

# SHIRE OF DONNYBROOK BALINGUP

## ANNUAL BUDGET

### FOR THE YEAR ENDED 30 JUNE 2024

LOCAL GOVERNMENT ACT 1995

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**SHIRE OF DONNYBROOK BALINGUP**  
**STATEMENT OF COMPREHENSIVE INCOME BY NATURE**  
**FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	2023/24 Budget	2022/23 Actual	2022/23 Budget
<b>Revenue</b>		\$	\$	\$
Rates	2(a)	7,115,460	6,527,320	6,535,076
Operating grants, subsidies and contributions	11	1,252,487	4,087,026	1,506,091
Fees and charges	15	2,127,042	2,020,680	1,885,721
Interest revenue	12(a)	282,014	289,802	99,410
Other revenue	12(b)	420	4,024	409
		10,777,423	12,928,852	10,026,707
<b>Expenses</b>				
Employee costs		(6,424,908)	(6,012,827)	(5,779,016)
Materials and contracts		(4,319,079)	(3,465,742)	(3,605,082)
Utility charges		(479,022)	(410,874)	(461,585)
Depreciation	6	(7,338,039)	(7,341,556)	(5,798,081)
Finance costs	12(d)	(6,665)	(190,609)	(85,448)
Insurance		(442,121)	(442,807)	(434,693)
Other expenditure		(255,479)	(366,263)	(243,007)
		(19,265,313)	(18,230,678)	(16,406,912)
		(8,487,890)	(5,301,826)	(6,380,205)
Capital grants, subsidies and contributions	11	16,454,191	3,457,189	12,665,285
Profit on asset disposals	5	64,607	51,840	57,531
Loss on asset disposals	5	(32,488)	(1,082,201)	(29,955)
		16,486,310	2,426,828	12,692,861
<b>Net result for the period</b>		<b>7,998,420</b>	<b>(2,874,998)</b>	<b>6,312,656</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus		0	27,950,547	0
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>27,950,547</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>7,998,420</b>	<b>25,075,549</b>	<b>6,312,656</b>

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

**SHIRE OF DONNYBROOK BALINGUP**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**CASH FLOWS FROM OPERATING ACTIVITIES**

	NOTE	2023/24 Budget	2022/23 Actual	2022/23 Budget
<b>Receipts</b>		\$	\$	\$
Rates		7,115,460	6,569,404	6,535,076
Operating grants, subsidies and contributions		1,528,806	3,043,025	1,506,091
Fees and charges		2,127,042	2,020,680	1,885,721
Interest revenue		282,014	289,802	99,410
Goods and services tax received		0	1,219,888	1,300,000
Other revenue		420	4,024	409
		11,053,742	13,146,823	11,326,707

<b>Payments</b>				
Employee costs		(6,424,908)	(5,988,920)	(5,779,016)
Materials and contracts		(4,281,302)	(3,376,983)	(3,605,082)
Utility charges		(479,022)	(410,874)	(461,585)
Finance costs		(6,665)	(8,412)	(85,448)
Insurance		(442,121)	(442,807)	(434,693)
Goods and services tax paid		0	(1,219,888)	(1,300,000)
Other expenditure		(255,479)	(366,263)	(243,007)
		(11,889,497)	(11,814,147)	(11,908,831)

**Net cash provided by (used in) operating activities** 4 (835,755) 1,332,676 (582,124)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Payments for purchase of property, plant & equipment	5(a)	(16,084,785)	(1,479,087)	(13,453,191)
Payments for construction of infrastructure	5(b)	(6,555,152)	(3,628,967)	(5,538,060)
Capital grants, subsidies and contributions		16,454,191	3,708,514	12,665,285
Proceeds from sale of property, plant and equipment	5(a)	291,000	228,318	287,260
Proceeds on financial assets at amortised cost - self supporting loans	7(a)	9,922	9,655	9,655
Proceeds from financial assets at amortised cost - commercial loans		13,333	13,333	13,074
<b>Net cash provided by (used in) investing activities</b>		(5,871,491)	(1,148,234)	(6,015,977)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Repayment of borrowings	7(a)	(52,207)	(65,983)	(109,902)
Payments for principal portion of lease liabilities	8	(32,375)	(15,032)	(15,031)
Repayment of lease liability		(275,000)	(920,194)	(275,000)
Proceeds from lease		275,000	941,000	275,000
Proceeds from new borrowings	7(a)	2,900,000	0	3,000,000
<b>Net cash provided by (used in) financing activities</b>		2,815,418	(60,209)	2,875,067

<b>Net increase (decrease) in cash held</b>		(3,891,828)	124,233	(3,723,034)
Cash at beginning of year		10,567,806	10,443,573	10,442,278
<b>Cash and cash equivalents at the end of the year</b>	4	<b>6,675,978</b>	<b>10,567,806</b>	<b>6,719,244</b>

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

**SHIRE OF DONNYBROOK BALINGUP**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE YEAR ENDED 30 JUNE 2024**

		2023/24	2022/23	2022/23
	NOTE	Budget	Actual	Budget
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities</b>				
Rates	2(a)	\$ 7,115,460	\$ 6,527,320	\$ 6,535,076
Operating grants, subsidies and contributions	11	1,252,487	4,087,026	1,506,091
Fees and charges	15	2,127,042	2,020,680	1,885,721
Interest revenue	12(a)	282,014	289,802	99,410
Other revenue	12(b)	420	4,024	409
Profit on asset disposals	5	64,607	51,840	57,531
		10,842,030	12,980,692	10,084,238
<b>Expenditure from operating activities</b>				
Employee costs		(6,424,908)	(6,012,827)	(5,779,016)
Materials and contracts		(4,319,079)	(3,465,742)	(3,605,082)
Utility charges		(479,022)	(410,874)	(461,585)
Depreciation	6	(7,338,039)	(7,341,556)	(5,798,081)
Finance costs	12(d)	(6,665)	(190,609)	(85,448)
Insurance		(442,121)	(442,807)	(434,693)
Other expenditure		(255,479)	(366,263)	(243,007)
Loss on asset disposals	5	(32,488)	(1,082,201)	(29,955)
		(19,297,801)	(19,312,879)	(16,436,867)
Non-cash amounts excluded from operating activities	3(b)	7,305,920	8,842,861	5,770,505
<b>Amount attributable to operating activities</b>		<b>(1,149,851)</b>	<b>2,510,674</b>	<b>(582,124)</b>
<b>INVESTING ACTIVITIES</b>				
<b>Inflows from investing activities</b>				
Capital grants, subsidies and contributions	11	16,454,191	3,457,189	12,665,285
Proceeds from disposal of assets	5	291,000	228,318	287,260
Proceeds from financial assets at amortised cost - self supporting loans	7(a)	9,922	9,655	9,655
Proceeds from financial assets at amortised cost - commercial loans		13,333	13,333	13,074
		16,768,446	3,708,495	12,975,274
<b>Outflows from investing activities</b>				
Payments for property, plant and equipment	5(a)	(16,084,785)	(1,479,087)	(13,453,191)
Payments for construction of infrastructure	5(b)	(6,499,454)	(3,628,967)	(5,538,060)
		(22,584,239)	(5,108,054)	(18,991,251)
<b>Amount attributable to investing activities</b>		<b>(5,815,793)</b>	<b>(1,399,559)</b>	<b>(6,015,977)</b>
<b>FINANCING ACTIVITIES</b>				
<b>Inflows from financing activities</b>				
Proceeds from new borrowings	7(a)	2,900,000	0	3,000,000
Transfers from reserve accounts	9(a)	2,132,677	1,178,636	2,679,984
		5,032,677	1,178,636	5,679,984
<b>Outflows from financing activities</b>				
Repayment of borrowings	7(a)	(52,207)	(65,983)	(109,902)
Payments for principal portion of lease liabilities	8	(32,375)	(15,032)	(15,031)
Movement in Preston Village Lease Liability		(221,712)	0	0
Preston Village Lease - Proceeds of new lease		630,000	0	0
Preston Village Lease - Repayment of lease liability		(630,000)	0	0
Transfers to reserve accounts	9(a)	(739,961)	(1,061,450)	(779,400)
		(1,046,255)	(1,142,465)	(904,333)
<b>Amount attributable to financing activities</b>		<b>3,986,422</b>	<b>36,171</b>	<b>4,775,651</b>
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>				
<b>Surplus or deficit at the start of the financial year</b>	3	2,979,222	1,831,936	1,822,450
Amount attributable to operating activities		(1,149,851)	2,510,674	(582,124)
Amount attributable to investing activities		(5,815,793)	(1,399,559)	(6,015,977)
Amount attributable to financing activities		3,986,422	36,171	4,775,651
<b>Surplus or deficit at the end of the financial year</b>	3	<b>0</b>	<b>2,979,222</b>	<b>(0)</b>

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

**SHIRE OF DONNYBROOK BALINGUP  
FOR THE YEAR ENDED 30 JUNE 2024  
INDEX OF NOTES TO THE BUDGET**

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## 1(a) BASIS OF PREPARATION

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

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

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

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

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

### The local government reporting entity

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 14 to the annual budget.

### 2022/23 actual balances

Balances shown in this budget as 2022/23 Actual are estimates as forecast at the time of preparation of the annual budget and are subject to final adjustments.

### Budget comparative figures

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

### Comparative figures

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

### Initial application of accounting standards

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

- AASB 2021-2 Amendments to Australian Accounting Standards
  - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-6 Amendments to Australian Accounting Standards
  - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards

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

### New accounting standards for application in future years

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

- AASB 2014-10 Amendments to Australian Accounting Standards
  - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2020-1 Amendments to Australian Accounting Standards
  - Classification of Liabilities as Current or Non-current
- AASB 2021-7c Amendments to Australian Accounting Standards
  - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-5 Amendments to Australian Accounting Standards
  - Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards
  - Non-current Liabilities with Covenants
- AASB 2022-10 Amendments to Australian Accounting Standards
  - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

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

### Judgements, estimates and assumptions

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

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

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

- estimated fair value of certain financial assets
- estimation of fair values of land and buildings and investment property
- impairment of financial assets
- estimation uncertainties and judgements made in relation to lease accounting
- estimated useful life of assets

### Rounding off figures

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

**SHIRE OF DONNYBROOK BALINGUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2024**

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

**REVENUES**

**RATES**

All rates levied under the *Local Government Act 1995*. Includes general, differential, specific area rates, minimum payment, interim rates, back rates, ex-gratia rates, less discounts offered.

Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

**OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS**

All amounts received as grants, subsidies and contributions that are not capital grants.

**CAPITAL GRANTS, SUBSIDIES AND CONTRIBUTIONS**

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

**REVENUE FROM CONTRACTS WITH CUSTOMERS**

Revenue from contracts with customers is recognised when the local government satisfies its performance obligations under the contract.

**FEES AND CHARGES**

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

**SERVICE CHARGES**

Service charges imposed under *Division 6 of Part 6 of the Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies the charges which can be raised. These are television and radio broadcasting, underground electricity and neighbourhood surveillance services and water.

Exclude rubbish removal charges which should not be classified as a service charge. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

**INTEREST EARNINGS**

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

**OTHER REVENUE / INCOME**

Other revenue, which cannot be classified under the above headings, includes dividends, discounts, rebates etc.

**PROFIT ON ASSET DISPOSAL**

Gain on the disposal of assets including gains on the disposal of long-term investments.

**EXPENSES**

**EMPLOYEE COSTS**

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

Note *AASB 119 Employee Benefits* provides a definition of employee benefits which should be considered.

**MATERIALS AND CONTRACTS**

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses (such as telephone and internet charges), advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc.

Local governments may wish to disclose more detail such as contract services, consultancy, information technology and rental or lease expenditures.

**UTILITIES (GAS, ELECTRICITY, WATER)**

Expenditures made to the respective agencies for the provision of power, gas or water.

Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

**INSURANCE**

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

**LOSS ON ASSET DISPOSAL**

Loss on the disposal of fixed assets.

**DEPRECIATION ON NON-CURRENT ASSETS**

Depreciation and amortisation expenses raised on all classes of assets.

**FINANCE COSTS**

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

**OTHER EXPENDITURE**

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

**SHIRE OF DONNYBROOK BALINGUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**2. RATES AND SERVICE CHARGES**

**(a) Rating Information**

Rate Description	Basis of valuation	Rate in	Number of properties	Rateable value	2023/24 Budgeted rate revenue	2023/24 Budgeted interim rates	2023/24 Budgeted back rates	2023/24 Budgeted total revenue	2022/23 Actual total revenue	2022/23 Budget total revenue
		\$		\$	\$	\$	\$	\$	\$	\$
<b>(i) General rates</b>										
General Rates	Gross rental valuation	0.112100	1,083	21,434,510	2,402,809	29,811	0	2,432,620	2,250,982	2,256,534
General Rates	Unimproved valuation	0.005379	789	433,802,480	2,333,424	0	0	2,333,424	2,219,586	2,219,586
<b>Total general rates</b>			1,872	455,236,990	4,736,233	29,811	0	4,766,044	4,470,568	4,476,120
<b>(ii) Minimum payment</b>										
<b>Minimum</b>										
<b>\$</b>										
General Rates	Gross rental valuation	1,515	901	8,671,329	1,365,015	0	0	1,365,015	1,305,899	1,305,899
General Rates	Unimproved valuation	1,515	652	116,672,392	987,780	0	0	987,780	852,600	852,600
<b>Total minimum payments</b>			1,553	125,343,721	2,352,795	0	0	2,352,795	2,158,499	2,158,499
<b>Total general rates and minimum payments</b>			3,425	580,580,711	7,089,028	29,811	0	7,118,839	6,629,067	6,634,619
					7,089,028	29,811	0	7,118,839	6,629,067	6,634,619
Rates Written Off								(2,500)	(3,828)	(1,944)
Waivers or Concessions (Refer note 2(e))								(879)	(97,919)	(97,599)
<b>Total rates</b>					7,089,028	29,811	0	7,115,460	6,527,320	6,535,076

The Shire did not raise specified area rates for the year ended 30th June 2024.

All rateable properties within the district used predominately for non-rural purposes are rated according to their Gross Rental Valuation (GRV), all other properties are rated according to their Unimproved Valuation (UV).

The general rates detailed for the 2023/24 financial year have been determined by Council on the basis of raising the revenue required to meet the estimated deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than general rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

**SHIRE OF DONNYBROOK BALINGUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**2. RATES AND SERVICE CHARGES (CONTINUED)**

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

<b>Instalment options</b>	<b>Date due</b>	<b>Instalment plan admin charge</b>	<b>Instalment plan interest rate</b>	<b>Unpaid rates interest rates</b>
		\$	%	%
<b>Option one</b>				
Single full payment	20 October 2023	N/A	5.50%	11.00%
<b>Option two</b>				
First instalment	20 October 2023	N/A	5.50%	11.00%
Second instalment	19 February 2024	\$12 / Instalment	5.50%	11.00%
<b>Option three</b>				
First instalment	20 October 2023	N/A	5.50%	11.00%
Second instalment	19 December 2023	\$12 / Instalment	5.50%	11.00%
Third instalment	19 February 2024	\$12 / Instalment	5.50%	11.00%
Fourth instalment	19 April 2024	\$12 / Instalment	5.50%	11.00%

	<b>2023/24 Budget revenue</b>	<b>2022/23 Actual revenue</b>	<b>2022/23 Budget revenue</b>
	\$	\$	\$
Instalment plan admin charge revenue	28,240	28,082	25,500
Instalment plan interest earned	20,843	20,069	17,340
Unpaid rates and service charge interest earned	40,556	31,622	39,375
	<b>89,639</b>	<b>79,773</b>	<b>82,215</b>

**SHIRE OF DONNYBROOK BALINGUP  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2024**

**2. RATES AND SERVICE CHARGES (CONTINUED)**

**(c) Specified Area Rate**

The Shire did not raise Specified Area Rate for the year ended 30th June 2024.

**(d) Service Charges**

The Shire did not raise service charges for the year ended 30th June 2024.

**(e) Waivers or concessions**

<b>Rate, fee or charge to which the waiver or concession is granted</b>	<b>Type</b>	<b>Waiver/Concession</b>	<b>Discount %</b>	<b>Discount (\$)</b>	<b>2023/24 Budget</b>	<b>2022/23 Actual</b>	<b>2022/23 Budget</b>	<b>Circumstances in which the waiver or concession is granted</b>	<b>Objects and reasons of the waiver or concession</b>
General Rates	Rate	Concession	N/A	\$ 879	\$ 879	\$ 3,236	\$ 2,916	A concession for A1394 for general rates as the district boundary bisects the property	To recognise the impact of rates charges by two local governments for the same property.
General Rates	Rate	Concession	Rate in \$ Discount = 1.57 percentage points	Minimum Payment Discount = \$20.00	0	94,683	94,683	All rateable properties for the 2022/23 financial year.	The purpose of the one off concession in 2022/23 is to return the balance of the COVID-19 Reserve to ratepayers by way of a rates concession, as the reserve is no longer required.
					<b>879</b>	<b>97,919</b>	<b>97,599</b>		

**SHIRE OF DONNYBROOK BALINGUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**3. NET CURRENT ASSETS**

**(a) Composition of estimated net current assets**

		<b>2023/24 Budget 30 June 2024</b>	<b>2022/23 Actual 30 June 2023</b>	<b>2022/23 Budget 30 June 2023</b>
	Note	\$	\$	\$
<b>Current assets</b>				
Cash and cash equivalents	4	6,675,978	10,567,806	6,719,244
Financial assets		23,255	23,255	0
Receivables		1,065,709	1,103,486	800,000
Contract assets		0	460,254	0
Inventories		362,457	400,234	200,000
Other assets		0	12,302	0
		<b>8,127,399</b>	<b>12,567,337</b>	<b>7,719,244</b>
<b>Less: current liabilities</b>				
Trade and other payables		(1,745,218)	(1,511,288)	(1,969,938)
Contract liabilities		(1,731,532)	(1,953,244)	(1,397,907)
Lease liabilities	8	(25,344)	(32,375)	(15,031)
Long term borrowings	7	(53,753)	(52,207)	109,902
Employee provisions		(841,169)	(841,169)	(900,000)
		<b>(4,397,016)</b>	<b>(4,390,283)</b>	<b>(4,172,974)</b>
<b>Net current assets</b>		<b>3,730,383</b>	<b>8,177,054</b>	<b>3,546,270</b>
<b>Less: Total adjustments to net current assets</b>	3(c)	<b>(3,730,383)</b>	<b>(5,197,832)</b>	<b>(3,546,270)</b>
<b>Net current assets used in the Rate Setting Statement</b>		<b>0</b>	<b>2,979,222</b>	<b>0</b>

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

**Items excluded from calculation of budgeted deficiency**

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

**(b) Non-cash amounts excluded from operating activities**

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

		<b>2023/24 Budget 30 June 2024</b>	<b>2022/23 Actual 30 June 2023</b>	<b>2022/23 Budget 30 June 2023</b>
	Note	\$	\$	\$
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	5	(64,607)	(51,840)	(57,531)
Add: Loss on asset disposals	5	32,488	1,082,201	29,955
Add: Depreciation	6	7,338,039	7,341,556	5,798,081
Non-cash movements in non-current assets and liabilities:				
- Employee provisions		0	50,755	0
- Other provisions		0	420,189	0
<b>Non cash amounts excluded from operating activities</b>		<b>7,305,920</b>	<b>8,842,861</b>	<b>5,770,505</b>

**(c) Current assets and liabilities excluded from budgeted deficiency**

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

**Adjustments to net current assets**

Less: Cash - reserve accounts	9	(3,809,480)	(5,202,196)	(3,421,337)
Less: Current assets not expected to be received at end of year		0	(56,963)	0
- Current financial assets at amortised cost - self supporting loans		0	(23,255)	0
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		53,753	52,207	(109,902)
- Current portion of lease liabilities		25,344	32,375	(15,031)
<b>Total adjustments to net current assets</b>		<b>(3,730,383)</b>	<b>(5,197,832)</b>	<b>(3,546,270)</b>

### 3(d) NET CURRENT ASSETS (CONTINUED)

#### MATERIAL ACCOUNTING POLICIES

##### CURRENT AND NON-CURRENT CLASSIFICATION

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

##### 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. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

##### PREPAID RATES

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

##### INVENTORIES

###### General

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

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

###### Superannuation

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

##### LAND HELD FOR RESALE

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

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

Land held for resale is classified as current except where it is held as non-current based on the Shire's intentions to release for sale.

##### GOODS AND SERVICES TAX (GST)

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

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

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

##### CONTRACT LIABILITIES

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

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

##### TRADE AND OTHER RECEIVABLES

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

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

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

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

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

##### PROVISIONS

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

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

##### EMPLOYEE BENEFITS

###### Short-term employee benefits

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

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the determination of the net current asset position. The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the determination of the net current asset position.

###### Other long-term employee benefits

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

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

##### CONTRACT ASSETS

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

**SHIRE OF DONNYBROOK BALINGUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**4. RECONCILIATION OF CASH**

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

Note	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
Cash at bank and on hand	6,675,978	10,567,806	6,719,244
<b>Total cash and cash equivalents</b>	<b>6,675,978</b>	<b>10,567,806</b>	<b>6,719,244</b>
Held as			
- Unrestricted cash and cash equivalents	2,866,498	5,365,610	3,297,907
- Bonds and Deposits			0
- Restricted cash and cash equivalents	3,809,480	5,202,196	3,421,337
	<b>6,675,978</b>	<b>10,567,806</b>	<b>6,719,244</b>
<b>Restrictions</b>			
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and Cash equivalents	3,809,480	5,202,196	3,421,337
- Bonds and Deposits	0	0	572,452
	<b>3,809,480</b>	<b>5,202,196</b>	<b>3,993,789</b>
The assets are restricted as a result of the specified purposes associated with the liabilities below:			
Financially backed reserves	9 3,809,480	5,202,196	3,421,337
	<b>3,809,480</b>	<b>5,202,196</b>	<b>3,421,337</b>
<b>Reconciliation of net cash provided by operating activities to net result</b>			
<b>Net result</b>	<b>7,998,420</b>	<b>(2,874,998)</b>	<b>6,312,656</b>
Depreciation	6 7,338,039	7,341,556	5,798,081
(Profit)/loss on sale of asset	5 (32,119)	1,030,361	(27,576)
Loss on revaluation of non current assets	0	0	0
(Increase)/decrease in receivables	75,554	(301,338)	50,000
(Increase)/decrease in contract assets	460,254	(445,346)	0
(Increase)/decrease in inventories	0	(142,590)	0
(Increase)/decrease in other assets	0	36,206	0
Increase/(decrease) in payables	0	173,978	0
Increase/(decrease) in contract liabilities	(221,712)	(255,233)	0
Increase/(decrease) in other provision	0	433,522	0
Increase/(decrease) in employee provisions	0	45,072	(50,000)
Capital grants, subsidies and contributions	(16,454,191)	(3,708,514)	(12,665,285)
<b>Net cash from operating activities</b>	<b>(835,755)</b>	<b>1,332,676</b>	<b>(582,124)</b>

**MATERIAL ACCOUNTING POLICES**

**CASH AND CASH EQUIVALENTS**

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

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

**FINANCIAL ASSETS AT AMORTISED COST**

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

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

SHIRE OF DONNYBROOK BALINGUP  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2024

5. FIXED ASSETS

The following assets are budgeted to be acquired and/or disposed of during the year.

	2023/24 Budget Additions	2023/24 Budget Disposals - Net Book Value	2023/24 Budget Disposals - Sale Proceeds	2023/24 Budget Disposals - Profit or Loss	2022/23 Actual Additions	2022/23 Disposals - Net Book Value	2022/23 Actual Disposals - Sale Proceeds	2022/23 Actual Disposals - Profit or Loss	2022/23 Budget Additions	2022/23 Budget Disposals - Net Book Value	2022/23 Budget Disposals - Sale Proceeds	2022/23 Budget Disposals - Profit or Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>(a) Property, Plant and Equipment</b>												
Land - freehold land	0	0	0	0	0	173,000	100,000	(73,000)	0	0	0	0
Buildings - non-specialised	14,783,779	0	0	0	915,496	0	0	0	12,434,009	0	0	0
Furniture and equipment	159,900	0	0	0	217,238	0	0	0	119,841	0	0	0
Plant and equipment	1,141,106	258,881	291,000	32,119	346,353	0	128,318	128,318	899,341	259,684	287,260	27,576
<b>Total</b>	<b>16,084,785</b>	<b>258,881</b>	<b>291,000</b>	<b>32,119</b>	<b>1,479,087</b>	<b>173,000</b>	<b>228,318</b>	<b>55,318</b>	<b>13,453,191</b>	<b>259,684</b>	<b>287,260</b>	<b>27,576</b>
<b>(b) Infrastructure</b>												
Infrastructure - roads	3,109,139	0	0	0	2,752,350	25,480	0	(25,480)	2,897,764	0	0	0
Infrastructure - other	262,425	0	0	0	574,007	1,060,199	0	(1,060,199)	486,020	0	0	0
Infrastructure - footpaths	136,590	0	0	0	214,610	0	0	0	221,590	0	0	0
Infrastructure - bridges	2,991,300	0	0	0	88,000	0	0	0	1,932,686	0	0	0
<b>Total</b>	<b>6,499,454</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,628,967</b>	<b>1,085,679</b>	<b>0</b>	<b>(1,085,679)</b>	<b>5,538,060</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(c) Intangible Assets</b>												
<b>Total</b>	<b>22,584,239</b>	<b>258,881</b>	<b>291,000</b>	<b>32,119</b>	<b>5,108,054</b>	<b>1,258,679</b>	<b>228,318</b>	<b>(1,030,361)</b>	<b>18,991,251</b>	<b>259,684</b>	<b>287,260</b>	<b>27,576</b>

**MATERIAL ACCOUNTING POLICIES**

**RECOGNITION OF ASSETS**

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

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

**GAINS AND LOSSES ON DISPOSAL**

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

**SHIRE OF DONNYBROOK BALINGUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**6. DEPRECIATION**

**By Class**

Buildings - non-specialised	912,805	912,805	1,238,540
Furniture and equipment	119,464	119,464	169,859
Plant and equipment	639,997	639,997	697,255
Infrastructure - roads	3,558,456	3,591,560	2,023,274
Infrastructure - other	397,330	397,330	399,842
Infrastructure - footpaths	89,536	89,536	58,478
Infrastructure - bridges	1,199,006	1,199,006	863,744
Infrastructure - drainage	353,445	353,445	318,342
Intangible assets - intangible assets - waste cell airspace	68,000	38,413	28,747

**By Program**

Governance	63,735	63,733	86,772
Law, order, public safety	379,429	379,187	449,704
Health	31,238	31,237	43,660
Education and welfare	224,785	214,717	330,528
Community amenities	135,037	67,037	99,774
Recreation and culture	1,007,571	996,801	1,115,786
Transport	5,162,640	5,255,367	3,347,443
Economic services	26,877	26,877	31,514
Other property and services	306,727	306,600	292,900

2023/24 Budget	2022/23 Actual	2022/23 Budget
\$	\$	\$
912,805	912,805	1,238,540
119,464	119,464	169,859
639,997	639,997	697,255
3,558,456	3,591,560	2,023,274
397,330	397,330	399,842
89,536	89,536	58,478
1,199,006	1,199,006	863,744
353,445	353,445	318,342
68,000	38,413	28,747
7,338,039	7,341,556	5,798,081
63,735	63,733	86,772
379,429	379,187	449,704
31,238	31,237	43,660
224,785	214,717	330,528
135,037	67,037	99,774
1,007,571	996,801	1,115,786
5,162,640	5,255,367	3,347,443
26,877	26,877	31,514
306,727	306,600	292,900
7,338,039	7,341,556	5,798,081

**MATERIAL ACCOUNTING POLICIES**

**DEPRECIATION**

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

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

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

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

Buildings	5 to 100 years
Plant and equipment	5 to 15 years
Road Seal	15 years

**AMORTISATION**

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

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

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

SHIRE OF DONNYBROOK BALINGUP  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2024

7. BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget Principal 1 July 2023	2023/24 Budget New Loans	2023/24 Budget Principal Repayments	Budget Principal outstanding 30 June 2024	2023/24 Budget Interest Repayments	Actual Principal 1 July 2022	2022/23 Actual New Loans	2022/23 Actual Principal Repayments	Actual Principal outstanding 30 June 2023	2022/23 Actual Interest Repayments	Budget Principal 1 July 2022	2022/23 Budget New Loans	2022/23 Budget Principal Repayments	Budget Principal outstanding 30 June 2023	2022/23 Budget Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Health</b>																		
Dental Surgery Extensions	74	WATC	5.83%	28,608	0	(13,893)	14,715	(1,468)	41,725	0	(13,117)	28,608	(2,172)	41,725	0	(13,117)	28,608	(2,244)
<b>Education and welfare</b>																		
Tuia Lodge Fire Suppression System	93	WATC	1.58%	208,456	0	(28,392)	180,064	(3,182)	236,405	0	(27,949)	208,456	(3,543)	236,405	0	(27,949)	208,456	(3,625)
<b>Recreation and culture</b>																		
VC Mitchell Park	TBA	WATC	TBA	0	2,900,000	0	2,900,000	0	0	0	0	0	0	0	3,000,000	(43,919)	2,956,081	(76,380)
<b>Economic services</b>																		
Collins Street	80	WATC	6.73%	0	0	0	0	0	15,262	0	(15,262)	0	(323)	15,262	0	(15,262)	0	(775)
				237,064	2,900,000	(42,285)	3,094,779	(4,650)	293,392	0	(56,328)	237,064	(6,038)	293,392	3,000,000	(100,247)	3,193,145	(83,024)
<b>Self Supporting Loans</b>																		
Donnybrook Country Club	90	WATC	2.74%	35,941	0	(9,922)	26,019	(917)	45,596	0	(9,655)	35,941	(1,134)	45,596	0	(9,655)	35,941	(1,184)
				35,941	0	(9,922)	26,019	(917)	45,596	0	(9,655)	35,941	(1,134)	45,596	0	(9,655)	35,941	(1,184)
				273,005	2,900,000	(52,207)	3,120,798	(5,567)	338,988	0	(65,983)	273,005	(7,172)	338,988	3,000,000	(109,902)	3,229,086	(84,208)

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.

**SHIRE OF DONNYBROOK BALINGUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**7. BORROWINGS**

**(b) New borrowings - 2023/24**

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
VC Mitchell Park Development	WATC	Debenture	20	4.50%	\$ 2,900,000	\$ 1,751,073	\$ 2,900,000	\$ 0
					2,900,000	1,751,073	2,900,000	0

**(c) Unspent borrowings**

The Shire had no unspent borrowing funds as at 30th June 2023 nor is it expected to have unspent borrowing funds as at 30th June 2024.

**(d) Credit Facilities**

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
<b>Undrawn borrowing facilities credit standby arrangements</b>			
Bank overdraft limit	110,000	110,000	110,000
Bank overdraft at balance date	0	0	0
Credit card limit	9,000	9,000	9,000
Credit card balance at balance date	0	0	0
<b>Total amount of credit unused</b>	<b>119,000</b>	<b>119,000</b>	<b>119,000</b>
<b>Loan facilities</b>			
Loan facilities in use at balance date	3,120,798	273,005	3,229,086

**MATERIAL ACCOUNTING POLICIES**

**BORROWING COSTS**

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

SHIRE OF DONNYBROOK BALINGUP  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2024

8. LEASE LIABILITIES

Purpose	Lease Number	Lease Term	Budget Lease Principal	2023/24 Budget New Leases	2023/24 Budget Lease Principal Repayments	Budget Lease Principal outstanding 30 June 2024	2023/24 Budget Lease Interest Repayments	Actual Principal 1 July 2022	2022/23 Actual New Leases	2022/23 Actual Lease repayments	Actual Lease Principal outstanding 30 June 2023	2022/23 Actual Lease repayments	Budget Principal 1 July 2022	2022/23 Budget New Leases	2022/23 Budget Lease Principal repayments	Budget Lease Principal outstanding 30 June 2023	2022/23 Budget Lease Interest Repayments
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
IT Equipment - Laptops	009-0147653-003	48 months	8,128	0	(8,128)	0	(85)	16,822	0	(8,694)	8,128	(268)	13,253	0	(6,848)	6,405	(211)
IT Equipment - Network Switches	214-0439437-001	60 months	14,934	0	(6,681)	8,253	(631)	21,272	0	(6,338)	14,934	(972)	21,272	0	(6,338)	14,934	(972)
IT Equipment - Laptops	009-0147653-003	48 months	0	0	0	0	0	0	0	0	0	0	3,569	0	(1,845)	1,724	(57)
Matrix Fitness Equipment	A6ZBG64105	48 months	74,811	0	(17,566)	57,245	(382)	0	74,811	0	74,811	0	0	0	0	0	0
			97,873	0	(32,375)	65,498	(1,098)	38,094	74,811	(15,032)	97,873	(1,240)	38,094	0	(15,031)	23,063	(1,240)

MATERIAL ACCOUNTING POLICIES

LEASES

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

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

LEASE LIABILITIES

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



10 REVENUE RECOGNITION

MATERIAL ACCOUNTING POLICIES

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of Revenue recognition
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods

**SHIRE OF DONNYBROOK BALINGUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**11. PROGRAM INFORMATION**

**(a) Key Terms and Definitions - Reporting Programs**

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

**OBJECTIVE**

**Governance**

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

**ACTIVITIES**

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

**General purpose funding**

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

**Law, order, public safety**

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

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

**Health**

To provide an operational framework for environmental and community health.

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

**Education and welfare**

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

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

**Housing**

To provide and maintain elderly residents housing.

Provision and maintenance of staff and elderly residents housing.

**Community amenities**

To provide services required by the community.

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

**Recreation and culture**

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

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

**Transport**

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

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

**Economic services**

To help promote the local government and its economic wellbeing.

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

**Other property and services**

To monitor and control operating accounts.

Private works operations, plant repair and costs.

**SHIRE OF DONNYBROOK BALINGUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**11 PROGRAM INFORMATION (Continued)**

**(b) Income and expenses**

**Income excluding Non Operating grants, subsidies and contributions**

	<b>2023/24 Budget</b>	<b>2022/23 Actual</b>	<b>2022/23 Budget</b>
	\$	\$	\$
Governance	525	201	511
General purpose funding	7,458,012	6,882,637	6,701,092
Law, order, public safety	70,000	82,432	75,660
Health	148,403	134,820	137,139
Education and welfare	304,469	313,611	260,220
Community amenities	1,025,241	406,617	877,263
Recreation and culture	308,873	801,344	272,599
Transport	39,967	32,057	33,765
Economic services	217,006	223,131	195,570
Other property and services	17,047	16,816	24,328
	<b>9,589,543</b>	<b>8,893,666</b>	<b>8,578,147</b>

**Operating grants, subsidies and contributions**

Governance	17,200	34,751	32,518
General purpose funding	19,500	2,883,413	514,423
Law, order, public safety	537,400	434,171	515,186
Health	16,690	17,621	14,190
Education and welfare	68,777	138,005	21,725
Community amenities	800	671	800
Recreation and culture	31,023	48,711	25,024
Transport	294,246	194,495	218,075
Economic services	34,750	13,911	12,050
Other property and services	232,101	321,277	152,100
	<b>1,252,487</b>	<b>4,087,026</b>	<b>1,506,091</b>

**Capital grants, subsidies and contributions**

Law, order, public safety	0	0	1,146,785
Education and welfare	2,267,811	599,015	1,433,413
Community amenities	80,000	483,396	0
Recreation and culture	8,838,957	0	5,801,012
Transport	5,267,423	2,374,778	4,284,075
	<b>16,454,191</b>	<b>3,457,189</b>	<b>12,665,285</b>
<b>Total Income</b>	<b>27,296,221</b>	<b>16,437,881</b>	<b>22,749,523</b>

**Expenses**

Governance	(1,262,479)	(1,143,959)	(1,176,287)
General purpose funding	(297,635)	(223,132)	(238,209)
Law, order, public safety	(1,419,600)	(1,293,161)	(1,467,959)
Health	(306,321)	(276,217)	(264,555)
Education and welfare	(1,003,327)	(990,536)	(920,479)
Community amenities	(2,480,459)	(2,187,267)	(2,152,801)
Recreation and culture	(4,450,882)	(5,124,888)	(4,374,792)
Transport	(7,052,117)	(7,020,778)	(5,097,166)
Economic services	(819,865)	(719,305)	(568,192)
Other property and services	(205,116)	(333,636)	(176,427)
<b>Total expenses</b>	<b>(19,297,801)</b>	<b>(19,312,879)</b>	<b>(16,436,867)</b>

**Net result for the period**

	<b>7,998,420</b>	<b>(2,874,998)</b>	<b>6,312,656</b>
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**SHIRE OF DONNYBROOK BALINGUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**12. OTHER INFORMATION**

**The net result includes as revenues**

**(a) Interest earnings**

	<b>2023/24 Budget</b>	<b>2022/23 Actual</b>	<b>2022/23 Budget</b>
	\$	\$	\$
Investments			
- Reserve accounts	125,500	135,260	25,000
- Other funds	93,015	100,509	16,180
Interest - Rates Penalty	40,556	31,622	39,375
Interest - Rates instalments	20,843	20,069	17,340
Other interest revenue	2,100	2,342	1,515
	<b>282,014</b>	<b>289,802</b>	<b>99,410</b>

**(b) Other revenue**

Reimbursements and recoveries	0	0	100
Other	420	4,024	309
	<b>420</b>	<b>4,024</b>	<b>409</b>

**The net result includes as expenses**

**(c) Auditors remuneration**

Audit services	40,000	37,300	31,480
Other services	14,000	9,682	20,000
	<b>54,000</b>	<b>46,982</b>	<b>51,480</b>

**(d) Interest expenses (finance costs)**

Borrowings (refer Note 7(a))	5,567	7,172	84,208
expense on lease liabilities (refer Note 8)	1,098	1,240	1,240
Unwinding of discount	0	182,197	0
	<b>6,665</b>	<b>190,609</b>	<b>85,448</b>

**(e) Write offs**

General rate	2,500	3,828	1,944
	<b>2,500</b>	<b>3,828</b>	<b>1,944</b>

**SHIRE OF DONNYBROOK BALINGUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**13. ELECTED MEMBERS REMUNERATION**

	<b>2023/24 Budget</b>	<b>2022/23 Actual</b>	<b>2022/23 Budget</b>
	\$	\$	\$
<b>President</b>			
President's allowance	6,942	4,265	10,259
Meeting attendance fees	8,394	5,607	12,404
Annual allowance for ICT expenses	846	1,143	1,250
Travel and accommodation expenses	464	0	667
	<b>16,646</b>	<b>11,015</b>	<b>24,580</b>
<b>Deputy President</b>			
Deputy President's allowance	1,735	1,177	2,564
Meeting attendance fees	6,838	4,640	10,104
Annual allowance for ICT expenses	846	0	1,250
Travel and accommodation expenses	464	256	667
	<b>9,883</b>	<b>6,073</b>	<b>14,585</b>
<b>Elected Member 1</b>			
Meeting attendance fees	6,838	4,201	10,104
Annual allowance for ICT expenses	846	420	1,250
Travel and accommodation expenses	464	0	667
	<b>8,148</b>	<b>4,621</b>	<b>12,021</b>
<b>Elected Member 2</b>			
Meeting attendance fees	6,838	4,640	10,104
Annual allowance for ICT expenses	846	464	1,250
Travel and accommodation expenses	464	0	667
	<b>8,148</b>	<b>5,104</b>	<b>12,021</b>
<b>Elected Member 3</b>			
Meeting attendance fees	6,838	4,640	10,104
Annual allowance for ICT expenses	846	464	1,250
Travel and accommodation expenses	464	0	667
	<b>8,148</b>	<b>5,104</b>	<b>12,021</b>
<b>Elected Member 4</b>			
Meeting attendance fees	6,838	4,640	10,104
Annual allowance for ICT expenses	846	464	1,250
Travel and accommodation expenses	464	0	666
	<b>8,148</b>	<b>5,104</b>	<b>12,020</b>
<b>Elected Member 5</b>			
Meeting attendance fees	6,838	4,640	10,104
Annual allowance for ICT expenses	846	420	1,250
Travel and accommodation expenses	464	0	666
	<b>8,148</b>	<b>5,060</b>	<b>12,020</b>
<b>Elected Member 6</b>			
Meeting attendance fees	6,838	4,640	10,104
Annual allowance for ICT expenses	846	420	1,250
Travel and accommodation expenses	464	0	666
	<b>8,148</b>	<b>5,060</b>	<b>12,020</b>
<b>Elected Member 7</b>			
Meeting attendance fees	6,838	4,640	10,104
Annual allowance for ICT expenses	846	420	1,250
Travel and accommodation expenses	464	0	667
	<b>8,148</b>	<b>5,060</b>	<b>12,021</b>
<b>Total Elected Member Remuneration</b>	<b>83,563</b>	<b>52,201</b>	<b>123,309</b>
President's allowance	6,942	4,265	10,259
Deputy President's allowance	1,735	1,177	2,564
Meeting attendance fees	63,098	42,288	93,236
Annual allowance for ICT expenses	7,614	4,215	11,250
Travel and accommodation expenses	4,174	256	6,000
	<b>83,563</b>	<b>52,201</b>	<b>123,309</b>

A Commissioner has been appointed from 19 December 2022 until the October 2023 local government elections.

Elected member fees reflect a pro rata estimate of fees of a newly elected Council from October 2023.

**SHIRE OF DONNYBROOK BALINGUP  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2024**

**14. TRUST FUNDS**

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

<b>Detail</b>	<b>Balance 1 July 2023</b>	<b>Estimated amounts received</b>	<b>Estimated amounts paid</b>	<b>Estimated balance 30 June 2024</b>
	\$	\$	\$	\$
Cash in Lieu of Public Space	56,767	0	0	56,767
	<u>56,767</u>	<u>0</u>	<u>0</u>	<u>56,767</u>

**SHIRE OF DONNYBROOK BALINGUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**15. FEES AND CHARGES**

	<b>2023/24 Budget</b>	<b>2022/23 Actual</b>	<b>2022/23 Budget</b>
	\$	\$	\$
<b>By Program:</b>			
Governance	525	202	510
General purpose funding	60,118	57,662	66,198
Law, order, public safety	70,000	78,102	75,660
Health	140,234	134,820	137,139
Education and welfare	304,469	313,611	260,221
Community amenities	1,025,241	890,013	877,263
Recreation and culture	308,872	317,949	272,600
Transport	525	1,364	510
Economic services	217,006	226,957	195,570
Other property and services	52	0	50
	<b>2,127,042</b>	<b>2,020,680</b>	<b>1,885,721</b>

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