

# Shire of Donnybrook Balingup

## Long Term Financial Plan

2022 - 2042



July 2022

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# Our Vision

“A proud community enjoying our rural lifestyle, cultural heritage and natural environment”



# 1. Foreword

On behalf of the Shire of Shire of Donnybrook Balingup, we are pleased to present the reviewed Long Term Financial Plan, for 2022/23 – 2041/42.

This Plan is part of the Shire's ongoing commitment to planning for the future of the district. Despite the current uncertain times with COVID, high inflation and interest rates rising, the Plan provides the Shire and the community with a strategy for long term financial and asset management planning and assists us to meet our strategic objectives.

It is inevitable that the Shire will be offered opportunities and face challenges over the next 20 years and it is how the Shire responds to these events which will be the determinant of our success. One significant opportunity is the commitment from the State Government to provide \$6m as a contribution to upgrade the Donnybrook Recreation Precinct (VC Mitchell Park project). We have been offered a once in a generation opportunity to improve the level of community facilities by consolidating and improving sporting and recreation assets and realise an economic and lifestyle boost for the district.

Changes in population levels and demographics bring with them changing community needs and expectations. The Shire will require a clear understanding of its capacity to meet these service expectations as it maintains a strong focus on sound financial management.

The Shire welcomes community participation in the planning process as we develop the strategic direction for a promising future for our district. We invite members of the community to contact a Councillor or Senior Shire staff member if they have any questions.

This Plan will guide and support the delivery of the Shire's Council Plan and Asset Management Plans to achieve our goals and drive the Shire in achieving its vision of "A proud community enjoying our rural lifestyle, cultural heritage and natural environment."

The Shire has recently directed significant resources towards improving its strategic business planning, including the review of this Plan. This work continues as we constantly seek to improve our systems and service delivery.



Leanne Wringe  
Shire President



Benjamin (Ben) Rose  
Chief Executive Officer

## 2.0 Key Information

### ASSUMPTIONS

**3.5%**  
Underlying  
Inflation Rate



**Growth**  
Population  
Levels

**Improving**  
Levels of Service

**Changes in**  
Operations

**Balanced**  
Annual Rate  
Setting Budgets

### STATISTICS <sup>1</sup>/<sub>2</sub>



**9**  
Elected  
Members



**66 FTE**  
Employees



**4,542**  
Electors

**2,808**  
Dwellings

**213km**  
Distance from  
Perth



**1,541km<sup>2</sup>**  
Area



**6,155**  
Population

### FINANCIAL INFORMATION<sup>3</sup>

**\$6.6m**  
Rates Revenue

**\$1.7m**  
Fees and Charges

**\$15.7m**  
Operating Revenue

**\$18.6m**  
Operating Expenditure

**\$167.4m**  
Net Assets

**\$6.6m**  
Cash Backed Reserves

**\$0.65m**  
Long Term Borrowings

<sup>1</sup>WALGA Online Local Government Directory 2022, Shire of Donnybrook Balingup

<sup>2</sup>Australian Bureau of Statistics Donnybrook-Balingup (S) (LGA52870) 2021 Census of Population and Housing

<sup>3</sup>Shire of Donnybrook Balingup 2021-2 Annual Financial Report

## 2.1 Planning for a Sustainable and Stable Future

The Shire seeks to maintain, and where possible, improve future service levels to the community while maintaining a sound financial position.

Long term maintenance and renewal of the Shire's built assets remains the most significant challenge and requires continued external funding to preserve the economic and social benefits these assets provide to the district, the region and the State.

Further work will be undertaken in this area to ensure built assets are prioritised, relevant to the community and are fit for purpose.

## 2.2 Overall Financial Strategy

The financial strategy applied in the development of this Plan incorporates the following principles:

- A focus on maintaining and renewing core services including roads, recreation, waste management, major community facilities, community services, regulatory services and economic development; and
- The use of external grant funds, borrowings and cash reserves to establish and improve intergenerational community assets;
- The use of external grants and cash reserves to fund the renewal of existing community assets and infrastructure; and
- Within the context of achieving the Shire's strategic objectives, the maintenance of a stable and predictable rating policy.

## 2.3 Significant Financial Challenges

The provision of services and infrastructure remains one of the key priorities and major expenditure areas for the Shire.

Due to the COVID-19 pandemic and the associated restrictions, economic forecasting presents an increased level of uncertainty at this time. In line with the State Government's request, the Shire of Donnybrook Balingup did not increase property rates or fees and charges revenue in 2020/21, this has an ongoing impact on funds available.

Maintenance and renewal of the Shire's road infrastructure continues as a high priority due to the strategic and economic benefit a road network provides to the district and region. The adequate maintenance, renewal and upgrading of the road network relies heavily on the receipt of external specific purpose grants and contributions.

The need to fund future renewal of ageing buildings, sporting and community facilities has been highlighted through the Shire's recent asset management planning process. In response, the Shire is planning to increase rates above inflation in order to achieve the financial capacity to address this need. The majority of rate increases above CPI are being applied to asset renewal. However, the planned increases in rates will not be sufficient to fund all identified future renewal works. The Shire also plans to review the community benefit of some buildings and facilities in order to reduce the future renewal need and will undergo a comprehensive review of assets utilising a service level hierarchy framework, which will enable Council to make decisions on how best to prioritise capital funds in order to best serve the community and its collective needs.

Overall rate revenue (i.e. not specific to individual properties/rate assessments) is forecast to increase at the following levels over the term of the Plan.

Plan Year	Change
2022-23	8.00%
2023-24	6.50%
2024-25	6.00%
2025-26	6.00%
2026-27	5.50%
2027-28	5.00%
2028-29	5.00%
2029-30	5.00%
2030-31	5.00%
2031-32	3.00%
2032-33	2.50%
2033-34	2.50%
2034-35	2.50%
2035-36	2.50%
2036-37	2.50%
2037-38	2.50%
2038-39	2.50%
2039-40	2.50%
2040-41	2.50%
2041-42	2.50%
<b>Average</b>	<b><u>4.00%</u></b>

It is important to note, the planned changes in rating levels have not been formally adopted by the Council and are indicative of the level of rate yield required to fund the activities and capital works set out in this Plan. The setting of the level of rates can only be formally set at the time of adopting the Annual Budget.

If the level or timing of the rate changes above are not applied in future Annual Budgets, a change to the planned scope and timing of activities and works will be required.

## 2.4 Forecast Capital Projects

The capital works program for the next 20 years is a mixture of new/upgrades and asset renewal aimed at ensuring the continued provision of community infrastructure to the community of the Shire.

External funding is a critical part of the Shire's capacity to undertake the planned capital works program. If the Shire was to suffer from a reduction in the level of external grants, this would likely result in a reduction in the size and scope of the works program as outlined in this plan.

A breakdown of forecast total capital works is shown in the table below. Of the total forecast expenditure of \$118,619,072 (90%) is related to asset renewal.



Asset Class	Plan Term (20 Years) \$
<b>New Assets</b>	
Parks & Reserves	2,267,822
Buildings	9,220,978
<b>Subtotal New</b>	<b>11,488,800</b>
<b>Asset Renewal</b>	
Plant Replacement Program	11,826,140
Infrastructure - roads	38,780,140
Infrastructure - footpaths	1,310,819
Infrastructure - drainage	7,681,130
Infrastructure - other	7,565,473
Buildings	17,308,261
Bridges	15,200,000
Parks & Reserves	7,458,309
<b>Subtotal Renewal</b>	<b>107,130,273</b>
<b>TOTAL</b>	<b>118,619,072</b>

## 3.0 Community Profile, Vision, and Objective

### 3.1 Location

Nestled at the southern end of the Darling Scarp, the Shire of Donnybrook Balingup boasts beautiful scenery, forests, and rural activities such as orchards and wineries. The district includes the towns of Donnybrook, Balingup and Kirup and the localities of Argyle, Brookhampton, Lowden, Mullalyup, Mumballup, Newlands, Noggerup, Yabberup and Irishtown.

With an area of 1,541 km<sup>2</sup>, mainly within the Preston and Blackwood River catchment areas, Donnybrook is located 213 kilometres south of Perth and 38 kilometres south east of Bunbury. Balingup is located 31 kilometres south east of Donnybrook along the South Western Highway.

### 3.2 People

The following statistics reflect the Shire's population in comparison to the population of Western Australia.

Population	2016		2021
Shire of Donnybrook Balingup	5,888	↑	6,155
WA	2.47m	↑	2.7m

In 2021, the Shire of Donnybrook Balingup population was 6,155, being an increase of 3.86% from 2016. The age distribution trends from 2016 to 2021 for the Shire of Donnybrook-Balingup has shown minor change.

The age demographic of the district's population is reflected in the table below (2021 Census), it is apparent the Shire of Donnybrook Balingup has a higher percentage of older residents.

Age	Donnybrook - Balingup	%	Western Australia	%	Australia	%
Median age	49	N/A	38	N/A	38	N/A
0-4 years	308	5	161,753	6.1	1,463,817	5.8
5-9 years	362	5.9	172,654	6.5	1,586,138	6.2
10-14 years	354	5.7	171,377	6.4	1,588,051	6.2
15-19 years	319	5.2	153,263	5.8	1,457,812	5.7
20-24 years	216	3.5	158,817	6	1,579,539	6.2
25-29 years	220	3.6	176,045	6.6	1,771,676	7
30-34 years	283	4.6	196,312	7.4	1,853,085	7.3
35-39 years	354	5.7	200,904	7.6	1,838,822	7.2
40-44 years	334	5.4	178,589	6.7	1,648,843	6.5
45-49 years	393	6.4	174,632	6.6	1,635,963	6.4
50-54 years	452	7.3	173,622	6.5	1,610,944	6.3
55-59 years	478	7.8	162,778	6.1	1,541,911	6.1
60-64 years	530	8.6	150,667	5.7	1,468,097	5.8
65-69 years	538	8.7	132,186	5	1,298,460	5.1
70-74 years	435	7.1	115,196	4.3	1,160,768	4.6
75-79 years	295	4.8	78,012	2.9	821,920	3.2
80-84 years	167	2.7	53,115	2	554,598	2.2
85 years and over	127	2.1	50,106	1.9	542,342	2.1

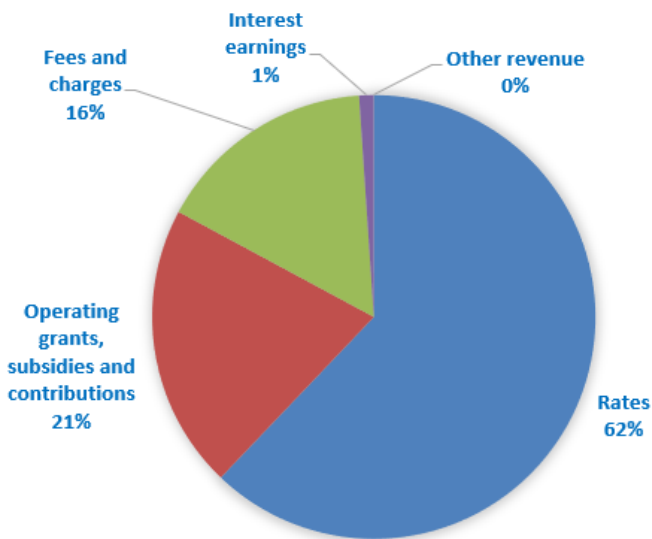
# 4.0 Long Term Financial Planning Overview

## 4.1 Forecast Operating Revenue

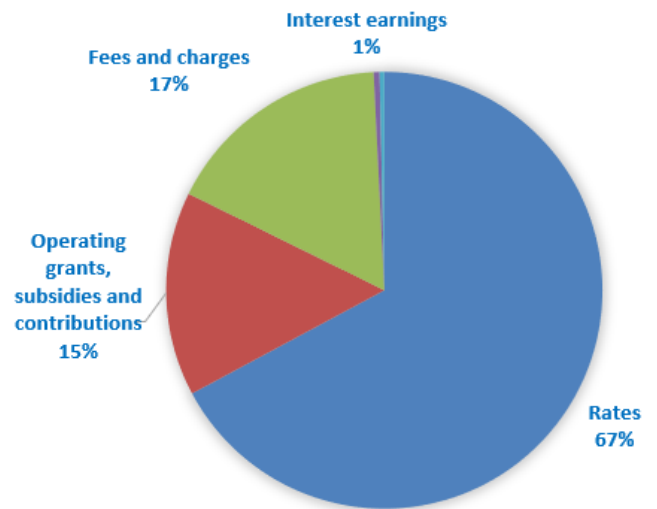
Rates are calculated based on an increase to \$6.60m in 2022-23, and increasing to \$13.35m by 2042.

The Shire is reliant on receiving more than \$55.32m over the next 20 years in untied operating grants, subsidies and contributions to maintain the current level of operations and services. Non-operating grants for road renewal are planned to remain relatively stable over the term.

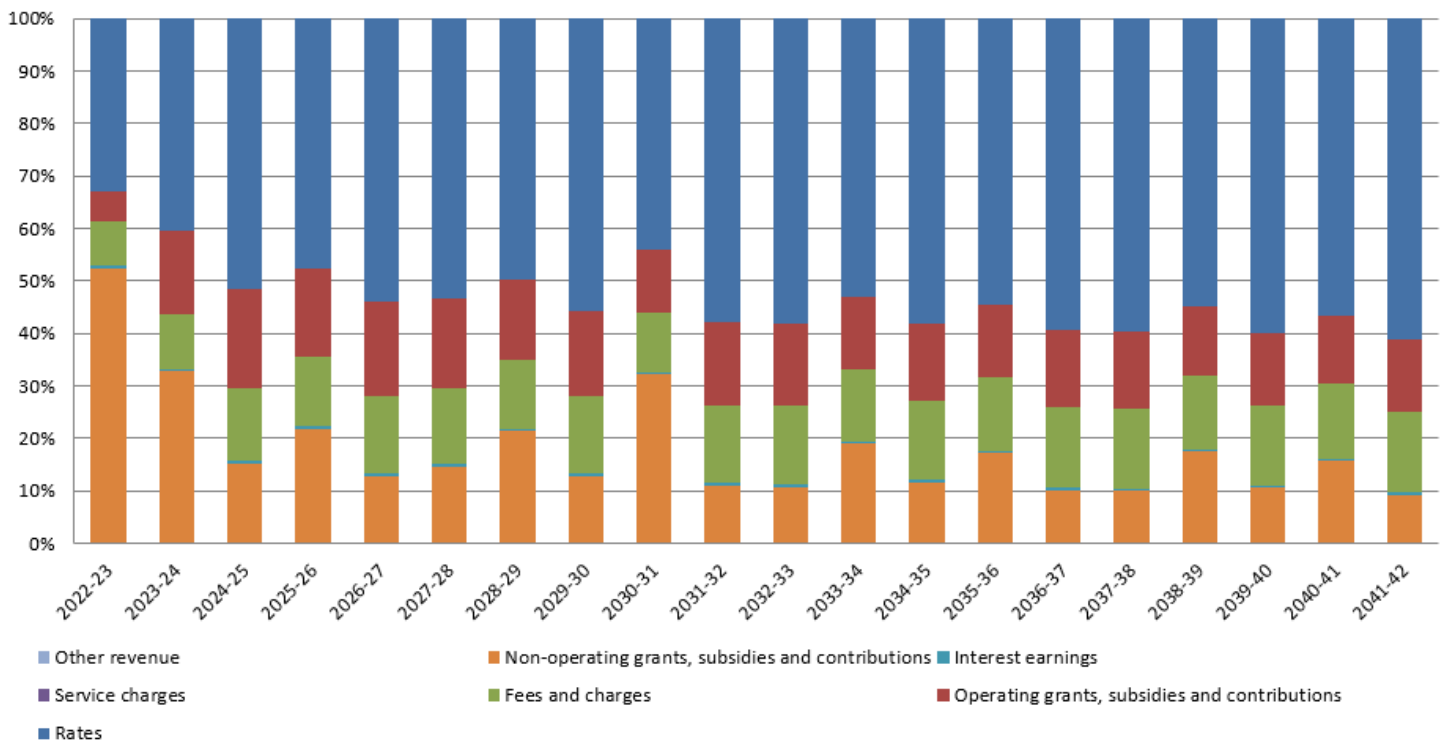
OPERATING REVENUE YR 1



OPERATING REVENUE YR 20



Forecast Operating Revenue

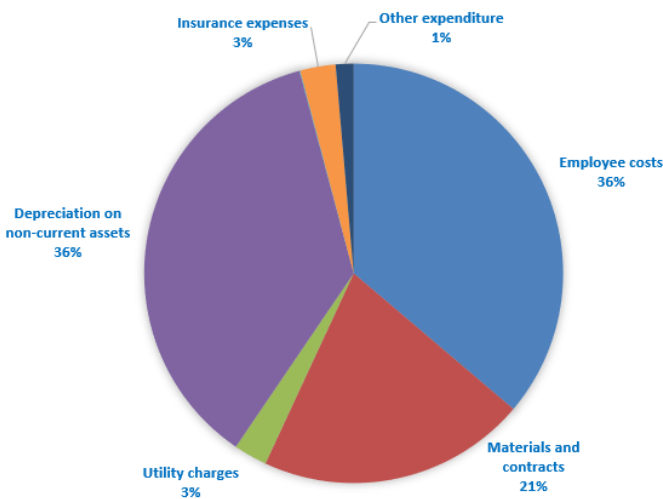


## 4.2 Forecast Operating Expenditure

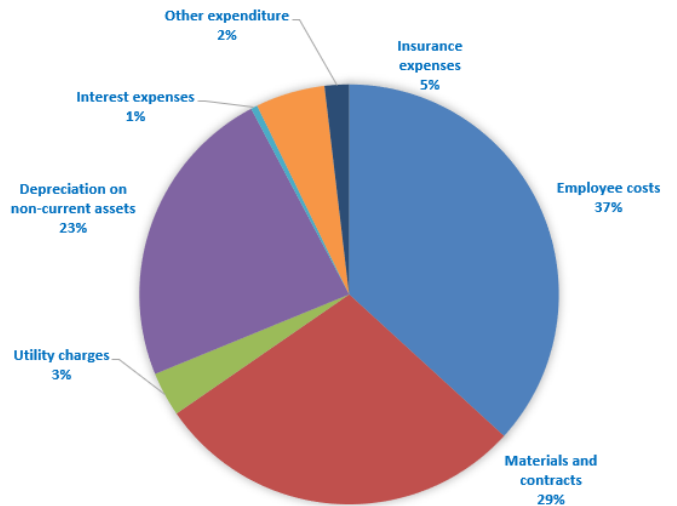
Expenditure is forecast to generally increase in line with inflation, with the exception of depreciation expense, which is impacted by the changes in asset values over the term.

The underlying inflator used was 3.50% for the life of the Plan, with adjustments made by expenditure categories where reasonable to do so. The proportions of operating expenditure are planned to remain relatively constant over the next 20 years.

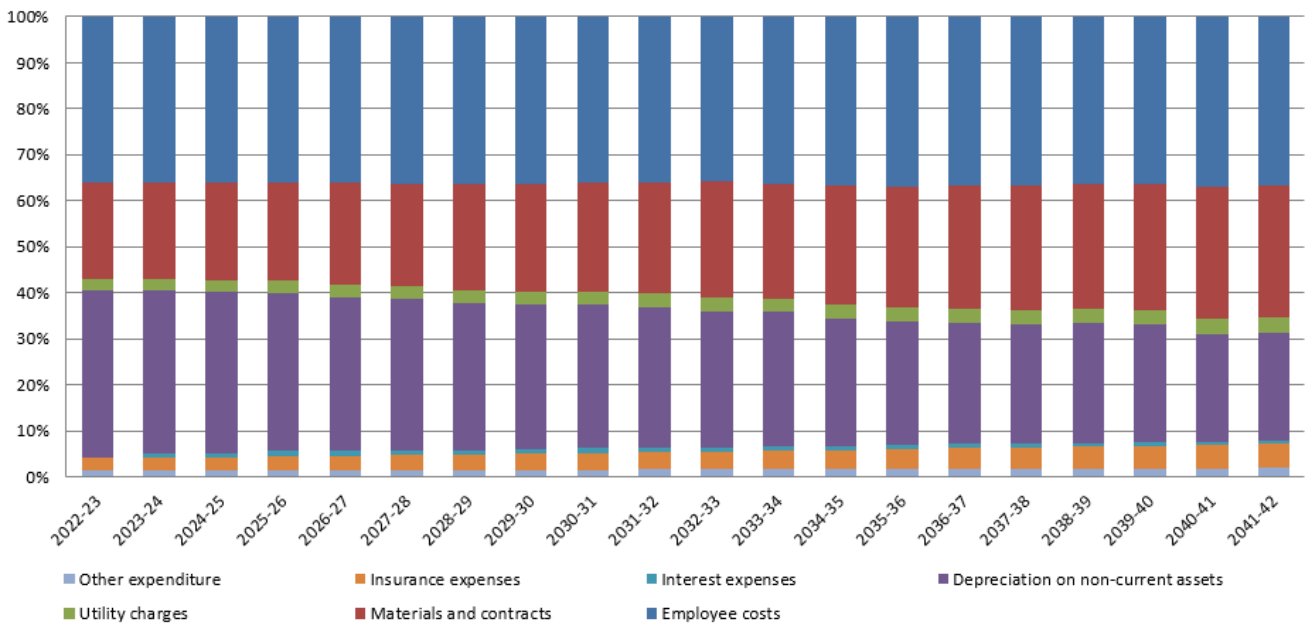
OPERATING EXPENDITURE YR 1



OPERATING EXPENDITURE YR 20



Forecast Operating Expenditure

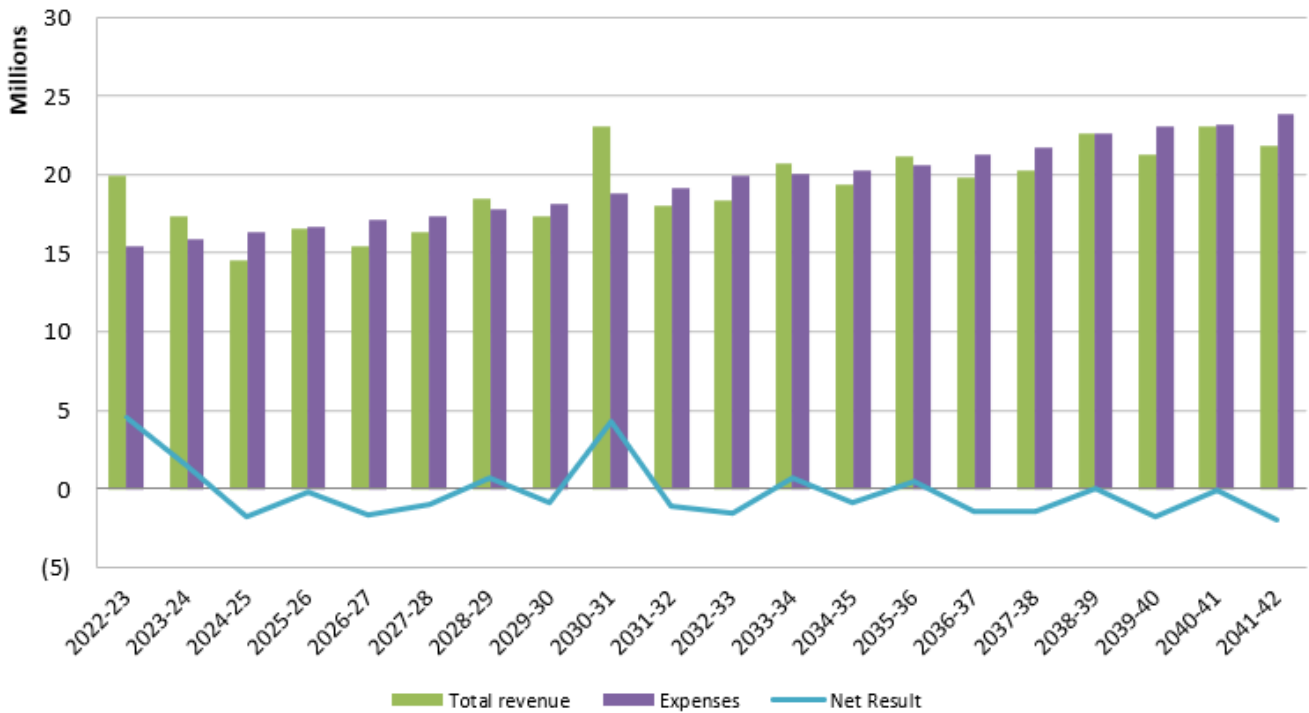


## 4.2 Net Result from Operations

The forecast net result shows a series of spikes in the graph in the immediate out years followed by a period of slowly reducing operating deficits until a surplus is forecast to be achieved in 2033-34, which is steady thereafter.

This move from operating deficits to operating surpluses is only achieved due to the rate increases above CPI in the early part of the Plan. A positive net result over the long term indicates revenue is keeping pace with the level of depreciation expenses.

**Forecast Operating Net Result**



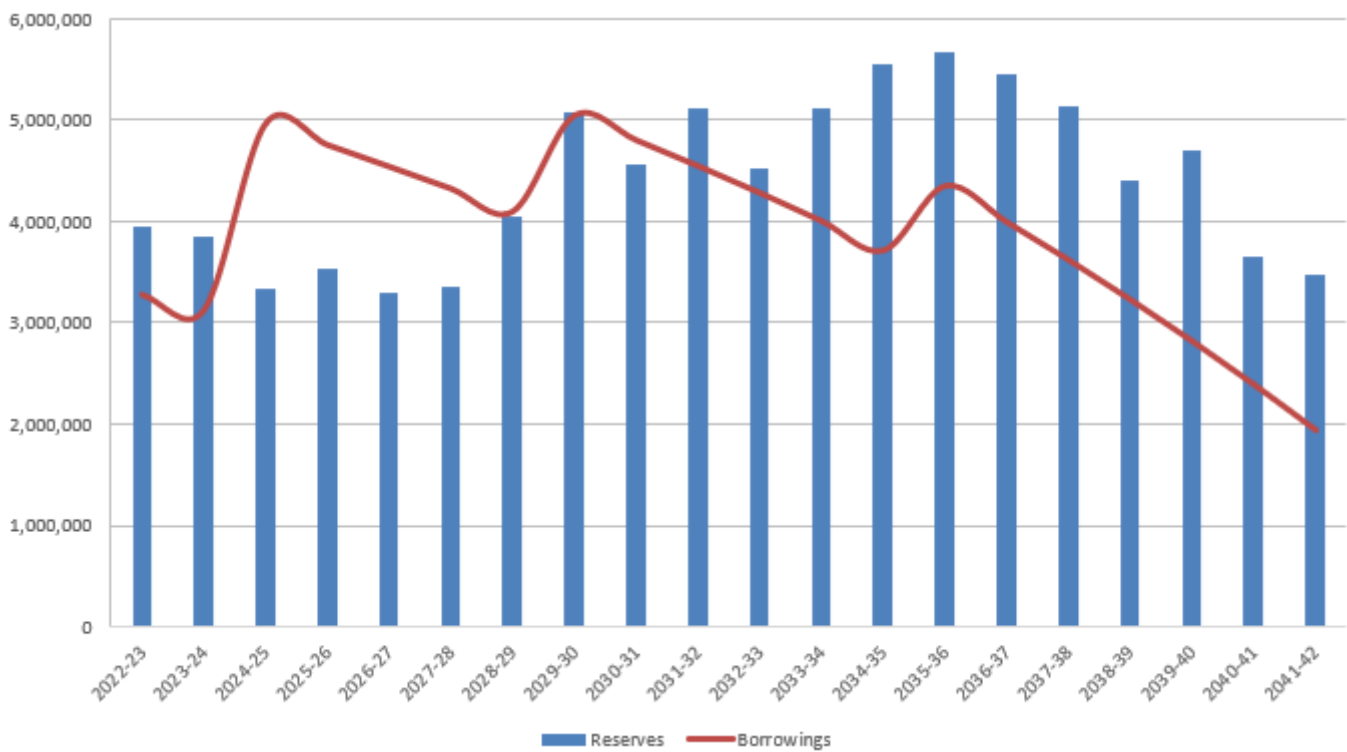
### 4.3 Financing - Borrowings and Cash Reserves

In general, the Shire seeks to use financing (borrowing and savings) to assist with the development of intergenerational community facilities which have lifecycles that extend beyond the term of the Plan. Cash reserves, specifically for asset renewal works, will be used to finance major renewal and maintenance tasks. This means, the annual forecast allocation to asset renewal cash reserves is crucial to the funding of asset renewal going forward.

Due to accounting classifications, the Preston Retirement Village liability of \$3.97m has been classified as a borrowing. As this is not a borrowing in the traditional sense (i.e. it does not require repayments of principal and interest) it has been removed from the graph below.

Borrowing levels are expected to peak at \$5.0m in 2029-30 due to the cumulative effects of the V.C. Mitchell Park borrowings in 2022-23, refurbishment of the Administration building in 2024-25, and Donnybrook Waste Transfer Station in 2029-30. The level of outstanding borrowings then reduces with each ongoing principal repayment. Cash reserve balance movements over the term of the Plan are as set out below:

Forecast Borrowings and Reserves



Borrowings capacity is improved in the out years of the Plan and will be used to respond to sudden or unexpected capital expenditure requirements. This strategy also provides scope to leverage future unplanned grant funding opportunities when, and if, they become available.

## 5.0 Scenario Modelling

Scenario modelling was undertaken to assess the financial impact of two major financial events over the term of the plan as follows:

**1. Scenario One: A significant increase in the level of borrowings** in relation to the Donnybrook Recreation Precinct Project and the Donnybrook Shire Administration Office.

### 1 (a) Donnybrook Recreation Precinct

This scenario includes the impact of an increase in interest and principal payments over the term of the Plan and a provisional uplift to material and contracts and insurance in the years following construction. Also, there will be reduction in renewal work planned in relation to the assets replaced by the upgraded facilities and the change in depreciation. The renewal timing of the new and upgraded facilities will be incorporated into the Shire's asset management plans when the final design and construction is completed and will replace current planned renewal works for the existing facilities.

	Change	Annual Amount	Term of the Plan
Employee Costs	No Change	0	0
Materials and Contracts	Increase	\$18,720	\$392,400
Insurance	Increase	\$1,322	\$41,710
Utilities *	No Change	0	0
Repayments (P, I &GGF) **	Increase	\$239,773	\$4.79m
Depreciation	Net Increase	\$187,061	\$3.36m
Planned Building Renewal (existing)	Decrease	N/A	\$257,014
Planned Infrastructure Renewal (existing)	Decrease	N/A	\$998,375

\*Costs expected to be reimbursed by users

\*\*Total principal, interest and Government Guarantee fee for the 20-year term \$4.79m (\$3m Principal)

### 1 (b) Donnybrook Shire Administration Office

This scenario includes the impact of an increase in interest and principal payments over the term of the borrowing. Works to of the Administration building (refurbishment, replacement or other) has not undergone a design or costing phase at this time to inform the long-term financial plan. As such, it is assumed any change to material and contract, insurance and utilities will be minimal.

	Change	Annual Amount	Term of the Plan
Employee Costs	No Change	0	0
Materials and Contracts	No Change	0	0
Insurance**	No Change	0	0
Repayments (P, I &GGF) **	Increase	\$160,005	\$3.2m
Depreciation	Increase	\$36,966	\$591,936
Planned Building Renewal (existing)	Decrease	N/A	\$296,170

\*Total principal, interest and Government Guarantee fee for the 20-year term \$3.2m (\$2.0m Principal)

## 2. Scenario Two: The financial impact of funding the current asset management planning renewal requirements in accordance with the timing contained within the adopted plans.

The asset management plans relevant to this scenario are:

- Building Asset Management Plan
- Parks and Reserves Asset Management Plan
- Plant and Vehicles Asset Management Plan

	<b>AMP Required Total</b>	<b>LTFP Planned Total</b>	<b>Variance (20 years)</b>
Buildings	\$19.10m	\$17.31m	\$1.79m
Infrastructure Other (Parks and Reserves)	\$8.16m	\$7.46m	(\$0.70m)
Plant and Vehicles	\$11.83m	\$11.83m	-

## 6.0 Strategic Planning Practices

### 6.1 Linkage with Other Plans

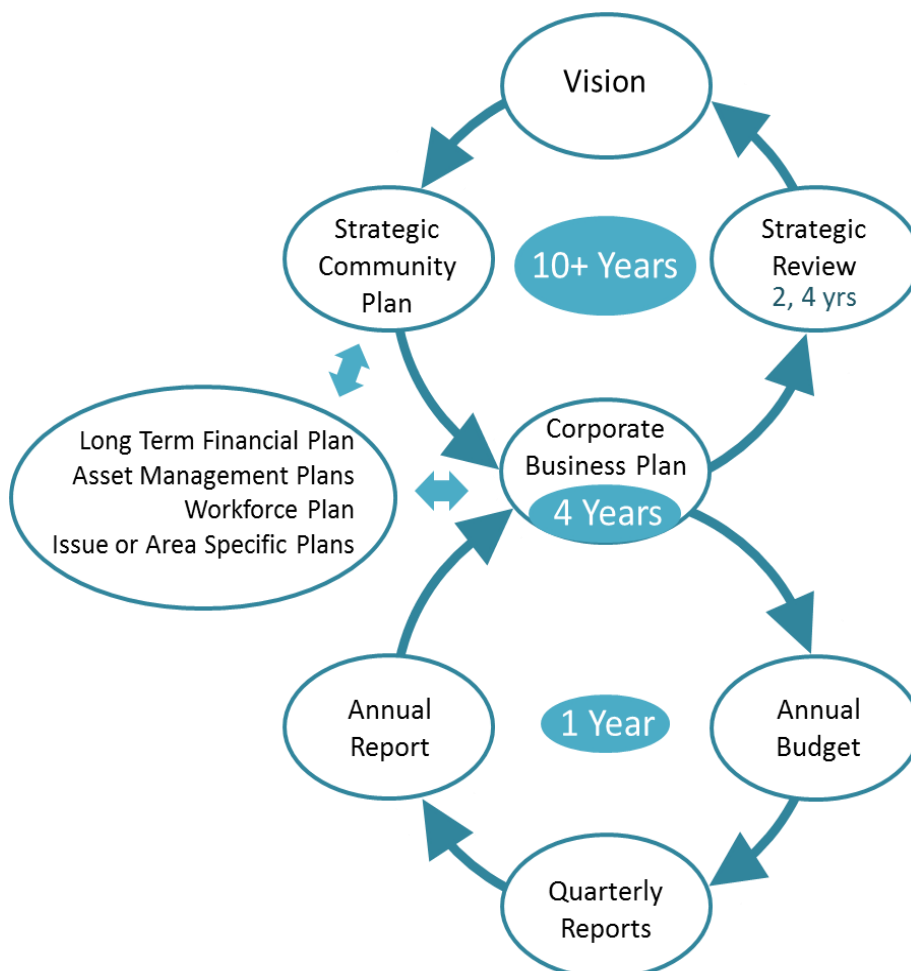
This Plan is one component of several integrated planning activities the Shire undertakes as part of planning for the future. Local Government Long Term Financial Plans use the output from other planning activities such as asset management and workforce planning to set out the financial measures required to achieve the goals in the Shire's Strategic Community Plan and Council Plan. As well as a sound business planning process, this Plan has been prepared to achieve compliance with the *Local Government (Administration) Regulations 1996* and its content and format has been influenced by the Guidelines and framework published by the Department of Local Government Sport and Cultural Industries.

### 6.2 Strategic Documents Linkage

This Plan includes, and influences, other strategic planning activities as a mechanism to action the strategies contained in the Shire's Strategic Community Plan, as illustrated in the diagram below.



Diagram: Integrated Planning and Reporting Cycle<sup>2</sup>



<sup>2</sup> Department of Local Government, Sport and Cultural Industries, Integrated Planning and Reporting: Framework and Guidelines, September 2016

### 6.3 Council Plan 2022 – 2032 (formerly the Strategic Community Plan and Corporate Business Plan)

The Council Plan 2022 – 2032 format was changed in 2022, and now includes the Strategic Community Plan and the Corporate Business Plan in one document. It was prepared to span a minimum period of 10 years as it sets out the community’s vision, aspirations and objectives for the Shire. To achieve the vision, a series of priorities, objectives and strategies were developed. Many individual strategies may be required to achieve a single objective and many objectives needed to achieve an overall result.

Individual strategies all require actions involving human, physical and financial resources and the Shire needs to manage strategic priorities and apply careful operational planning and prioritisation to achieve results. This planning process is formalised as a Council Plan which operates on a rolling four-year basis.

### 6.4 Workforce Planning, Asset Management Planning and Other Strategic Plans

Workforce Plans, Asset Management Plans and other strategic plans integrate with the Long Term Financial Plan to identify and plan for resource requirements to achieve the goals of the Strategic Community Plan.

## 7.0 Risk Management

### 7.1 Risk Management

As with all local governments, this Shire provides a diverse range of services and facilities to the public which exposes it to inherent business risks. Work has commenced on improved risk management practices with a review of the framework currently underway. This review will receive oversight by the Shire's Audit and Risk Management Committee.

The Shire has a practice of conducting an annual review of insurance levels of assets to ensure the level is adequate. The Shire's insurer is Local Government Insurance Services.

The *Local Government (Financial Management) Regulations 1996* require the investment of surplus funds (including cash reserves) to be in term deposits held by authorised deposit taking institutions or Treasurybonds.

The Shire seeks to engage experienced and qualified personnel in areas of high risk and provides them with appropriate ongoing training and equipment to ensure they can undertake their roles with minimal risk to the community and the Shire.

### 7.2 Assumptions and Certainty

Included in the Plan is a table of the assumptions used as part of the development of the Plan. The table also includes an assessment of the risks associated with relying on each assumption.

If the assumption does not turn out as planned and the variation may have a substantial impact on the reliability of the Plan, the assumption has been categorised as a high risk of uncertainty. If an assumption is assessed as carrying a high risk of uncertainty, then sensitivity analysis has been applied to this assumption.

### 7.3 Sensitivity Analysis

Where an assessment has been made that a high level of uncertainty applies to the assumptions then sensitivity analysis has been undertaken to quantify the potential financial impact of a change in the assumption.

Assumptions with a high level of uncertainty and a higher dollar value present the greatest risk that a movement in the assumption will result in unexpected and detrimental consequences. The details of this analysis are shown adjacent to each assumption in the table on the following pages.

## 8.0 Assumptions, Risks, Uncertainties and Sensitivities

### 8.1 Revenue – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>District Growth in Population:</b> The number of residents in the Shire is expected to grow.	Low	N/A	Medium	N/A
<b>Rates Level Increase:</b> Rate revenue has been increased based on a total rate yield including growth embedded in the rate increases.	Medium	N/A	Medium	N/A
<b>Operating Grants and Contributions:</b> Aligned to latest information available for FY22-23, with further increases based on assumption of 0.33% in by ~0.2% per annum thereafter.	High	Ongoing service levels and the general operations of the Shire are dependent on level of Federal Financial Assistance Grants and other untied grants received. A reduction in the level of these grants would impact directly on the Shire's ability to maintain existing service levels to the community.	High	± \$553,235 to the value of operating grants and contributions over the life of the plan for a 1% movement in the value in the first year of the Plan.
<b>Non-operating Grants and Contributions:</b> Remain in line with funding requirements identified for various capital works.	High	The forecast asset renewal and strategic projects is highly dependent on external grants and contributions. A reduction in these levels would adversely impact on the scope and the amount spent on capital projects.	High	± \$779,525 to the value of non- operating grants and contributions per 1% movement in aggregate value over the life of the Plan.
<b>Fees and Charges:</b> Increased by an average of 3.63% per annum, based on known information.	Medium	N/A	Medium	N/A
<b>Interest Earnings:</b> Interest earning of an average rate of 0.5% per annum.	Low	N/A	Medium	N/A
<b>Other Revenue: Increases in line with underlying inflation.</b>	Low	N/A	Low	N/A
<b>Profit on Asset Disposal:</b> Profit on asset disposal results from a mismatch of depreciation and market value over the life of the asset. As the level of depreciation is considered appropriate no profit on asset disposals has been included.	Low	N/A	Low	N/A

## 8.2 Expenditure – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Employee Costs:</b> Established positions are increased in line with underlying FY 2023 Budget along with increases to mandatory occupational superannuation. No increases in headcount have been incorporated.	Medium	N/A	Low	N/A
<b>Materials and Contracts:</b> Increased annually by underlying inflation per FY 2023 Budget with annual reduction of 8% applied for fuel in FY 2024, followed by 2% increases per annum.	High	Road infrastructure program and general operations of the Shire are dependent on levels of Federal Financial Assistance Grants and other untied grants received. Changes in the levels of these grants would adversely impact the Shire's ability to maintain service levels.	High	± \$966,225 to the value of material and contracts over the life of the plan for a 1% movement in the value in the first year of the Plan.
<b>Depreciation:</b> Depreciation has been calculated using an average depreciation rate for each class of physical asset.	Low	N/A	Low	N/A
<b>Insurance:</b> Increased by 15% in FY 2022-23 per latest indications, followed by 6.00% per annum for the life of the plan.	Medium	N/A	Medium	N/A
<b>Other Expenditure:</b> Base year increased by 4% per annum.	Medium	N/A	Medium	N/A
<b>Loss on Asset Disposal:</b> A loss on asset disposal results from a mismatch of depreciation and market value over the life of the asset. As the level of depreciation is considered appropriate in the Plan no loss on asset disposals has been included in the Plan.	Low	N/A	Low	N/A

## 8.2 Assets – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Revaluations:</b> In line with underlying annual inflation.	Low	The revaluation of assets may result in changes in asset ratio analysis and depreciation leading to a change in the net result. The revaluation of assets has no impact on Cashflows.	High	±\$448,768 to the value of property, plant and equipment per 1% movement in the aggregate value over the life of the Plan. ±\$1,358,808 to the value of infrastructure assets per 1% movement in the aggregate value over the life of the Plan.
<b>Impairment of Assets:</b> No impairment of assets has been assumed over the term of the Plan. Impairment of assets usually occurs due to unplanned/unforeseen events such as natural disasters.	High	A widespread major impairment event may result in a requirement for high levels of expenditure to maintain service levels. In such circumstances, funding assistance from other levels of government is assumed.	Medium	Unable to be quantified.
<b>Infrastructure Assets:</b> Expenditure has been based the Asset Management Plan.	High	The capital works program is highly dependent on external grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately on service levels.	High	±\$1,358,808 to the value of infrastructure assets per 1% movement in the aggregate value over the life of the Plan.
<b>Property, Plant and Equipment:</b> Building expenditure is in accordance with the level of reserve transfers for that purpose	Medium	Not assessed as high financial risk as the frequency of capital plant and equipment replacement is not influenced receipt of external capital grants to the degree of road infrastructure.	Medium	Not assessed as high level of uncertainty.

## 8.3 Liabilities – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Borrowings:</b> New borrowings have been planned for capital works as indicated. <b>Recreation Precinct:</b> \$3.0m in FY2022-23 <b>Shire Office:</b> \$2.0m in FY2024-25 <b>Waste Transfer Station:</b> \$1.18m in FY2029-30 <b>Apple Fun Park:</b> \$0.94m in FY2035-36	High	If the Shire is not able to secure borrowings in the future, the likely impact will be the postponement of related asset acquisitions.	Low	Not assessed as high level of uncertainty.
<b>Employee Entitlements:</b> No changes.	Medium	N/A	Low	N/A

## 8.4 Equity Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Cash Backed Reserves:</b> It has been assumed the Shire will invest cash reserves in term deposits with banking institutions and these funds will be available for use during the term of the Plan.	Low	N/A	Medium	N/A
<b>Revaluation Surplus:</b> No change.	Low	The revaluation of assets to their fair value may result in changes in asset ratio analysis and depreciation leading to a change in the net result. The revaluations of assets will have no impact on Cashflows.	Medium	N/A

## 8.5 Other – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Underlying Inflation:</b> Forecast inflation at 3.5% per annum, with other adjustments on a granular as described.	Medium	N/A	Medium	N/A
<b>Commercial Activities:</b> The Shire has no plans to undertake a new significant commercial activity during the period of the Plan.	Medium	N/A	Low	N/A
<b>General Economic Forecasts for State:</b> The economic forecast for the State is closely linked to the success of the mining industry. Demands for minerals is forecast to remain stable in the short term with a corresponding stability of the State economy.	Medium	N/A	Medium	N/A
<b>General Economic Forecasts for Region:</b> Historically, the region's economy is heavily dependent on agriculture and tourism and this remains the assumption for the term of this Plan.	Low	N/A	Medium	N/A

## 9.0 Ratio Performance

### 9.1 Monitoring

The Plan will be the subject of a desktop review each year to consider changing circumstances, with a full revision scheduled every two years in line with the review of the Strategic Community Plan.

Monitoring the Shire's financial rigidity and financial position along with its asset management performance is undertaken by preparing and monitoring various statutory ratios.

### 9.2 Ratio Targets

A series of performance indicators, in the form of financial ratios set out in the table below, have been used to assess the financial performance of the Shire.

To maintain comparability across the industry, these ratios and their respective target ranges, have been derived from the Department's Long-Term Financial Planning guidelines and *Regulation 50 of Local Government (Financial Management) Regulation 1996*.

The Department's published Advisory Standard also provides target levels for each of the ratios.

Ratio	Calculation	Indication	Minimum target
Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets minus current liabilities associated with long term borrowings}}$	A measure of the Shire's immediate liquidity and the capacity to meet short term financial obligations from unrestricted current assets.	1
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$	A measure of the extent to which own source revenues raised cover operational expenses.	1%
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$	A measure of the extent of the Shire's ability to cover costs using only discretionary revenue.	40%
Debt Service Coverage Ratio	$\frac{\text{Annual operating surplus before interest and depreciation}}{\text{principal and interest}}$	A measure of the extent of the Shire's capacity to generate sufficient cash to cover debt payments.	3
Asset Consumption Ratio	$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciation assets}}$	A measure of the aged condition of the Shire's physical assets.	50%
Asset Sustainability Ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expense}}$	A measure of the extent to which assets managed by the Shire are being replaced as they reach the end of their useful lives.	90%
Asset Renewal Funding Ratio	$\frac{\text{NPV of planned capital renewals over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$	The Shire's financial capacity to fund asset renewal to support existing service levels. (This ratio is based on the ten years forecast expenditure and as such is only able to be calculated of the first five years of the Plan).	75%



# Appendix 1 – Forecast Financial Statements

## Financial Statements

The following forecast financial statements have been prepared and are included at the end of the Plan.

These forecast statements have been prepared within a framework which accords with the Australian Accounting Standards.

The statements have been prepared based on a number of forecasts and estimates, and readers should ensure they have read and understood the reliance section under Other Matters at the end of the document.

## Statements of Comprehensive Income

Often referred to as the operating statement, it shows the revenues and expenses over the periods.

## Statement of Financial Position

More commonly referred to as the Balance Sheet, this statement discloses the forecast changes in the balance of assets and liability accounts over the periods.

## Statement of Changes in Equity

This statement discloses the changes in equity over the forecast period. It shows the impact of operations on net assets and the movement in cash backed and revaluation reserves.

## Statement of Cashflows

Represents the forecast cash inflows and outflows and discloses the changes to the balance of cash over the period.

## Statement of Financial Activity (Rate Setting Statement)

A statement combining operating and capital revenues and expenses and discloses the opening and closing net current forecast surplus (deficit) funding position for each year.

## Statement of Net Current Asset Composition

A statement showing how the closing estimated surplus/deficit has been calculated.

## Statement of Fixed Asset Movements

A summary of the impact of the Plan on the value of fixed assets over the period. It discloses the movements in the net value of property, plant, and equipment and infrastructure.

## Statement of Fixed Asset Funding

A summary of the capital expenditure by asset class and the source of funding for each class.

## Forecast Ratios

The forecast ratios required by the regulations and discussed earlier under monitoring and performance.

**Shire of Donnybrook-Balingup**  
**Forecast Statement of Comprehensive Income - by Nature or Type**  
For the period 2022 – 2042

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>																				
Rates	6,599,410	7,028,372	7,450,073	7,897,077	8,331,417	8,747,987	9,185,386	9,644,655	10,126,888	10,430,695	10,691,463	10,958,750	11,232,719	11,513,536	11,801,373	12,096,408	12,398,819	12,708,789	13,026,508	13,352,170
Operating grants, subsidies and contribution:	1,085,195	2,738,371	2,747,543	2,757,864	2,768,658	2,779,948	2,791,755	2,804,105	2,817,025	2,830,540	2,844,681	2,859,476	2,874,960	2,891,164	2,908,123	2,925,875	2,944,457	2,963,913	2,984,281	3,005,609
Fees and charges	1,719,981	1,804,897	1,987,981	2,202,267	2,277,796	2,355,079	2,440,192	2,524,907	2,599,770	2,676,736	2,755,868	2,837,234	2,920,897	2,979,028	3,039,043	3,101,004	3,161,570	3,227,549	3,295,674	3,366,017
Service charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest earnings	102,787	89,488	88,695	85,791	86,515	85,287	85,520	89,025	94,216	91,627	94,406	91,391	94,387	96,539	97,100	96,049	94,463	90,796	92,247	87,069
Other revenue	19,449	2,196	5,022	7,930	10,921	14,000	17,169	20,431	23,791	27,249	30,811	34,479	38,257	42,150	46,160	50,293	54,553	58,944	63,471	68,137
	9,526,822	11,663,324	12,279,314	12,950,929	13,475,307	13,982,301	14,520,022	15,083,123	15,661,690	16,056,847	16,417,229	16,781,330	17,161,220	17,522,417	17,891,799	18,269,629	18,653,862	19,049,991	19,462,181	19,879,002
<b>Expenses</b>																				
Employee costs	(5,591,285)	(5,727,719)	(5,866,252)	(6,008,013)	(6,153,060)	(6,301,480)	(6,453,323)	(6,608,667)	(6,767,593)	(6,930,141)	(7,096,427)	(7,266,499)	(7,440,452)	(7,618,343)	(7,800,258)	(7,986,282)	(8,176,478)	(8,370,965)	(8,569,776)	(8,773,032)
Materials and contracts	(3,201,720)	(3,298,263)	(3,469,481)	(3,584,188)	(3,772,798)	(3,896,020)	(4,099,346)	(4,229,557)	(4,442,019)	(4,583,866)	(5,039,667)	(4,971,309)	(5,235,404)	(5,400,885)	(5,669,554)	(5,842,984)	(6,117,759)	(6,303,281)	(6,638,481)	(6,825,907)
Utility charges	(398,851)	(414,138)	(430,012)	(446,490)	(463,602)	(481,370)	(499,820)	(518,974)	(538,870)	(559,523)	(580,973)	(603,238)	(626,358)	(650,369)	(675,295)	(701,179)	(728,045)	(755,947)	(784,921)	(815,006)
Depreciation on non-current assets	(5,610,301)	(5,632,661)	(5,719,366)	(5,719,366)	(5,697,279)	(5,690,108)	(5,690,108)	(5,730,971)	(5,852,923)	(5,884,609)	(5,884,609)	(5,840,054)	(5,602,044)	(5,545,042)	(5,579,474)	(5,586,502)	(5,884,609)	(5,884,609)	(5,388,852)	(5,592,950)
Interest expenses	(9,368)	(125,465)	(119,313)	(202,678)	(194,640)	(186,512)	(178,130)	(169,404)	(230,831)	(219,941)	(208,553)	(196,644)	(184,190)	(171,164)	(213,275)	(196,583)	(179,089)	(160,746)	(141,519)	(121,360)
Insurance expenses	(421,788)	(447,095)	(473,920)	(502,360)	(532,504)	(564,452)	(598,318)	(634,216)	(672,271)	(712,606)	(755,364)	(800,686)	(848,729)	(899,656)	(953,636)	(1,010,852)	(1,071,505)	(1,135,796)	(1,203,943)	(1,276,179)
Other expenditure	(212,820)	(221,332)	(230,185)	(239,390)	(248,967)	(258,926)	(269,283)	(280,055)	(291,257)	(302,907)	(315,023)	(327,625)	(340,730)	(354,361)	(368,533)	(383,275)	(398,605)	(414,548)	(431,129)	(448,373)
	(15,446,133)	(15,866,673)	(16,308,529)	(16,702,485)	(17,062,850)	(17,378,868)	(17,788,328)	(18,171,844)	(18,795,764)	(19,161,907)	(19,880,616)	(20,006,055)	(20,277,907)	(20,639,820)	(21,260,025)	(21,707,657)	(22,556,090)	(23,025,892)	(23,158,621)	(23,852,807)
	(5,919,311)	(4,203,349)	(4,029,215)	(3,751,556)	(3,587,543)	(3,396,567)	(3,268,306)	(3,088,721)	(3,134,074)	(3,105,060)	(3,463,387)	(3,224,725)	(3,116,687)	(3,117,403)	(3,368,226)	(3,438,028)	(3,902,228)	(3,975,901)	(3,696,440)	(3,973,805)
Non-operating grants, subsidies and contribu	10,409,782	5,683,726	2,209,722	3,598,957	1,959,722	2,402,634	3,932,309	2,209,722	7,385,954	1,959,722	1,959,722	3,909,722	2,209,722	3,604,147	1,959,722	1,972,165	3,909,722	2,209,722	3,574,025	1,959,722
Fair value adjustments to financial assets at fair value through profit or loss	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fair value adjustments to investment propert	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Share of net profit of associates and joint ventures accounted for using the equity method	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on revaluation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit on asset disposals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on asset disposal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>NET RESULT</b>	4,490,471	1,480,377	(1,819,493)	(152,599)	(1,627,821)	(993,933)	664,003	(878,999)	4,251,880	(1,145,338)	(1,503,665)	684,997	(906,965)	486,744	(1,408,504)	(1,465,863)	7,494	(1,766,179)	(122,415)	(2,014,083)
<b>Other comprehensive income</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL COMPREHENSIVE INCOME</b>	4,490,471	1,480,377	(1,819,493)	(152,599)	(1,627,821)	(993,933)	664,003	(878,999)	4,251,880	(1,145,338)	(1,503,665)	684,997	(906,965)	486,744	(1,408,504)	(1,465,863)	7,494	(1,766,179)	(122,415)	(2,014,083)

**Shire of Donnybrook-Balingup**  
**Forecast Statement of Financial Position**  
For the period 2022 – 2042

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35	30 June 36	30 June 37	30 June 38	30 June 39	30 June 40	30 June 41	30 June 42
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>CURRENT ASSETS</b>																				
Unrestricted cash and cash equivalents	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578
Restricted cash and cash equivalent	3,959,639	3,855,832	3,331,079	3,533,313	3,302,573	3,349,054	4,050,229	5,088,222	4,570,487	5,126,247	4,523,396	5,122,513	5,553,099	5,665,193	5,455,004	5,137,787	4,404,398	4,634,668	3,658,903	3,466,149
Financial assets	9,397	9,397	9,397	9,397	9,397	9,397	9,397	9,397	9,397	9,397	9,397	9,397	9,397	9,397	9,397	9,397	9,397	9,397	9,397	9,397
Trade and other receivables	983,356	983,629	983,911	978,780	973,434	973,434	973,434	973,434	973,434	973,434	973,434	973,434	973,434	973,434	973,434	973,434	973,434	973,434	973,434	973,434
Inventories	46,187	46,187	46,187	46,187	46,187	46,187	46,187	46,187	46,187	46,187	46,187	46,187	46,187	46,187	46,187	46,187	46,187	46,187	46,187	46,187
Contract assets	138,938	138,938	138,938	138,938	138,938	138,938	138,938	138,938	138,938	138,938	138,938	138,938	138,938	138,938	138,938	138,938	138,938	138,938	138,938	138,938
Other assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL CURRENT ASSETS</b>	<b>7,692,095</b>	<b>7,588,561</b>	<b>7,064,090</b>	<b>7,261,193</b>	<b>7,025,107</b>	<b>7,071,588</b>	<b>7,772,763</b>	<b>8,810,756</b>	<b>8,293,021</b>	<b>8,848,781</b>	<b>8,245,930</b>	<b>8,845,047</b>	<b>9,275,633</b>	<b>9,387,727</b>	<b>9,177,538</b>	<b>8,860,321</b>	<b>8,126,932</b>	<b>8,417,202</b>	<b>7,381,437</b>	<b>7,188,683</b>
<b>NON-CURRENT ASSETS</b>																				
Financial assets	136,943	136,943	136,943	136,943	136,943	136,943	136,943	136,943	136,943	136,943	136,943	136,943	136,943	136,943	136,943	136,943	136,943	136,943	136,943	136,943
Other receivables	954,523	944,328	933,851	928,505	928,505	928,505	928,505	928,505	928,505	928,505	928,505	928,505	928,505	928,505	928,505	928,505	928,505	928,505	928,505	928,505
Inventories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Investment property	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property plant and equipment	51,753,171	51,750,880	52,167,614	50,690,695	49,326,903	48,646,145	47,104,701	46,550,094	49,008,049	47,681,872	45,921,861	44,372,530	43,132,891	42,049,632	40,855,286	40,052,022	38,842,492	36,887,008	36,072,344	34,669,253
Infrastructure	131,217,707	132,642,411	132,771,542	133,689,988	133,447,648	132,870,887	134,149,671	133,733,988	135,802,255	135,173,053	135,766,582	137,124,215	136,736,270	138,629,924	138,469,214	137,750,399	139,309,882	138,799,648	140,099,164	139,232,268
Intangible assets	73,409	73,409	73,409	73,409	73,409	73,409	73,409	73,409	73,409	73,409	73,409	73,409	73,409	73,409	73,409	73,409	73,409	73,409	73,409	73,409
<b>TOTAL NON-CURRENT ASSETS</b>	<b>184,135,753</b>	<b>185,547,971</b>	<b>186,083,359</b>	<b>185,519,540</b>	<b>183,913,408</b>	<b>182,655,889</b>	<b>182,393,229</b>	<b>181,422,939</b>	<b>185,949,161</b>	<b>183,993,782</b>	<b>182,827,300</b>	<b>182,635,602</b>	<b>181,008,018</b>	<b>182,018,413</b>	<b>180,463,357</b>	<b>178,941,278</b>	<b>179,291,231</b>	<b>176,825,513</b>	<b>177,310,365</b>	<b>175,040,378</b>
<b>TOTAL ASSETS</b>	<b>191,827,848</b>	<b>193,136,532</b>	<b>193,147,449</b>	<b>192,780,733</b>	<b>190,938,515</b>	<b>189,727,477</b>	<b>190,165,992</b>	<b>190,233,695</b>	<b>194,242,182</b>	<b>192,842,563</b>	<b>191,073,230</b>	<b>191,480,649</b>	<b>190,283,651</b>	<b>191,406,140</b>	<b>189,640,895</b>	<b>187,801,599</b>	<b>187,418,163</b>	<b>185,242,715</b>	<b>184,691,802</b>	<b>182,229,061</b>
<b>CURRENT LIABILITIES</b>																				
Trade and other payables	2,311,521	2,311,521	2,311,521	2,311,521	2,311,521	2,311,521	2,311,521	2,311,521	2,311,521	2,311,521	2,311,521	2,311,521	2,311,521	2,311,521	2,311,521	2,311,521	2,311,521	2,311,521	2,311,521	2,311,521
Contract liabilities	1,411,013	1,411,013	1,411,013	1,411,013	1,411,013	1,411,013	1,411,013	1,411,013	1,411,013	1,411,013	1,411,013	1,411,013	1,411,013	1,411,013	1,411,013	1,411,013	1,411,013	1,411,013	1,411,013	1,411,013
Lease liabilities	19,158	11,458	2,327	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Current portion of long-term liabilities	152,535	158,132	211,790	214,397	217,105	225,488	234,215	243,393	254,281	265,668	277,578	290,033	303,058	356,741	373,433	390,930	409,269	428,498	448,658	469,795
Provisions	802,924	802,924	802,924	802,924	802,924	802,924	802,924	802,924	802,924	802,924	802,924	802,924	802,924	802,924	802,924	802,924	802,924	802,924	802,924	802,924
<b>TOTAL CURRENT LIABILITIES</b>	<b>4,697,151</b>	<b>4,695,048</b>	<b>4,739,575</b>	<b>4,739,855</b>	<b>4,742,563</b>	<b>4,750,946</b>	<b>4,759,673</b>	<b>4,768,851</b>	<b>4,779,739</b>	<b>4,791,126</b>	<b>4,803,036</b>	<b>4,815,491</b>	<b>4,828,516</b>	<b>4,882,199</b>	<b>4,898,891</b>	<b>4,916,388</b>	<b>4,934,727</b>	<b>4,953,956</b>	<b>4,974,116</b>	<b>4,995,253</b>
<b>NON-CURRENT LIABILITIES</b>																				
Contract liabilities	1,079,210	1,079,210	1,079,210	1,079,210	1,079,210	1,079,210	1,079,210	1,079,210	1,079,210	1,079,210	1,079,210	1,079,210	1,079,210	1,079,210	1,079,210	1,079,210	1,079,210	1,079,210	1,079,210	1,079,210
Lease liabilities	13,785	2,327	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-current liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Long-term borrowings	7,085,469	6,927,337	8,715,547	8,501,150	8,284,045	8,058,557	7,824,342	8,761,866	8,507,585	8,241,917	7,964,339	7,674,306	7,371,248	7,953,310	7,579,877	7,188,947	6,779,678	6,351,180	5,902,522	5,432,727
Provisions	866,576	866,576	866,576	866,576	866,576	866,576	866,576	866,576	866,576	866,576	866,576	866,576	866,576	866,576	866,576	866,576	866,576	866,576	866,576	866,576
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>9,045,040</b>	<b>8,875,450</b>	<b>10,661,333</b>	<b>10,446,936</b>	<b>10,229,831</b>	<b>10,004,343</b>	<b>9,770,128</b>	<b>10,707,652</b>	<b>10,453,371</b>	<b>10,187,703</b>	<b>9,910,125</b>	<b>9,620,092</b>	<b>9,317,034</b>	<b>9,899,096</b>	<b>9,525,663</b>	<b>9,134,733</b>	<b>8,725,464</b>	<b>8,296,966</b>	<b>7,848,308</b>	<b>7,378,513</b>
<b>TOTAL LIABILITIES</b>	<b>13,742,191</b>	<b>13,570,498</b>	<b>15,400,908</b>	<b>15,186,791</b>	<b>14,972,394</b>	<b>14,755,289</b>	<b>14,529,801</b>	<b>15,476,503</b>	<b>15,233,110</b>	<b>14,978,829</b>	<b>14,713,161</b>	<b>14,435,583</b>	<b>14,145,550</b>	<b>14,781,295</b>	<b>14,424,554</b>	<b>14,051,121</b>	<b>13,660,191</b>	<b>13,250,922</b>	<b>12,822,424</b>	<b>12,373,766</b>
<b>NET ASSETS</b>	<b>178,085,657</b>	<b>179,566,034</b>	<b>177,746,541</b>	<b>177,593,942</b>	<b>175,966,121</b>	<b>174,972,188</b>	<b>175,636,191</b>	<b>174,757,192</b>	<b>179,009,072</b>	<b>177,863,734</b>	<b>176,360,069</b>	<b>177,045,066</b>	<b>176,138,101</b>	<b>176,624,845</b>	<b>175,216,341</b>	<b>173,750,478</b>	<b>173,757,972</b>	<b>171,991,793</b>	<b>171,869,378</b>	<b>169,855,295</b>
<b>EQUITY</b>																				
Retained surplus	43,334,114	44,918,298	43,623,558	43,268,725	41,871,644	40,831,230	40,794,058	38,877,066	43,646,681	41,945,583	41,044,769	41,130,649	39,793,098	40,167,748	38,969,433	37,820,787	38,561,670	36,505,221	37,418,571	35,597,242
Reserves – cash backed	3,959,639	3,855,832	3,331,079	3,533,313	3,302,573	3,349,054	4,050,229	5,088,222	4,570,487	5,126,247	4,523,396	5,122,513	5,553,099	5,665,193	5,455,004	5,137,787	4,404,398	4,634,668	3,658,903	3,466,149
Asset revaluation surplus	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904
<b>TOTAL EQUITY</b>	<b>178,085,657</b>	<b>179,566,034</b>	<b>177,746,541</b>	<b>177,593,942</b>	<b>175,966,121</b>	<b>174,972,188</b>	<b>175,636,191</b>	<b>174,757,192</b>	<b>179,009,072</b>	<b>177,863,734</b>	<b>176,360,069</b>	<b>177,045,066</b>	<b>176,138,101</b>	<b>176,624,845</b>	<b>175,216,341</b>	<b>173,750,478</b>	<b>173,757,972</b>	<b>171,991,793</b>	<b>171,869,378</b>	<b>169,855,295</b>

**Shire of Donnybrook-Balingup**  
**Forecast Statement of Changes in Equity**  
For the period 2022 – 2042

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35	30 June 36	30 June 37	30 June 38	30 June 39	30 June 40	30 June 41	30 June 42
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>RETAINED SURPLUS</b>																				
Opening balance	38,087,154	43,334,114	44,918,298	43,623,558	43,268,725	41,871,644	40,831,230	40,794,058	38,877,066	43,646,681	41,945,583	41,044,769	41,130,649	39,793,098	40,167,748	38,969,433	37,820,787	38,561,670	36,505,221	37,418,571
Net result	4,490,471	1,480,377	(1,819,493)	(152,599)	(1,627,821)	(993,933)	664,003	(878,999)	4,251,880	(1,145,338)	(1,503,665)	684,997	(906,965)	486,744	(1,408,504)	(1,465,863)	7,494	(1,766,179)	(122,415)	(2,014,083)
Amount transferred (to)/from reserves	756,489	103,807	524,753	(202,234)	230,740	(46,481)	(701,175)	(1,037,993)	517,735	(555,760)	602,851	(599,117)	(430,586)	(112,094)	210,189	317,217	733,389	(290,270)	1,035,765	192,754
Closing balance	43,334,114	44,918,298	43,623,558	43,268,725	41,871,644	40,831,230	40,794,058	38,877,066	43,646,681	41,945,583	41,044,769	41,130,649	39,793,098	40,167,748	38,969,433	37,820,787	38,561,670	36,505,221	37,418,571	35,597,242
<b>RESERVES - CASH/INVESTMENT BACKED</b>																				
Opening balance	4,716,128	3,959,639	3,855,832	3,331,079	3,533,313	3,302,573	3,349,054	4,050,229	5,088,222	4,570,487	5,126,247	4,523,396	5,122,513	5,553,099	5,665,193	5,455,004	5,137,787	4,404,398	4,694,668	3,658,903
Amount transferred to/(from) retained surplus	(756,489)	(103,807)	(524,753)	202,234	(230,740)	46,481	701,175	1,037,993	(517,735)	555,760	(602,851)	599,117	430,586	112,094	(210,189)	(317,217)	(733,389)	290,270	(1,035,765)	(192,754)
Closing balance	3,959,639	3,855,832	3,331,079	3,533,313	3,302,573	3,349,054	4,050,229	5,088,222	4,570,487	5,126,247	4,523,396	5,122,513	5,553,099	5,665,193	5,455,004	5,137,787	4,404,398	4,694,668	3,658,903	3,466,149
<b>ASSET REVALUATION SURPLUS</b>																				
Opening balance	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904
Total other comprehensive income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Closing balance	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904	130,791,904
<b>TOTAL EQUITY</b>	178,085,657	179,566,034	177,746,541	177,593,942	175,966,121	174,972,188	175,636,191	174,757,192	179,009,072	177,863,734	176,360,069	177,045,066	176,138,101	176,624,845	175,216,341	173,750,478	173,757,972	171,991,793	171,869,378	169,855,295

**Shire of Donnybrook-Balingup**  
**Forecast Statement of Cashflows**  
For the period 2022 – 2042

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Cash flows from operating activities</b>																					
<b>Receipts</b>																					
Rates	6,599,410	7,028,372	7,450,073	7,897,077	8,331,417	8,747,987	9,185,386	9,644,655	10,126,888	10,430,695	10,691,463	10,958,750	11,232,719	11,513,536	11,801,373	12,096,408	12,398,819	12,708,789	13,026,508	13,352,170	
Operating grants, subsidies and contributions	1,085,195	2,738,371	2,747,543	2,757,864	2,768,658	2,779,948	2,791,755	2,804,105	2,817,025	2,830,540	2,844,681	2,859,476	2,874,960	2,891,164	2,908,123	2,925,875	2,944,457	2,963,913	2,984,281	3,005,609	
Fees and charges	1,719,981	1,804,897	1,987,981	2,202,267	2,277,796	2,355,079	2,440,192	2,524,907	2,599,770	2,676,736	2,755,868	2,837,234	2,920,897	2,979,028	3,039,043	3,101,004	3,161,570	3,227,549	3,295,674	3,366,017	
Service charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest earnings	102,787	89,488	88,695	85,791	86,515	85,287	85,520	89,025	94,216	91,627	94,406	91,391	94,387	96,539	97,100	96,049	94,463	90,796	92,247	87,069	
Other revenue	19,449	2,196	5,022	7,930	10,921	14,000	17,169	20,431	23,791	27,249	30,811	34,479	38,257	42,150	46,160	50,293	54,553	58,944	63,471	68,137	
	9,526,822	11,663,324	12,279,314	12,950,929	13,475,307	13,982,301	14,520,022	15,083,123	15,661,690	16,056,847	16,417,229	16,781,330	17,161,220	17,522,417	17,891,799	18,269,629	18,653,862	19,049,991	19,462,181	19,879,002	
<b>Payments</b>																					
Employee costs	(5,591,285)	(5,727,719)	(5,866,252)	(6,008,013)	(6,153,060)	(6,301,480)	(6,453,323)	(6,608,667)	(6,767,593)	(6,930,141)	(7,096,427)	(7,266,499)	(7,440,452)	(7,618,343)	(7,800,258)	(7,986,282)	(8,176,478)	(8,370,965)	(8,569,776)	(8,773,032)	
Materials and contracts	(3,201,720)	(3,298,263)	(3,469,481)	(3,584,188)	(3,772,798)	(3,896,020)	(4,099,346)	(4,229,557)	(4,442,019)	(4,583,866)	(5,039,667)	(4,971,309)	(5,235,404)	(5,400,885)	(5,669,554)	(5,842,984)	(6,117,759)	(6,303,281)	(6,638,481)	(6,825,907)	
Utility charges	(398,851)	(414,138)	(430,012)	(446,490)	(463,602)	(481,370)	(499,820)	(518,974)	(538,870)	(559,523)	(580,973)	(603,238)	(626,358)	(650,369)	(675,295)	(701,179)	(728,045)	(755,947)	(784,921)	(815,006)	
Interest expenses	(9,368)	(125,465)	(119,313)	(202,678)	(194,640)	(186,512)	(178,130)	(169,404)	(230,831)	(219,941)	(208,553)	(196,644)	(184,190)	(171,164)	(213,275)	(196,583)	(179,089)	(160,746)	(141,519)	(121,360)	
Insurance expenses	(421,788)	(447,095)	(473,920)	(502,360)	(532,504)	(564,452)	(598,318)	(634,216)	(672,271)	(712,606)	(755,364)	(800,686)	(848,729)	(899,656)	(953,636)	(1,010,852)	(1,071,505)	(1,135,796)	(1,203,943)	(1,276,179)	
Other expenditure	(212,820)	(221,332)	(230,185)	(239,390)	(248,967)	(258,926)	(269,283)	(280,055)	(291,257)	(302,907)	(315,023)	(327,625)	(340,730)	(354,361)	(368,533)	(383,275)	(398,605)	(414,548)	(431,129)	(448,373)	
	(9,835,832)	(10,234,012)	(10,589,163)	(10,983,119)	(11,365,571)	(11,688,760)	(12,098,220)	(12,440,873)	(12,942,841)	(13,308,984)	(13,996,007)	(14,166,001)	(14,675,863)	(15,094,778)	(15,680,551)	(16,121,155)	(16,671,481)	(17,141,283)	(17,769,769)	(18,259,857)	
<b>Net cash provided by (used in) operating activities</b>	(309,010)	1,429,312	1,690,151	1,967,810	2,109,736	2,293,541	2,421,802	2,642,250	2,718,849	2,747,863	2,421,222	2,615,329	2,485,357	2,427,639	2,211,248	2,148,474	1,982,381	1,908,708	1,692,412	1,619,145	
<b>Cash flows from investing activities</b>																					
Payments for purchase of property, plant & equipment	(12,954,284)	(2,163,182)	(2,627,860)	(793,686)	(847,462)	(1,631,730)	(712,291)	(1,578,774)	(4,871,477)	(1,236,564)	(544,994)	(810,188)	(826,192)	(1,029,244)	(889,829)	(1,370,332)	(1,328,104)	(316,825)	(1,139,410)	(682,955)	
Payments for construction of infrastructure	(2,878,494)	(5,036,200)	(3,759,469)	(4,548,784)	(3,395,721)	(3,061,300)	(4,916,845)	(3,225,364)	(5,709,314)	(3,011,845)	(4,259,643)	(5,023,747)	(3,278,169)	(5,759,768)	(3,305,404)	(2,947,299)	(5,225,597)	(3,155,880)	(4,965,630)	(2,799,218)	
Proceeds from non-operating grants, subsidies and contributions	10,409,782	5,683,726	2,209,722	3,598,957	1,959,722	2,402,634	3,932,309	2,209,722	7,385,954	1,959,722	1,959,722	3,909,722	2,209,722	3,604,147	1,959,722	1,972,165	3,909,722	2,209,722	3,574,025	1,959,722	
Proceeds from self supporting loans	9,656	9,922	10,195	10,477	5,346	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Proceeds from sale of plant & equipment	201,093	144,308	122,098	181,577	152,036	260,441	201,688	43,457	201,646	350,865	86,510	185,579	129,901	233,575	170,815	253,208	319,139	53,814	231,336	159,210	
<b>Net cash provided by (used in) investing activities</b>	(5,212,247)	(1,361,426)	(4,045,314)	(1,551,459)	(2,126,079)	(2,029,955)	(1,495,139)	(2,550,959)	(2,993,191)	(1,937,822)	(2,758,405)	(1,738,634)	(1,764,738)	(2,951,290)	(2,064,696)	(2,092,258)	(2,324,840)	(1,209,169)	(2,299,679)	(1,363,241)	
<b>Cash flows from financing activities</b>																					
Repayment of debentures	(65,983)	(152,535)	(158,132)	(211,790)	(214,397)	(217,105)	(225,488)	(234,215)	(243,393)	(254,281)	(265,668)	(277,578)	(290,033)	(303,058)	(356,741)	(373,433)	(390,930)	(409,269)	(428,498)	(448,658)	
Repayment of leases	(19,249)	(19,158)	(11,458)	(2,327)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Proceeds from new debentures	3,000,000	0	2,000,000	0	0	0	0	1,180,917	0	0	0	0	0	938,803	0	0	0	0	0	0	
Proceeds from new leases	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Net cash provided by (used in) financing activities</b>	2,914,768	(171,693)	1,830,410	(214,117)	(214,397)	(217,105)	(225,488)	946,702	(243,393)	(254,281)	(265,668)	(277,578)	(290,033)	635,745	(356,741)	(373,433)	(390,930)	(409,269)	(428,498)	(448,658)	
<b>Net increase (decrease) in cash held</b>	(2,606,489)	(103,807)	(524,753)	202,234	(230,740)	46,481	701,175	1,037,993	(517,735)	555,760	(602,851)	599,117	430,586	112,094	(210,189)	(317,217)	(733,389)	290,270	(1,035,765)	(192,754)	
Cash at beginning of year	9,120,706	6,514,217	6,410,410	5,885,657	6,087,891	5,857,151	5,903,632	6,604,807	7,642,800	7,125,065	7,680,825	7,077,974	7,677,091	8,107,677	8,219,771	8,009,582	7,692,365	6,958,976	7,249,246	6,213,481	
<b>Cash and cash equivalents at the end of year</b>	6,514,217	6,410,410	5,885,657	6,087,891	5,857,151	5,903,632	6,604,807	7,642,800	7,125,065	7,680,825	7,077,974	7,677,091	8,107,677	8,219,771	8,009,582	7,692,365	6,958,976	7,249,246	6,213,481	6,020,727	
<b>Reconciliation of net cash provided by operating activities to net result</b>																					
Net result	4,490,471	1,480,377	(1,819,493)	(152,599)	(1,627,821)	(993,933)	664,003	(878,999)	4,251,880	(1,145,338)	(1,503,665)	684,997	(906,965)	486,744	(1,408,504)	(1,465,863)	7,494	(1,766,179)	(122,415)	(2,014,083)	
Depreciation	5,610,301	5,632,661	5,719,366	5,719,366	5,697,279	5,690,108	5,690,108	5,730,971	5,852,923	5,852,923	5,884,609	5,840,054	5,602,044	5,545,042	5,579,474	5,586,502	5,884,609	5,884,609	5,388,852	5,592,950	
Grants/contributions for the development of assets	(10,409,782)	(5,683,726)	(2,209,722)	(3,598,957)	(1,959,722)	(2,402,634)	(3,932,309)	(2,209,722)	(7,385,954)	(1,959,722)	(1,959,722)	(3,909,722)	(2,209,722)	(3,604,147)	(1,959,722)	(1,972,165)	(3,909,722)	(2,209,722)	(3,574,025)	(1,959,722)	
<b>Net cash from operating activities</b>	(309,010)	1,429,312	1,690,151	1,967,810	2,109,736	2,293,541	2,421,802	2,642,250	2,718,849	2,747,863	2,421,222	2,615,329	2,485,357	2,427,639	2,211,248	2,148,474	1,982,381	1,908,708	1,692,412	1,619,145	

## Shire of Donnybrook-Balingup Forecast Statement of Funding For the period 2022 – 2042

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>FUNDING FROM OPERATIONAL ACTIVITIES</b>																				
<b>Revenues</b>																				
Rates	6,599,410	7,028,372	7,450,073	7,897,077	8,331,417	8,747,987	9,185,386	9,644,655	10,126,888	10,430,695	10,691,463	10,958,750	11,232,719	11,513,536	11,801,373	12,096,408	12,398,819	12,708,789	13,026,508	13,352,170
Operating grants, subsidies and contributions	1,085,195	2,738,371	2,747,543	2,757,864	2,768,658	2,779,948	2,791,755	2,804,105	2,817,025	2,830,540	2,844,681	2,859,476	2,874,960	2,891,164	2,908,123	2,925,875	2,944,457	2,963,913	2,984,281	3,005,609
Profit on asset disposal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	1,719,981	1,804,897	1,987,981	2,202,267	2,277,796	2,355,079	2,440,192	2,524,907	2,599,770	2,676,736	2,755,868	2,837,234	2,920,897	2,979,028	3,039,043	3,101,004	3,161,570	3,227,549	3,295,674	3,366,017
Service charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest earnings	102,787	89,488	88,695	85,791	86,515	85,287	85,520	89,025	94,216	91,627	94,406	91,391	94,387	96,539	97,100	96,049	94,463	90,796	92,247	87,069
Other revenue	19,449	2,196	5,022	7,930	10,921	14,000	17,169	20,431	23,791	27,249	30,811	34,479	38,257	42,150	46,160	50,293	54,553	58,944	63,471	68,137
	9,526,822	11,663,324	12,279,314	12,950,929	13,475,307	13,982,301	14,520,022	15,083,123	15,661,690	16,056,847	16,417,229	16,781,330	17,161,220	17,522,417	17,891,799	18,269,629	18,653,862	19,049,991	19,462,181	19,879,002
<b>Expenses</b>																				
Employee costs	(5,591,285)	(5,727,719)	(5,866,252)	(6,008,013)	(6,153,060)	(6,301,480)	(6,453,323)	(6,608,667)	(6,767,593)	(6,930,141)	(7,096,427)	(7,266,499)	(7,440,452)	(7,618,343)	(7,800,258)	(7,986,282)	(8,176,478)	(8,370,965)	(8,569,776)	(8,773,032)
Materials and contracts	(3,201,720)	(3,298,263)	(3,469,481)	(3,584,188)	(3,772,798)	(3,896,020)	(4,099,346)	(4,229,557)	(4,442,019)	(4,583,866)	(5,039,667)	(4,971,309)	(5,235,404)	(5,400,885)	(5,669,554)	(5,842,984)	(6,117,759)	(6,303,281)	(6,638,481)	(6,825,907)
Utility charges (electricity, gas, water etc.)	(398,851)	(414,138)	(430,012)	(446,490)	(463,602)	(481,370)	(499,820)	(518,974)	(538,870)	(559,523)	(580,973)	(603,238)	(626,358)	(650,369)	(675,295)	(701,179)	(728,045)	(755,947)	(784,921)	(815,006)
Depreciation on non-current assets	(5,610,301)	(5,632,661)	(5,719,366)	(5,719,366)	(5,697,279)	(5,690,108)	(5,690,108)	(5,730,971)	(5,852,923)	(5,852,923)	(5,884,609)	(5,840,054)	(5,602,044)	(5,545,042)	(5,579,474)	(5,586,502)	(5,884,609)	(5,884,609)	(5,388,852)	(5,592,950)
Loss on asset disposal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest expense	(9,368)	(125,465)	(119,313)	(202,678)	(194,640)	(186,512)	(178,130)	(169,404)	(230,831)	(219,941)	(208,553)	(196,644)	(184,190)	(171,164)	(213,275)	(196,583)	(179,089)	(160,746)	(141,519)	(121,360)
Insurance expense	(421,788)	(447,095)	(473,920)	(502,360)	(532,504)	(564,452)	(598,318)	(634,216)	(672,271)	(712,606)	(755,364)	(800,686)	(848,729)	(899,656)	(953,636)	(1,010,852)	(1,071,505)	(1,135,796)	(1,203,943)	(1,276,179)
Other expenditure	(212,820)	(221,332)	(230,185)	(239,390)	(248,967)	(258,926)	(269,283)	(280,055)	(291,257)	(302,907)	(315,023)	(327,625)	(340,730)	(354,361)	(368,533)	(383,275)	(398,605)	(414,548)	(431,129)	(448,373)
	(15,446,133)	(15,866,673)	(16,308,529)	(16,702,485)	(17,062,850)	(17,378,868)	(17,788,328)	(18,171,844)	(18,795,764)	(19,161,907)	(19,880,616)	(20,006,055)	(20,277,907)	(20,639,820)	(21,260,025)	(21,707,657)	(22,556,090)	(23,025,892)	(23,158,621)	(23,852,807)
	(5,919,311)	(4,203,349)	(4,029,215)	(3,751,556)	(3,587,543)	(3,396,567)	(3,268,306)	(3,088,721)	(3,134,074)	(3,105,060)	(3,463,387)	(3,224,725)	(3,116,687)	(3,117,403)	(3,368,226)	(3,438,028)	(3,902,228)	(3,975,901)	(3,696,440)	(3,973,805)
Depreciation on non-current assets	5,610,301	5,632,661	5,719,366	5,719,366	5,697,279	5,690,108	5,690,108	5,730,971	5,852,923	5,852,923	5,884,609	5,840,054	5,602,044	5,545,042	5,579,474	5,586,502	5,884,609	5,884,609	5,388,852	5,592,950
Net profit and losses on disposal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Movement in employee benefit provisions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Movement in non current liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Initial recognition of land	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net funding from operational activities</b>	<b>(309,010)</b>	<b>1,429,312</b>	<b>1,690,151</b>	<b>1,967,810</b>	<b>2,109,736</b>	<b>2,293,541</b>	<b>2,421,802</b>	<b>2,642,250</b>	<b>2,718,849</b>	<b>2,747,863</b>	<b>2,421,222</b>	<b>2,615,329</b>	<b>2,485,357</b>	<b>2,427,639</b>	<b>2,211,248</b>	<b>2,148,474</b>	<b>1,982,381</b>	<b>1,908,708</b>	<b>1,692,412</b>	<b>1,619,145</b>
<b>FUNDING FROM CAPITAL ACTIVITIES</b>																				
<b>Inflows</b>																				
Proceeds on disposal	201,093	144,308	122,098	181,577	152,036	260,441	201,688	43,457	201,646	350,865	86,510	185,579	129,901	233,575	170,815	253,208	319,139	53,814	231,336	159,210
Non-operating grants, subsidies and contributions	10,409,782	5,683,726	2,209,722	3,598,957	1,959,722	2,402,634	3,932,309	2,209,722	7,385,954	1,959,722	1,959,722	3,909,722	2,209,722	3,604,147	1,959,722	1,972,165	3,909,722	2,209,722	3,574,025	1,959,722
<b>Outflows</b>																				
Purchase of land held for resale	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Purchase of property plant and equipment	(12,954,284)	(2,163,182)	(2,627,860)	(793,686)	(847,462)	(1,631,730)	(712,291)	(1,578,774)	(4,871,477)	(1,236,564)	(544,994)	(810,188)	(826,192)	(1,029,244)	(889,829)	(1,370,332)	(1,328,104)	(316,825)	(1,139,410)	(682,955)
Purchase of infrastructure	(2,878,494)	(5,036,200)	(3,759,469)	(4,548,784)	(3,395,721)	(3,061,300)	(4,916,845)	(3,225,364)	(5,709,314)	(3,011,845)	(4,259,643)	(5,023,747)	(3,278,169)	(5,759,768)	(3,305,404)	(2,947,299)	(5,225,597)	(3,155,880)	(4,965,630)	(2,799,218)
<b>Net funding from capital activities</b>	<b>(5,221,903)</b>	<b>(1,371,348)</b>	<b>(4,055,509)</b>	<b>(1,561,936)</b>	<b>(2,131,425)</b>	<b>(2,029,955)</b>	<b>(1,495,139)</b>	<b>(2,550,959)</b>	<b>(2,993,191)</b>	<b>(1,937,822)</b>	<b>(2,758,405)</b>	<b>(1,738,634)</b>	<b>(1,764,738)</b>	<b>(2,951,290)</b>	<b>(2,064,696)</b>	<b>(2,092,258)</b>	<b>(2,324,840)</b>	<b>(1,209,169)</b>	<b>(2,299,679)</b>	<b>(1,363,241)</b>
<b>FUNDING FROM FINANCING ACTIVITIES</b>																				
<b>Inflows</b>																				
Transfer from reserves	1,503,068	612,707	1,362,799	797,687	1,452,846	1,259,657	604,842	671,943	2,219,375	1,258,637	1,994,870	955,236	952,293	1,240,326	1,472,013	1,526,617	1,942,789	919,130	2,214,011	778,984
New borrowings	3,000,000	0	2,000,000	0	0	0	0	1,180,917	0	0	0	0	0	938,803	0	0	0	0	0	0
Self supporting loan	9,656	9,922	10,195	10,477	5,346	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Outflows</b>																				
Transfer to reserves	(746,579)	(508,900)	(838,046)	(999,921)	(1,222,106)	(1,306,138)	(1,306,017)	(1,709,936)	(1,701,640)	(1,814,397)	(1,392,019)	(1,554,353)	(1,382,879)	(1,352,420)	(1,261,824)	(1,209,400)	(1,209,400)	(1,209,400)	(1,178,246)	(586,230)
Advances to community groups	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repayment of past borrowings	(65,983)	(152,535)	(158,132)	(211,790)	(214,397)	(217,105)	(225,488)	(234,215)	(243,393)	(254,281)	(265,668)	(277,578)	(290,033)	(303,058)	(356,741)	(373,433)	(390,930)	(409,269)	(428,498)	(448,658)
Principal elements of finance lease payments	(19,249)	(19,158)	(11,458)	(2,327)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net funding from financing activities</b>	<b>3,680,913</b>	<b>(57,964)</b>	<b>2,365,358</b>	<b>(405,874)</b>	<b>21,689</b>	<b>(263,586)</b>	<b>(926,663)</b>	<b>(91,291)</b>	<b>274,342</b>	<b>(810,041)</b>	<b>337,183</b>	<b>(876,695)</b>	<b>(720,619)</b>	<b>523,651</b>	<b>(146,552)</b>	<b>(56,216)</b>	<b>342,459</b>	<b>(699,539)</b>	<b>607,267</b>	<b>(255,904)</b>
Estimated surplus/deficit July 1 B/Fwd	1,850,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimated surplus/deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Funding available/(to be sourced)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

**Shire of Donnybrook-Balingup**  
**Forecast Composition of Estimated Net Current Asset Position**  
For the period 2022 – 2042

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Estimated surplus/deficit July 1 B/Fwd</b>	1,850,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>CURRENT ASSETS</b>																				
Unrestricted cash and equivalents	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578	2,554,578
Restricted cash and cash equivalent	3,959,639	3,855,832	3,331,079	3,533,313	3,302,573	3,349,054	4,050,229	5,088,222	4,570,487	5,126,247	4,523,396	5,122,513	5,553,099	5,665,193	5,455,004	5,137,787	4,404,398	4,694,668	3,658,903	3,466,149
Financial assets	9,397	9,397	9,397	9,397	9,397	9,397	9,397	9,397	9,397	9,397	9,397	9,397	9,397	9,397	9,397	9,397	9,397	9,397	9,397	9,397
Trade and other receivables	983,356	983,629	983,911	978,780	973,434	973,434	973,434	973,434	973,434	973,434	973,434	973,434	973,434	973,434	973,434	973,434	973,434	973,434	973,434	973,434
Inventories	46,187	46,187	46,187	46,187	46,187	46,187	46,187	46,187	46,187	46,187	46,187	46,187	46,187	46,187	46,187	46,187	46,187	46,187	46,187	46,187
Contract assets	138,938	138,938	138,938	138,938	138,938	138,938	138,938	138,938	138,938	138,938	138,938	138,938	138,938	138,938	138,938	138,938	138,938	138,938	138,938	138,938
Other assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>CURRENT LIABILITIES</b>																				
Trade and other payables	(2,311,521)	(2,311,521)	(2,311,521)	(2,311,521)	(2,311,521)	(2,311,521)	(2,311,521)	(2,311,521)	(2,311,521)	(2,311,521)	(2,311,521)	(2,311,521)	(2,311,521)	(2,311,521)	(2,311,521)	(2,311,521)	(2,311,521)	(2,311,521)	(2,311,521)	(2,311,521)
Contract liabilities	(1,411,013)	(1,411,013)	(1,411,013)	(1,411,013)	(1,411,013)	(1,411,013)	(1,411,013)	(1,411,013)	(1,411,013)	(1,411,013)	(1,411,013)	(1,411,013)	(1,411,013)	(1,411,013)	(1,411,013)	(1,411,013)	(1,411,013)	(1,411,013)	(1,411,013)	(1,411,013)
Reserves	(3,959,639)	(3,855,832)	(3,331,079)	(3,533,313)	(3,302,573)	(3,349,054)	(4,050,229)	(5,088,222)	(4,570,487)	(5,126,247)	(4,523,396)	(5,122,513)	(5,553,099)	(5,665,193)	(5,455,004)	(5,137,787)	(4,404,398)	(4,694,668)	(3,658,903)	(3,466,149)
Current self supporting loans receivable	(9,922)	(10,195)	(10,477)	(5,346)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Movement in accrued salaries and wages	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Estimated surplus/deficit June 30 C/Fwd</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

## Shire of Donnybrook-Balingup Forecast Statement of Movement in Fixed Assets

For the period 2022 – 2042

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>CAPITAL WORKS - INFRASTRUCTURE</b>																				
Infrastructure - roads	2,396,799	2,389,397	2,381,847	2,374,147	2,366,293	2,358,281	2,350,109	2,341,774	2,333,271	2,324,599	2,315,753	2,306,731	2,297,529	2,288,141	2,278,566	2,268,800	2,258,839	2,248,678	2,238,314	2,227,743
Infrastructure - other	111,616	319,322	742,591	181,906	628,843	294,422	199,967	208,486	1,342,436	244,967	1,492,765	306,869	261,291	1,392,890	538,526	180,422	508,719	139,002	598,753	32,339
Infrastructure - footpaths	53,949	55,028	56,129	57,251	58,396	59,564	60,755	61,970	63,210	64,474	65,764	67,079	68,420	69,789	71,185	72,608	74,060	75,542	77,052	78,594
Infrastructure - bridges	0	1,950,000	250,000	1,600,000	0	0	1,950,000	250,000	1,600,000	0	0	1,950,000	250,000	1,600,000	0	0	1,950,000	250,000	1,600,000	0
Infrastructure - drainage	316,130	322,453	328,902	335,480	342,189	349,033	356,014	363,134	370,397	377,805	385,361	393,068	400,929	408,948	417,127	425,469	433,979	442,658	451,511	460,542
<b>Total capital works - infrastructure</b>	<b>2,878,494</b>	<b>5,036,200</b>	<b>3,759,469</b>	<b>4,548,784</b>	<b>3,395,721</b>	<b>3,061,300</b>	<b>4,916,845</b>	<b>3,225,364</b>	<b>5,709,314</b>	<b>3,011,845</b>	<b>4,259,643</b>	<b>5,023,747</b>	<b>3,278,169</b>	<b>5,759,768</b>	<b>3,305,404</b>	<b>2,947,300</b>	<b>5,225,598</b>	<b>3,155,880</b>	<b>4,965,631</b>	<b>2,799,217</b>
<b>Represented by:</b>																				
Additions - assets at no cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions - expansion, upgrades and new	25,313	230,000	694,252	0	284,599	0	0	110,007	0	0	923,651	0	0	0	0	0	0	0	0	0
Additions - renewal	2,853,181	4,806,200	3,065,217	4,548,784	3,111,122	3,061,300	4,916,845	3,115,357	5,709,314	3,011,845	3,335,992	5,023,747	3,278,169	5,759,768	3,305,404	2,947,299	5,225,597	3,155,880	4,965,630	2,799,218
<b>Total Capital Works - Infrastructure</b>	<b>2,878,494</b>	<b>5,036,200</b>	<b>3,759,469</b>	<b>4,548,784</b>	<b>3,395,721</b>	<b>3,061,300</b>	<b>4,916,845</b>	<b>3,225,364</b>	<b>5,709,314</b>	<b>3,011,845</b>	<b>4,259,643</b>	<b>5,023,747</b>	<b>3,278,169</b>	<b>5,759,768</b>	<b>3,305,404</b>	<b>2,947,299</b>	<b>5,225,597</b>	<b>3,155,880</b>	<b>4,965,630</b>	<b>2,799,218</b>
<b>Asset movement reconciliation</b>																				
Total capital works infrastructure	2,878,494	5,036,200	3,759,469	4,548,784	3,395,721	3,061,300	4,916,845	3,225,364	5,709,314	3,011,845	4,259,643	5,023,747	3,278,169	5,759,768	3,305,404	2,947,300	5,225,598	3,155,880	4,965,631	2,799,217
Depreciation infrastructure	(3,605,254)	(3,611,496)	(3,630,338)	(3,630,338)	(3,638,061)	(3,638,061)	(3,638,061)	(3,641,047)	(3,641,047)	(3,641,047)	(3,666,114)	(3,666,114)	(3,666,114)	(3,666,114)	(3,666,114)	(3,666,114)	(3,666,114)	(3,666,114)	(3,666,114)	(3,666,114)
<b>Net movement in infrastructure assets</b>	<b>(726,760)</b>	<b>1,424,704</b>	<b>129,131</b>	<b>918,446</b>	<b>(242,340)</b>	<b>(576,761)</b>	<b>1,278,784</b>	<b>(415,683)</b>	<b>2,068,267</b>	<b>(629,202)</b>	<b>593,529</b>	<b>1,357,633</b>	<b>(387,945)</b>	<b>2,093,654</b>	<b>(360,710)</b>	<b>(718,814)</b>	<b>1,559,484</b>	<b>(510,234)</b>	<b>1,299,517</b>	<b>(866,897)</b>
<b>CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT</b>																				
Buildings - non-specialised	12,351,530	1,680,733	2,163,542	97,245	352,154	775,047	235,899	1,321,567	4,234,506	241,135	320,243	214,621	343,305	408,251	324,568	267,573	395,998	143,627	507,180	150,515
Plant and equipment	602,754	482,449	464,318	696,441	495,308	856,683	476,392	257,207	636,971	995,429	224,751	595,567	482,887	620,993	565,261	1,102,759	932,106	173,198	632,230	532,440
Work in Progress Movement	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total capital works property, plant and equipment</b>	<b>12,954,284</b>	<b>2,163,182</b>	<b>2,627,860</b>	<b>793,686</b>	<b>847,462</b>	<b>1,631,730</b>	<b>712,291</b>	<b>1,578,774</b>	<b>4,871,477</b>	<b>1,236,564</b>	<b>544,994</b>	<b>810,188</b>	<b>826,192</b>	<b>1,029,244</b>	<b>889,829</b>	<b>1,370,332</b>	<b>1,328,104</b>	<b>316,825</b>	<b>1,139,410</b>	<b>682,955</b>
<b>Represented by:</b>																				
Additions - assets at no cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions - expansion, upgrades and new	1,413,159	502,515	2,115,838	0	0	0	0	1,180,917	3,802,193	0	206,356	0	0	0	0	0	0	0	0	0
Additions - renewal	11,541,125	1,660,667	512,022	793,686	847,462	1,631,730	712,291	397,857	1,069,284	1,236,564	338,638	810,188	826,192	1,029,244	889,829	1,370,332	1,328,104	316,825	1,139,410	682,955
<b>Total capital works property, plant and equipment</b>	<b>12,954,284</b>	<b>2,163,182</b>	<b>2,627,860</b>	<b>793,686</b>	<b>847,462</b>	<b>1,631,730</b>	<b>712,291</b>	<b>1,578,774</b>	<b>4,871,477</b>	<b>1,236,564</b>	<b>544,994</b>	<b>810,188</b>	<b>826,192</b>	<b>1,029,244</b>	<b>889,829</b>	<b>1,370,332</b>	<b>1,328,104</b>	<b>316,825</b>	<b>1,139,410</b>	<b>682,955</b>
<b>Asset movement reconciliation</b>																				
Total capital works property, plant and equipment	12,954,284	2,163,182	2,627,860	793,686	847,462	1,631,730	712,291	1,578,774	4,871,477	1,236,564	544,994	810,188	826,192	1,029,244	889,829	1,370,332	1,328,104	316,825	1,139,410	682,955
Depreciation property, plant and equipment	(2,005,047)	(2,021,165)	(2,089,028)	(2,089,028)	(2,059,218)	(2,052,047)	(2,052,047)	(2,089,924)	(2,211,876)	(2,211,876)	(2,218,495)	(2,173,940)	(1,935,930)	(1,878,928)	(1,913,360)	(1,920,388)	(2,218,495)	(2,218,495)	(1,722,738)	(1,926,836)
Net book value of disposed/written off assets	(201,093)	(144,308)	(122,098)	(181,577)	(152,036)	(260,441)	(201,688)	(43,457)	(201,646)	(350,865)	(86,510)	(185,579)	(129,901)	(233,575)	(170,815)	(253,208)	(319,139)	(53,814)	(231,336)	(159,210)
<b>Net movement in property, plant and equipment</b>	<b>10,748,144</b>	<b>(2,291)</b>	<b>416,734</b>	<b>(1,476,919)</b>	<b>(1,363,792)</b>	<b>(680,758)</b>	<b>(1,541,444)</b>	<b>(554,607)</b>	<b>2,457,955</b>	<b>(1,326,177)</b>	<b>(1,760,011)</b>	<b>(1,549,331)</b>	<b>(1,239,639)</b>	<b>(1,083,259)</b>	<b>(1,194,346)</b>	<b>(803,264)</b>	<b>(1,209,530)</b>	<b>(1,955,484)</b>	<b>(814,664)</b>	<b>(1,403,091)</b>
<b>CAPITAL WORKS - RIGHT OF USE ASSETS</b>																				
<b>Total capital works right of use assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Asset movement reconciliation</b>																				
<b>Net movement in right of use assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CAPITAL WORKS - TOTALS</b>																				
<b>Capital works</b>																				
Total capital works infrastructure	2,878,494	5,036,200	3,759,469	4,548,784	3,395,721	3,061,300	4,916,845	3,225,364	5,709,314	3,011,845	4,259,643	5,023,747	3,278,169	5,759,768	3,305,404	2,947,300	5,225,598	3,155,880	4,965,631	2,799,217
Total capital works property, plant and equipment	12,954,284	2,163,182	2,627,860	793,686	847,462	1,631,730	712,291	1,578,774	4,871,477	1,236,564	544,994	810,188	826,192	1,029,244	889,829	1,370,332	1,328,104	316,825	1,139,410	682,955
Total capital works right of use assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total capital works</b>	<b>15,832,778</b>	<b>7,199,382</b>	<b>6,387,329</b>	<b>5,342,470</b>	<b>4,243,183</b>	<b>4,693,030</b>	<b>5,629,136</b>	<b>4,804,138</b>	<b>10,580,791</b>	<b>4,248,409</b>	<b>4,804,637</b>	<b>5,833,935</b>	<b>4,104,361</b>	<b>6,789,012</b>	<b>4,195,233</b>	<b>4,317,632</b>	<b>6,553,702</b>	<b>3,472,705</b>	<b>6,105,041</b>	<b>3,482,172</b>
<b>Fixed asset movement</b>																				
Net movement in infrastructure assets	(726,760)	1,424,704	129,131	918,446	(242,340)	(576,761)	1,278,784	(415,683)	2,068,267	(629,202)	593,529	1,357,633	(387,945)	2,093,654	(360,710)	(718,814)	1,559,484	(510,234)	1,299,517	(866,897)
Net movement in property, plant and equipment	10,748,144	(2,291)	416,734	(1,476,919)	(1,363,792)	(680,758)	(1,541,444)	(554,607)	2,457,955	(1,326,177)	(1,760,011)	(1,549,331)	(1,239,639)	(1,083,259)	(1,194,346)	(803,264)	(1,209,530)	(1,955,484)	(814,664)	(1,403,091)
Net movement in right of use assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net movement in fixed assets</b>	<b>10,021,384</b>	<b>1,422,413</b>	<b>545,865</b>	<b>(558,473)</b>	<b>(1,606,132)</b>	<b>(1,257,519)</b>	<b>(262,660)</b>	<b>(970,290)</b>	<b>4,526,222</b>	<b>(1,955,379)</b>	<b>(1,166,482)</b>	<b>(191,698)</b>	<b>(1,627,584)</b>	<b>1,010,395</b>	<b>(1,555,056)</b>	<b>(1,522,078)</b>	<b>349,954</b>	<b>(2,465,718)</b>	<b>484,853</b>	<b>(2,269,988)</b>



**Shire of Donnybrook-Balingup**  
**Forecast Statement of Capital Funding**  
For the period 2022 – 2042

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Capital expenditure</b>																				
Infrastructure - roads	2,396,799	2,389,397	2,381,847	2,374,147	2,366,293	2,358,281	2,350,109	2,341,774	2,333,271	2,324,599	2,315,753	2,306,731	2,297,529	2,288,141	2,278,566	2,268,800	2,258,839	2,248,678	2,238,314	2,227,743
Infrastructure - other	111,616	319,322	742,591	181,906	628,843	294,422	199,967	208,486	1,342,436	244,967	1,492,765	306,869	261,291	1,392,890	538,526	180,422	508,719	139,002	598,753	32,339
Infrastructure - footpaths	53,949	55,028	56,129	57,251	58,396	59,564	60,755	61,970	63,210	64,474	65,764	67,079	68,420	69,789	71,185	72,608	74,060	75,542	77,052	78,594
Infrastructure - bridges	0	1,950,000	250,000	1,600,000	0	0	1,950,000	250,000	1,600,000	0	0	1,950,000	250,000	1,600,000	0	0	1,950,000	250,000	1,600,000	0
Infrastructure - drainage	316,130	322,453	328,902	335,480	342,189	349,033	356,014	363,134	370,397	377,805	385,361	393,068	400,929	408,948	417,127	425,469	433,979	442,658	451,511	460,542
Plant and equipment	602,754	482,449	464,318	696,441	495,308	856,683	476,392	257,207	636,971	995,429	224,751	595,567	482,887	620,993	565,261	1,102,759	932,106	173,198	632,230	532,440
<b>Total - Capital expenditure</b>	<b>15,832,778</b>	<b>7,199,382</b>	<b>6,387,329</b>	<b>5,342,470</b>	<b>4,243,183</b>	<b>4,693,030</b>	<b>5,629,136</b>	<b>4,804,138</b>	<b>10,580,791</b>	<b>4,248,409</b>	<b>4,804,637</b>	<b>5,833,935</b>	<b>4,104,361</b>	<b>6,789,012</b>	<b>4,195,233</b>	<b>4,317,632</b>	<b>6,553,701</b>	<b>3,472,705</b>	<b>6,105,040</b>	<b>3,482,172</b>
<b>Funded by:</b>																				
<b>Capital grants &amp; contributions</b>																				
Infrastructure - roads	1,959,722	1,959,722	1,959,722	1,959,722	1,959,722	1,959,722	1,959,722	1,959,722	1,959,722	1,959,722	1,959,722	1,959,722	1,959,722	1,959,722	1,959,722	1,959,722	1,959,722	1,959,722	1,959,722	1,959,722
Infrastructure - other	0	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - bridges	0	1,950,000	250,000	1,600,000	0	0	1,950,000	250,000	1,600,000	0	0	1,950,000	250,000	1,600,000	0	0	1,950,000	250,000	1,600,000	0
Buildings - non-specialised	8,450,060	1,674,004	0	39,235	0	442,912	22,587	0	3,826,232	0	0	0	0	44,425	0	12,443	0	0	14,303	0
<b>Total - Capital grants &amp; contribution</b>	<b>10,409,782</b>	<b>5,683,726</b>	<b>2,209,722</b>	<b>3,598,957</b>	<b>1,959,722</b>	<b>2,402,634</b>	<b>3,932,309</b>	<b>2,209,722</b>	<b>7,385,954</b>	<b>1,959,722</b>	<b>1,959,722</b>	<b>3,909,722</b>	<b>2,209,722</b>	<b>3,604,147</b>	<b>1,959,722</b>	<b>1,972,165</b>	<b>3,909,722</b>	<b>2,209,722</b>	<b>3,574,025</b>	<b>1,959,722</b>
<b>Own source funding</b>																				
Infrastructure - roads	437,077	429,675	422,125	414,425	406,571	398,559	390,387	382,052	373,549	364,877	356,031	347,009	337,807	328,419	318,844	309,078	299,117	288,956	278,592	268,021
Infrastructure - other	111,616	219,322	742,591	181,906	628,843	294,422	199,967	208,486	1,342,436	244,967	1,492,765	306,869	261,291	454,087	538,526	180,422	508,719	139,002	598,753	32,339
Infrastructure - footpaths	53,949	55,028	56,129	57,251	58,396	59,564	60,755	61,970	63,210	64,474	65,764	67,079	68,420	69,789	71,185	72,608	74,060	75,542	77,052	78,594
Infrastructure - drainage	316,130	322,453	328,902	335,480	342,189	349,033	356,014	363,134	370,397	377,805	385,361	393,068	400,929	408,948	417,127	425,469	433,979	442,658	451,511	460,542
Buildings - non-specialised	901,470	6,729	163,542	58,010	352,154	332,135	213,312	140,650	408,274	241,135	320,243	214,621	343,305	363,826	324,568	255,130	395,998	143,627	492,877	150,515
Plant and equipment	401,661	338,141	342,220	514,864	343,272	596,243	274,704	213,750	435,325	644,564	138,241	409,988	352,986	387,418	394,446	849,551	612,967	119,385	400,893	373,230
<b>Total - Own source funding</b>	<b>2,221,903</b>	<b>1,371,348</b>	<b>2,055,509</b>	<b>1,561,936</b>	<b>2,131,425</b>	<b>2,029,955</b>	<b>1,495,139</b>	<b>1,370,042</b>	<b>2,993,191</b>	<b>1,937,822</b>	<b>2,758,405</b>	<b>1,738,634</b>	<b>1,764,738</b>	<b>2,012,487</b>	<b>2,064,696</b>	<b>2,092,259</b>	<b>2,324,840</b>	<b>1,209,169</b>	<b>2,299,678</b>	<b>1,363,240</b>
<b>Borrowings</b>																				
Infrastructure - other	0	0	0	0	0	0	0	0	0	0	0	0	0	938,803	0	0	0	0	0	0
Buildings - non-specialised	3,000,000	0	2,000,000	0	0	0	0	1,180,917	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total - Borrowings</b>	<b>3,000,000</b>	<b>0</b>	<b>2,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,180,917</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>938,803</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other (disposals &amp; C/Fwd)</b>																				
Plant and equipment	201,093	144,308	122,098	181,577	152,036	260,441	201,688	43,457	201,646	350,865	86,510	185,579	129,901	233,575	170,815	253,208	319,139	53,814	231,336	159,210
<b>Total - Other (disposals &amp; C/Fwd)</b>	<b>201,093</b>	<b>144,308</b>	<b>122,098</b>	<b>181,577</b>	<b>152,036</b>	<b>260,441</b>	<b>201,688</b>	<b>43,457</b>	<b>201,646</b>	<b>350,865</b>	<b>86,510</b>	<b>185,579</b>	<b>129,901</b>	<b>233,575</b>	<b>170,815</b>	<b>253,208</b>	<b>319,139</b>	<b>53,814</b>	<b>231,336</b>	<b>159,210</b>
<b>Total Capital Funding</b>	<b>15,832,778</b>	<b>7,199,382</b>	<b>6,387,329</b>	<b>5,342,470</b>	<b>4,243,183</b>	<b>4,693,030</b>	<b>5,629,136</b>	<b>4,804,138</b>	<b>10,580,791</b>	<b>4,248,409</b>	<b>4,804,637</b>	<b>5,833,935</b>	<b>4,104,361</b>	<b>6,789,012</b>	<b>4,195,233</b>	<b>4,317,632</b>	<b>6,553,701</b>	<b>3,472,705</b>	<b>6,105,040</b>	<b>3,482,172</b>
<b>Unfunded - capital works</b>																				
Buildings - non-specialised	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant and equipment	0	0	0	(0)	(0)	(0)	(0)	(0)	0	0	0	(0)	0	0	0	(0)	-	-	-	-
<b>Total - Unfunded - capital works</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>

### Shire of Donnybrook-Balingup Forecast Ratio Analysis For the period 2022 – 2042

	Target	Range	Average	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
				2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42
<b>LIQUIDITY RATIOS</b>																							
Current ratio	> 1.00	> 1.20	0.77	0.79	0.80	0.79	0.79	0.78	0.78	0.78	0.78	0.78	0.78	0.78	0.77	0.77	0.76	0.76	0.76	0.75	0.75	0.75	0.75
<b>OPERATING RATIOS</b>																							
Operating surplus ratio	> 1.00%	> 15.00%	(29.66%)	(70.12%)	(47.10%)	(42.27%)	(36.80%)	(33.51%)	(30.32%)	(27.87%)	(25.15%)	(24.40%)	(23.48%)	(25.52%)	(23.16%)	(21.82%)	(21.31%)	(22.48%)	(22.41%)	(24.84%)	(24.72%)	(22.43%)	(23.55%)
Own source revenue coverage ratio	> 40.00%	> 60.00%	66.51%	54.65%	56.25%	58.45%	61.03%	62.75%	64.46%	65.93%	67.57%	68.34%	69.02%	68.27%	69.59%	70.45%	70.89%	70.48%	70.68%	69.65%	69.86%	71.15%	70.74%
<b>BORROWINGS RATIOS</b>																							
Debt service cover ratio	> 3	> 5	4.78	-4.06	5.61	6.53	5.24	5.63	6.14	6.44	6.97	6.22	6.26	5.55	5.93	5.63	5.48	4.25	4.11	3.79	3.63	3.22	3.05
<b>FIXED ASSET RATIOS</b>																							
Asset sustainability ratio	> 90.00%	> 110.00%	94.22%	256.57%	114.81%	62.55%	93.41%	69.48%	82.48%	98.93%	61.30%	115.82%	72.59%	62.44%	99.90%	73.27%	122.43%	75.19%	77.29%	111.37%	59.01%	113.29%	62.26%
Asset consumption ratio	> 50.00%	> 60.00%	66.02%	68.60%	68.94%	68.42%	68.22%	67.55%	67.09%	66.99%	66.32%	67.04%	66.33%	65.64%	65.57%	64.98%	65.35%	64.79%	64.24%	64.36%	63.47%	63.65%	62.83%
Asset renewal funding ratio	> 75.00%	> 95.00%	98.88%	96.95%	96.74%	97.90%	98.59%	99.18%	99.55%	99.91%	100.00%	100.00%	99.94%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A





**Shire of Donnybrook-Balingup**  
**Summary of Assumptions**

For the period 2022 – 2042

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42
<b>Nature or Type</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>	<b>20</b>
Rates	8.00%	6.50%	6.00%	6.00%	5.50%	5.00%	5.00%	5.00%	5.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Employee costs	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%
Materials and contracts	4.23%	3.45%	3.89%	3.88%	3.88%	3.87%	3.87%	3.86%	3.86%	3.85%	3.84%	3.84%	3.83%	3.82%	3.81%	3.80%	3.79%	3.78%	3.77%	3.76%
Utility charges	3.83%	3.83%	3.83%	3.83%	3.83%	3.83%	3.83%	3.83%	3.83%	3.83%	3.83%	3.83%	3.83%	3.83%	3.83%	3.83%	3.83%	3.83%	3.83%	3.83%
Insurance expenses	15.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Other expenditure	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

# Appendix 13 – Forecast Significant Accounting Policies

## Basis of Preparation

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

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

## Critical Accounting Estimates

The preparation of the Plan 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 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 the Plan.

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 forecast financial statements.

## Rounding Off Figures

All figures shown in the Plan are rounded to the nearest dollar.

## Comparative Figures

Where required, comparative figures have been adjusted to conform with changes in presentation.

## Forecast Fair Value Adjustments

All fair value adjustments relating to re-measurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets are impacted upon by external forces and not able to be reliably estimated at the time preparation.

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur and have not been estimated within the Plan.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such have been estimated as an inflation adjustment to Other

Comprehensive Income, based on the value of the non-current assets forecasted to be held by the Shire.

### 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.

### Superannuation

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

### 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.

### 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.

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

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

### 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.

#### **Land held for resale**

Land purchased 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.

Land held for sale is classified as current except where it is held as non-current based on Council's intention to release for sale.

## Fixed Assets

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

### **Revaluation**

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 asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

### **Depreciation**

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the 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.

An effective average depreciation rate for each class of asset has been utilised to estimate the forecast depreciation expense for each year. These are provided in the table below:

Asset Class	Effective average depreciation rate
Buildings	3.21%
Furniture and Equipment	5.44%
Plant and equipment	8.96%
Infrastructure - roads	1.77%
Infrastructure - other	2.71%
Infrastructure - footpaths	1.20%
Infrastructure – bridges	1.53%

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 profit or loss in the period which they arise.



## Impairment of Assets

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

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

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

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

At the time of the preparation of the Plan, it is not possible to estimate the amount of impairment losses.

## Trade and Other Payables

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

## 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.

### **Other Long-Term Employee Benefits**

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

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

### 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.

### Provisions

Provisions are recognised when the Shire has a 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.

### Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled.

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 even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the Shire's intentions to release for sale.

## Other Matters

### Reliance

This Plan contains quantitative and qualitative statements, including projections, estimates, opinions and forecasts concerning the anticipated future performance of Shire of Donnybrook Balingup and the environment in which it operates ('Forward Looking Statements').

None of these Forward-Looking Statements are, or will be, representations as to future matters. The Forward-Looking Statements are, and will be, based on a large number of assumptions and are, and will be, subject to significant uncertainties and contingencies; many, if not all, of which are outside the control of the Shire of Donnybrook Balingup. Actual future events may vary significantly from the Forward-Looking Statements. The reader should make their own investigations and enquiries regarding assumptions, uncertainties and contingencies which may affect the Shire of Donnybrook Balingup and the impact that a variation in future outcomes may have on the Plan and the Shire of Donnybrook Balingup.