0	0	0
<u>Right of use assets</u>												
Right of use - furniture and fittings	0	0	0	0	4	0	0	(4)	0	0	0	0
	259,684	287,260	57,531	(29,955)	1,237,183	238,091	130,482	(1,129,574)	148,155	143,870	24,018	(28,303)

A detailed breakdown of disposals on an individual asset basis can be found in the supplementary information attached to this budget document as follows:

- Staff housing program
- Plant replacement program

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

6. ASSET DEPRECIATION

By Program

Governance
Law, order, public safety
Health
Education and welfare
Community amenities
Recreation and culture
Transport
Economic services
Other property and services

By Class

Buildings - non-specialised
Furniture and equipment
Plant and equipment
Infrastructure - roads
Infrastructure - other
Infrastructure - footpaths
Infrastructure - bridges
Infrastructure - drainage
Intangible assets - Waste Cell Airspace

2022/23 Budget	2021/22 Actual	2021/22 Budget
\$	\$	\$
86,772	84,476	85,913
449,704	394,639	427,430
43,660	39,675	43,228
330,528	307,710	327,255
99,774	590,533	95,307
1,115,786	1,024,849	1,159,194
3,347,443	3,062,941	3,299,448
31,514	29,463	31,202
292,900	265,549	290,000
5,798,081	5,799,834	5,758,977
1,238,540	1,238,914	1,230,187
169,859	169,910	168,713
697,255	697,466	692,553
2,023,274	2,023,886	2,009,628
399,842	399,963	397,145
58,478	58,496	58,084
863,744	864,006	857,919
318,342	318,438	316,195
28,747	28,755	28,553
5,798,081	5,799,834	5,758,977

SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

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

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

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

Major depreciation periods used for each class of depreciable asset are:

Buildings	5 to 100 years
Computer Equipment	4 to 15 years
Plant and equipment	5 to 15 years
Road Seal	15 years
Car Parks	40 years
Cycleways	40 years
Footpaths - Concrete	25 to 71 years
Footpaths - Slabs	25 to 71 years

AMORTISATION

The depreciable amount of all intangible assets with a finite useful life, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

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

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income.

SHIRE OF DONNYBROOK BALINGUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

7. INFORMATION ON BORROWINGS

(a) Borrowing repayments

Movement in borrowings and interest between the beginning and the end of the current financial year.

Purpose	Loan Number	Institution	Interest Rate	Budget	2022/23	2022/23	Budget	2022/23	Actual	2021/22	2021/22	Actual	2021/22	2021/22	Budget	2021/22	2021/22	Budget	2021/22
				Principal 1 July 2022	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2023	Budget Interest Repayments	Principal 1 July 2021	Actual New Loans	Actual Principal Repayments	Principal outstanding 30 June 2022	Actual Interest (Accrued)	Actual Interest Repayments	Principal 1 July 2021	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2022	Budget Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Health																			
Dental Surgery Extensions	74	WATC	5.83%	41,725	0	(13,117)	28,608	(2,244)	54,110	0	(12,385)	41,725	(2,908)	(2,977)	54,109	0	(12,385)	41,724	(2,977)
Education and welfare																			
Tuia Lodge Fire Suppression System	93	WATC	1.58%	236,405	0	(27,949)	208,456	(3,625)	263,917	0	(27,512)	236,405	(3,981)	(4,062)	263,917	0	(27,512)	236,405	(4,062)
Recreation and culture																			
VC Mitchell Park	TBA	WATC	TBA	0	3,000,000	(43,919)	2,956,081	(76,380)	0	0	0	0	0	0	0	2,500,000	0	2,500,000	0
Economic services																			
Collins Street	80	WATC	6.73%	15,262	0	(15,262)	0	(775)	29,547	0	(14,285)	15,262	(1,330)	(1,752)	29,546	0	(14,284)	15,262	(1,752)
				293,392	3,000,000	(100,247)	3,193,145	(83,024)	347,574	0	(54,182)	293,392	(8,219)	(8,791)	347,572	2,500,000	(54,181)	2,793,391	(8,791)
Self Supporting Loans																			
Recreation and culture																			
Donnybrook Country Club	90	WATC	2.74%	45,596	0	(9,655)	35,941	(1,184)	54,992	0	(9,396)	45,596	(1,395)	(1,443)	54,992	0	(9,396)	45,596	(1,443)
				45,596	0	(9,655)	35,941	(1,184)	54,992	0	(9,396)	45,596	(1,395)	(1,443)	54,992	0	(9,396)	45,596	(1,443)
				338,988	3,000,000	(109,902)	3,229,086	(84,208)	402,566	0	(63,578)	338,988	(9,614)	(10,234)	402,564	2,500,000	(63,577)	2,838,987	(10,234)

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.
The self supporting loan(s) repayment will be fully reimbursed.

SHIRE OF DONNYBROOK BALINGUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

7. INFORMATION ON BORROWINGS

(b) New borrowings - 2022/23

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
					\$	\$	\$	\$
VC Mitchell Park	WATC	Debenture	20	4.0%	3,000,000	1,613,558	3,000,000	0
					3,000,000	1,613,558	3,000,000	0

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30th June 2022 nor is it expected to have unspent borrowing funds as at 30th June 2023.

(d) Credit Facilities

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit	110,000	110,000	110,000
Bank overdraft at balance date	0	0	0
Credit card limit	9,000	9,000	9,000
Credit card balance at balance date	0	0	0
Total amount of credit unused	119,000	119,000	119,000
Loan facilities			
Loan facilities in use at balance date	3,229,086	338,988	2,838,987
Unused loan facilities at balance date	0	0	6,803,987

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.

SHIRE OF DONNYBROOK BALINGUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

8. LEASE LIABILITIES

Purpose	Lease Number	Lease Term	Budget Lease	2022/23 Budget	2022/23 Budget Lease	Budget Lease	2022/23 Budget Lease	Actual Principal	2021/22 Actual	2021/22 Actual	Actual Lease	2021/22 Actual	Budget Principal	2021/22 Budget	2021/22 Budget	Budget Lease	2021/22 Budget	
			Principal	New	Principal	Principal	Leases		Leases	Principal	Leases	Leases		Leases	Leases	Leases	Leases	Leases
			1 July 2022		Repayments	30 June 2023	Repayments	1 July 2021	New	repayments	Principal	repayments	1 July 2021	New	Principal	Principal	30 June 2022	Repayments
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governance																		
IT Equipment - Laptops	009-0147653-003	48 months	13,253	0	(6,848)	6,405	(211)	19,962	0	(6,709)	13,253	(352)	19,963	0	(6,709)	13,254	(352)	
Printer/Copier - Works	E6N0159975	33 months	0	0	0	0	0	924	0	(924)	0	(8)	924	0	(924)	0	(8)	
IT Equipment - Desktops	E6N0162342	30 months	0	0	0	0	0	5,749	0	(5,749)	0	(65)	5,750	0	(5,750)	0	(65)	
IT Equipment - Scanner	E6N0160847	30 months	0	0	0	0	0	696	0	(696)	0	(4)	695	0	(695)	0	(4)	
IT Equipment - Network Switches	214-0439437-001	60 months	21,272	0	(6,338)	14,934	(972)	27,285	0	(6,013)	21,272	(1,305)	27,284	0	(6,013)	21,271	(1,297)	
Printer/Copier - Main Office			0	0	0	0	0	0	0	0	0	0	12,720	0	(2,305)	10,415	(239)	
Printer/Copier - Dev Services			0	0	0	0	0	0	0	0	0	0	4,500	0	(816)	3,684	(85)	
IT Equipment - Laptops	009-0147653-003	48 months	3,569	0	(1,845)	1,724	(57)	5,375	0	(1,806)	3,569	(95)	5,374	0	(1,806)	3,568	0	
Law, order, public safety																		
CESM Vehicle	9188385	25 months	0	0	0	0	0	0	0	0	0	(2)	0	0	0	0	0	
Recreation and culture																		
Gym Equipment - Cardio	E6N0162250	30 months	0	0	0	0	0	5,028	0	(5,028)	0	(38)	5,028	0	(5,028)	0	(31)	
Gym Equipment - Spin Bikes	E6N0162200	30 months	0	0	0	0	0	2,118	0	(2,118)	0	(14)	2,118	0	(2,118)	0	(13)	
Gym Equipment - Bikes	E6N0159802	18 months	0	0	0	0	0	0	0	0	0	0	5,028	0	(5,028)	0	(31)	
IT Equipment - Desktops	E6N0160846	18 months	0	0	0	0	0	0	0	0	0	0	2,117	0	(2,117)	0	(13)	
			38,094	0	(15,031)	23,063	(1,240)	67,137	0	(29,043)	38,094	(1,883)	91,501	0	(39,309)	52,192	(2,138)	

SIGNIFICANT ACCOUNTING POLICIES

LEASES

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

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

LEASE LIABILITIES

The present value of future lease payments not paid at the reporting date discounted using the incremental borrowing rate where the implicit interest rate in the lease is not readily determined.

SHIRE OF DONNYBROOK BALINGUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

9. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2022/23	2022/23	2022/23	2022/23	2021/22		2021/22		2021/22		2021/22		2021/22		2021/22	
	Budget Opening	2022/23 Budget Transfer to	2022/23 Budget Transfer (from)	2022/23 Budget Closing Balance	Actual Opening Balance	2021/22 Intra Reallocation	2021/22 Actual Transfer to	2021/22 Actual Transfer (from)	2021/22 Actual Closing Balance	2021/22 Budget Opening Balance	2021/22 Intra Reallocation	2021/22 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance	2021/22 Budget Closing Balance	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
(a) Information Technology Reserve	128,733	10,000	(93,000)	45,733	93,522	41,811	0	(6,600)	128,733	93,522	0	0	(13,000)	80,522		
(b) Vehicle Reserve	602,902	310,000	(612,081)	300,821	391,795	32,112	250,000	(71,005)	602,902	391,795	0	250,000	(265,948)	375,847		
(c) Building Reserve	474,567	410,000	(835,976)	48,591	495,996	0	352,692	(374,121)	474,567	495,996	0	352,692	(363,674)	485,014		
(d) Parks & Reserves Reserve	365,551	0	(109,489)	256,062	129,744	0	240,000	(4,193)	365,551	129,744	0	100,000	(8,509)	221,235		
(e) Roadworks Reserve	560,683	0	(271,054)	289,629	435,434	271,841	0	(146,592)	560,683	435,434	0	0	(285,442)	149,992		
(f) Employee Entitlements Reserve	17,500	0	0	17,500	0	0	25,000	(7,500)	17,500	0	0	25,000	(7,500)	17,500		
(g) Revaluation Reserve	33,300	40,000	(73,000)	300	10,700	0	40,000	(17,400)	33,300	10,700	0	40,000	0	50,700		
(h) Strategic Planning Studies Reserve	39,301	0	(25,000)	14,301	40,051	0	0	(750)	39,301	40,051	0	0	(20,000)	20,051		
(i) Council Elections Reserve	13,650	0	0	13,650	0	0	13,650	0	13,650	0	0	13,650	0	13,650		
(j) Waste Management Reserve	1,300,132	0	(55,000)	1,245,132	1,476,407	0	0	(176,275)	1,300,132	1,476,407	0	0	(199,720)	1,276,687		
(k) Bushfire Control & Management Reserve	0	0	0	0	2,282	0	0	(2,282)	0	2,282	0	0	(2,282)	0		
(l) Arbutnott Scholarship Reserve	2,985	0	0	2,985	3,285	0	0	(300)	2,985	3,285	0	0	(300)	2,985		
(m) Land Development Reserve	350,271	0	(250,000)	100,271	350,271	0	0	0	350,271	350,271	0	0	0	350,271		
(n) Central Business District Reserve	0	0	0	0	3,054	0	0	(3,054)	0	3,054	0	0	(3,054)	0		
(o) Aged Housing Reserve	0	0	0	0	1,210,183	(1,210,183)	0	0	0	1,323,183	(1,323,183)	0	0	0		
(p) Preston Village Exit Deferred Management Fee Reserve	201,370	0	0	201,370	0	189,126	12,244	0	201,370	0	302,126	0	(40,169)	261,957		
(q) Preston Village Reserve Fund Contribution Reserve	63,150	0	(40,065)	23,085	0	38,320	24,830	0	63,150	0	38,320	0	(16,499)	21,821		
(r) Munninup Cottages 1-4 Surplus Reserve	63,579	0	(8,550)	55,029	0	64,877	0	(1,298)	63,579	0	64,877	0	(51,818)	13,059		
(s) Munninup Cottages 5-8 Surplus Reserve	93,130	0	(9,853)	83,277	0	97,702	0	(4,572)	93,130	0	97,702	10,924	(60,000)	48,626		
(t) Munninup Cottages 9-12 Surplus Reserve	256,138	0	(73,807)	182,331	0	251,920	4,218	0	256,138	0	251,920	9,629	0	261,549		
(u) Langley Villas 1-6 Surplus Reserve	351,027	0	(78,121)	272,906	0	338,237	12,790	0	351,027	0	338,237	19,249	(15,164)	342,322		
(v) Langley Villas 7-9 Surplus Reserve	221,724	0	(49,930)	171,794	0	207,681	14,043	0	221,724	0	207,681	1,294	0	208,975		
(w) Munninup Cottages 5-8 Long Term Maintenance Reserve	7,669	2,000	0	9,669	0	5,669	2,000	0	7,669	0	5,669	500	0	6,169		
(x) Munninup Cottages 9-12 Long Term Maintenance Reserve	6,628	2,000	0	8,628	0	4,628	2,000	0	6,628	0	4,628	500	0	5,128		
(y) Langley Villas 1-6 Long Term Maintenance Reserve	13,823	3,600	0	17,423	0	10,223	3,600	0	13,823	0	10,223	600	0	10,823		
(z) Langley Villas 7-9 Long Term Maintenance Reserve	3,600	1,800	0	5,400	0	1,800	1,800	0	3,600	0	1,800	600	0	2,400		
(za) COVID-19 Reserve	95,058	0	(95,058)	0	95,058	0	0	0	95,058	95,058	0	0	0	95,058		
(zb) Carried Forward Projects Reserve	55,450	0	0	55,450	688,476	(345,764)	0	(287,262)	55,450	688,476	0	0	(294,689)	393,787		
	5,321,921	779,400	(2,679,984)	3,421,337	5,426,258	0	998,867	(1,103,204)	5,321,921	5,539,258	0	824,638	(1,647,768)	4,716,128		

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

Reserve name	Anticipated date of use	Purpose of the reserve
(a) Information Technology Reserve	Ongoing	To accumulate funds for the acquisition and replacement of Information Technology equipment and software
(b) Vehicle Reserve	Ongoing	To accumulate funds for the acquisition and replacement of Council's vehicle fleet
(c) Building Reserve	Ongoing	To accumulate funds for the construction, renewal and major maintenance of Council buildings
(d) Parks & Reserves Reserve	Ongoing	To accumulate funds for the construction, renewal and major maintenance of parks & reserves infrastructure
(e) Roadworks Reserve	Ongoing	To accumulate funds for the construction, renewal and major maintenance of road infrastructure
(f) Employee Entitlements Reserve	Ongoing	To provide for the payment of annual leave, long service leave, personal leave, and grandfathered gratuity scheme entitlements
(g) Revaluation Reserve	Ongoing	To accumulate funds for; a) Asset Revaluations b) Rates Gross Rental Valuation - General Revaluation
(h) Strategic Planning Studies Reserve	Ongoing	To accumulate funds for engaging strategic studies / reports
(i) Council Elections Reserve	Ongoing	To accumulate funds for Council postal elections
(j) Waste Management Reserve	Ongoing	To receive funds collected from Council's Waste Management Levy for the purpose of providing waste management facilities
(k) Bushfire Control & Management Reserve	Ongoing	To receive funds collected from the Shire's Fire Protection Levy for the purpose of providing fire fighting equipment to meet the needs of the district
(l) Arbutnott Scholarship Reserve	Ongoing	To fund the payment of the Arbutnott Scholarship
(m) Land Development Reserve	Ongoing	To fund the purchase of land for future community purposes
(n) Central Business District Reserve	Ongoing	To fund future Central Business District projects
(o) Aged Housing Reserve	Ongoing	To manage funds from aged housing schemes for the upgrade of Council managed aged housing facilities.
(p) Preston Village Exit Deferred Management Fee Reserve	Ongoing	To accumulate Preston Village Exit Deferred Management Fees as contribution towards funding the lease liability
(q) Preston Village Reserve Fund Contribution Reserve	Ongoing	To accumulate the Preston Village Reserve Fund Contribution for purposes prescribed within the Residence Contract
(r) Munninup Cottages 1-4 Surplus Reserve	Ongoing	To accumulate surplus income of units 1-4 for the purposes of unit maintenance, renewal and upgrades
(s) Munninup Cottages 5-8 Surplus Reserve	Ongoing	To accumulate surplus income of units 5-8 for purposes prescribed in the Joint Venture Agreement
(t) Munninup Cottages 9-12 Surplus Reserve	Ongoing	To accumulate surplus income of units 9-12 for purposes prescribed in the Joint Venture Agreement
(u) Langley Villas 1-6 Surplus Reserve	Ongoing	To accumulate surplus income of units 1-6 for purposes prescribed in the Joint Venture Agreement
(v) Langley Villas 7-9 Surplus Reserve	Ongoing	To accumulate surplus income of units 7-9 for purposes prescribed in the Joint Venture Agreement
(w) Munninup Cottages 5-8 Long Term Maintenance Reserve	Ongoing	To accumulate funds for units 5-8 prescribed under the Joint Venture Agreement for the purposes of property maintenance
(x) Munninup Cottages 9-12 Long Term Maintenance Reserve	Ongoing	To accumulate funds for units 9-12 prescribed under the Joint Venture Agreement for the purposes of property maintenance
(y) Langley Villas 1-6 Long Term Maintenance Reserve	Ongoing	To accumulate funds for units 1-6 prescribed under the Joint Venture Agreement for the purposes of property maintenance
(z) Langley Villas 7-9 Long Term Maintenance Reserve	Ongoing	To accumulate funds for units 7-9 prescribed under the Joint Venture Agreement for the purposes of property maintenance
(za) COVID-19 Reserve	Ongoing	To fund initiatives and activities associated with the Shire's response and recovery from the COVID-19 pandemic
(zb) Carried Forward Projects Reserve	Ongoing	To accumulate funds from projects carried into future financial years

(b) Cash Backed Reserves - Change in Use

The Shire has resolved to make the following changes in the use of part of the money in a reserve account. This money is to be used or set aside for a purpose other than the purpose for which the account was established.

Cash Backed Reserve	Proposed new purpose of the reserve	Objects of changing of the reserve	Reasons for changing the use of the reserve	2022/23 Budget amount to be used	2022/23 Budget amount change of purpose
COVID-19 Reserve	Funds are being returned to the Municipal Fund and used as a discount to ratepayers for 2022/23 as the fund is no longer required.	It is considered that there is no identified need to hold funds in Reserve to meet a possible future COVID-19 outbreak due to high community vaccination rates. Council will respond to any future COVID-19 outbreak as deemed necessary should the circumstances require a Council financial response.	It is considered that there is no identified need to hold funds in Reserve to meet a possible future COVID-19 outbreak due to high community vaccination rates. Council will respond to any future COVID-19 outbreak as deemed necessary should the circumstances require a Council financial response.	\$ 95,058	\$ 95,058
				95,058	95,058

SHIRE OF DONNYBROOK BALINGUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

10. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

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	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	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	Adopted by council annually	When taxable event occurs	Not applicable	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	Adopted by council annually	When taxable event occurs	Not applicable	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	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	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	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	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	Cash received	On receipt of funds	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	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	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	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
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	Adopted by council annually	Applied fully based on timing of provision	Not applicable	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	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods

SHIRE OF DONNYBROOK BALINGUP
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FOR THE YEAR ENDED 30 JUNE 2023

11. PROGRAM INFORMATION

Income and expenses	2022/23 Budget	2021/22 Actual	2021/22 Budget
Income excluding Non-operating grants, subsidies and contributions	\$	\$	\$
Governance	33,029	34,464	41,700
General purpose funding	7,215,515	8,800,712	7,366,323
Law, order, public safety	590,846	583,165	679,365
Health	151,329	177,054	171,689
Education and welfare	281,945	345,041	271,269
Community amenities	878,063	2,348,897	652,950
Recreation and culture	297,623	224,046	224,622
Transport	218,585	234,501	208,575
Economic services	207,620	339,384	501,406
Other property and services	152,152	199,958	112,150
	10,026,707	13,287,222	10,230,049
Non-operating grants, subsidies and contributions			
Governance	0	41,889	0
Law, order, public safety	1,146,785	17,586	17,586
Health	0	2,347	0
Education and welfare	1,433,413	0	0
Recreation and culture	5,801,012	2,415,845	6,876,658
Transport	4,284,075	2,325,247	4,466,867
Economic services	0	84,020	28,000
	12,665,285	4,886,934	11,389,111
Profit on Asset Disposals	57,531	130,482	24,018
	57,531	130,482	24,018
Total Income	22,749,523	18,304,638	21,643,178
Expenses			
Governance	(1,174,149)	(1,066,014)	(1,158,569)
General purpose funding	(238,209)	(164,549)	(175,119)
Law, order, public safety	(1,467,959)	(1,481,553)	(1,544,951)
Health	(260,954)	(249,276)	(260,574)
Education and welfare	(916,854)	(880,219)	(832,076)
Community amenities	(2,152,801)	(2,356,420)	(1,951,582)
Recreation and culture	(4,297,228)	(3,774,534)	(4,053,858)
Transport	(5,097,166)	(4,605,845)	(4,980,915)
Economic services	(538,819)	(585,088)	(851,364)
Other property and services	(176,427)	(200,267)	(219,650)
	(16,320,566)	(15,363,765)	(16,028,658)
Finance Costs			
Governance	(2,138)	(1,564)	(2,050)
Law, order, public safety	0	0	0
Health	(2,244)	(2,977)	(2,977)
Education and welfare	(3,625)	(4,062)	(4,150)
Community amenities	0	0	0
Recreation and culture	(77,564)	(1,443)	(1,443)
Economic services	(775)	(1,752)	(1,752)
	(86,346)	(11,798)	(12,372)
Loss on Asset Disposals	(29,955)	(1,129,574)	(28,303)
	(29,955)	(1,129,574)	(28,303)
Total Expenses	(16,436,867)	(16,505,137)	(16,069,333)
Net result for the period	6,312,656	1,799,501	5,573,845

12. OTHER INFORMATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	25,000	14,238	30,000
- Other funds	16,180	7,425	18,000
Interest - Rates Penalty	39,375	40,047	37,500
Interest - Rates instalments	17,340	17,161	17,000
Other interest revenue	1,515	1,417	1,500
	99,410	80,288	104,000
(b) Other revenue			
Reimbursements and recoveries	100	0	100
Other	309	900	300
	409	900	400
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	31,480	33,800	30,000
Other services	20,000	8,410	19,500
	51,480	42,210	49,500
(d) Interest expenses (finance costs)			
Borrowings (refer Note 7(a))	84,208	9,614	10,234
Interest expense on lease liabilities	1,240	1,883	2,138
	85,448	11,497	12,372
(e) Write offs			
General rate	1,944	1,754	1,800
	1,944	1,754	1,800

SHIRE OF DONNYBROOK BALINGUP
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FOR THE YEAR ENDED 30 JUNE 2023

13. ELECTED MEMBERS REMUNERATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Cr L Wringe			
President's allowance	10,259	7,071	0
Meeting attendance fees	12,404	11,443	9,858
Annual allowance for ICT expenses	1,250	2,266	1,010
Travel reimbursement	667	0	983
	24,580	20,780	11,851
Cr L Glover			
Deputy President's allowance	2,564	1,767	0
Meeting attendance fees	10,104	6,965	0
Annual allowance for ICT expenses	1,250	777	0
Travel reimbursement	667	633	0
	14,585	10,142	0
Cr J Massey			
Deputy President's allowance	0	735	2,502
Meeting attendance fees	10,104	9,858	9,858
Annual allowance for ICT expenses	1,250	1,100	1,010
Travel reimbursement	667	1,248	983
	12,021	12,941	14,353
Cr C Newman			
Meeting attendance fees	10,104	9,858	9,858
Annual allowance for ICT expenses	1,250	1,100	1,010
Travel reimbursement	667	0	983
	12,021	10,958	11,851
Cr C Smith			
Meeting attendance fees	10,104	9,858	9,858
Annual allowance for ICT expenses	1,250	1,100	1,010
Travel reimbursement	667	0	983
	12,021	10,958	11,851
Cr S Atherton			
Meeting attendance fees	10,104	9,858	9,858
Annual allowance for ICT expenses	1,250	1,100	1,010
Travel reimbursement	666	0	983
	12,020	10,958	11,851
Cr P Gruber			
Meeting attendance fees	10,104	6,965	0
Annual allowance for ICT expenses	1,250	777	0
Travel reimbursement	666	0	0
	12,020	7,742	0
Cr P Jones			
Meeting attendance fees	10,104	6,965	0
Annual allowance for ICT expenses	1,250	777	0
Travel reimbursement	666	161	0
	12,020	7,903	0
Cr F Mills			
Meeting attendance fees	10,104	6,965	0
Annual allowance for ICT expenses	1,250	777	0
Travel reimbursement	667	2,016	0
	12,021	9,758	0
Cr A Mitchell (to October 2021)			
Meeting attendance fees	0	2,893	9,858
Annual allowance for ICT expenses	0	323	1,010
Travel reimbursement	0	0	983
	0	3,216	11,851
Cr Brian Piesse (to October 2021)			
President's allowance		2,937	10,008
Meeting attendance fees	0	3,552	12,102
Annual allowance for ICT expenses	0	807	2,750
Travel reimbursement	0	122	983
	0	7,418	25,843
Cr A Lindermann (to October 2021)			
Meeting attendance fees	0	2,893	9,858
Annual allowance for ICT expenses	0	323	1,010
Travel reimbursement	0	0	983
	0	3,216	11,851
Elected member - Vacant (to October 2021)			
Meeting attendance fees	0	0	9,858
Annual allowance for ICT expenses	0	0	1,010
Travel reimbursement	0	0	983
	0	0	11,851
Total Elected Member Remuneration	123,309	115,990	123,153
President's allowance	10,259	10,008	10,008
Deputy President's allowance	2,564	2,502	2,502
Meeting attendance fees	93,236	88,073	90,966
Annual allowance for ICT expenses	11,250	11,227	10,830
Travel reimbursement	6,000	4,180	8,847
	123,309	115,990	123,153

SHIRE OF DONNYBROOK BALINGUP
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14. INVESTMENT IN ASSOCIATES

Arrangements with the Department of Housing relate to four sets of Well Aged housing complexes located on South Western Highway, Donnybrook. The Shire is required to recognise any trading surplus from the operation of these units as Restricted Assets, and is further required to maintain a Reserve for future major maintenance.

Minninup Cottages, Units 5-8 (lot 486) built in 1982/83
 Council Equity - 34.48%
 Homeswest Equity - 65.52%

Minninup Cottages, Units 9-12 (lot 479) built in 1992/93
 Council Equity - 15.2%
 Homeswest Equity - 84.8%

Langley Villas, Units 1-6 (lot 100) built in 1994/95
 Council Equity - 20.8%
 Homeswest Equity - 79.2%

Langley Villas, Units 7-9 (lot 100) built in 2001/02
 Council Equity - 35.98%
 Homeswest Equity - 64.02%

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Interest income	0	0	0
Other revenue	190,643	152,931	186,905
Total revenue	190,643	152,931	186,905
Depreciation	(77,915)	(72,732)	(77,144)
Interest expense	0	0	0
Other expenses	(127,101)	(127,151)	(136,048)
Total operating expenses	(205,016)	(199,883)	(213,192)
Net result for the period	(14,373)	(46,952)	(26,287)
Other comprehensive income			
Changes in asset revaluation surplus	0	0	0
Total comprehensive income for the period	(14,373)	(46,952)	(26,287)

SIGNIFICANT ACCOUNTING POLICIES

Investments in associates

An associate is an entity over which the Shire has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss, recognised.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Shire's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Investments in associates (continued)

Profits and losses resulting from transactions between the Shire and the associate are eliminated to the extent of the Shire's interest in the associate. When the Shire's share of losses in an associate equals or exceeds its interest in the associate, the Shire discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Shire will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

15. TRUST FUNDS

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

Detail	Balance 30 June 2022	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2023
	\$	\$	\$	\$
Cash in Lieu of Public Space	56,967	0	0	56,967
	56,967	0	0	56,967

16. FEES AND CHARGES

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
By Program:			
Governance	510	965	500
General purpose funding	66,198	62,215	64,900
Law, order, public safety	75,660	73,912	47,000
Health	137,139	158,944	152,499
Education and welfare	260,221	307,435	269,319
Community amenities	877,263	676,937	652,150
Recreation and culture	272,600	256,121	221,079
Transport	510	2,942	500
Economic services	195,570	209,069	174,090
Other property and services	50	1,321	50
	1,885,721	1,749,861	1,582,087

The subsequent pages detail the fees and charges proposed to be imposed by the local government.