

SHIRE OF DUMBLEYUNG

BUDGET

FOR THE YEAR ENDED 30 JUNE 2023

LOCAL GOVERNMENT ACT 1995

TABLE OF CONTENTS

Statement of Comprehensive Income by Nature or Type	2
Basis of Preparation	3
Statement of Comprehensive Income by Program	4
Statement of Cash Flows	6
Rate Setting Statement	7
Index of Notes to the Budget	8

SHIRE'S VISION

"Transform the Dumbleyung Shire economy to deliver jobs and population growth"

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

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	1,927,140	1,824,897	1,841,286
Operating grants, subsidies and contributions	10(a)	891,765	3,065,730	1,141,560
Fees and charges	9	498,398	531,977	471,864
Service charges		0	23,116	22,000
Interest earnings	12(a)	33,450	27,320	33,450
Other revenue	12(b)	64,600	120,118	69,724
		3,415,353	5,593,158	3,579,884
Expenses				
Employee costs		(1,730,965)	(1,595,312)	(1,701,813)
Materials and contracts		(1,667,750)	(1,326,225)	(1,709,706)
Utility charges		(149,290)	(129,814)	(208,860)
Depreciation on non-current assets	5	(2,585,366)	(2,298,803)	(2,426,290)
Interest expenses	12(d)	(9,018)	(10,658)	(10,282)
Insurance expenses		(187,459)	(179,190)	(177,309)
Other expenditure		(132,202)	(322,364)	(139,550)
		(6,462,050)	(5,862,366)	(6,373,810)
Subtotal				
		(3,046,697)	(269,208)	(2,793,926)
Non-operating grants, subsidies and contributions	10(b)	6,007,120	1,019,117	3,139,590
Profit on asset disposals	4(b)	29,500	60,260	54,425
Loss on asset disposals	4(b)	(56,600)	(6,321)	(11,475)
		5,980,020	1,073,056	3,182,540
Net result				
		2,933,323	803,848	388,614
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income				
		2,933,323	803,848	388,614

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

SHIRE OF DUMBLEYUNG FOR THE YEAR ENDED 30 JUNE 2023

BASIS OF PREPARATION

The 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 (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this budget. This is not in accordance with the requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

Accounting policies which have been adopted in the preparation of this 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.

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Shire of Dumbleyung controls resources to carry on its functions have been included in the financial statements forming part of this 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 13 to the budget.

2021/22 ACTUAL BALANCES

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

CHANGE IN ACCOUNTING POLICIES

On the 1 July 2020 the following new accounting policies are to be adopted and may impact the preparation of the budget:

AASB 1059 Service Concession Arrangements: Grantors

AASB 2018-7 Amendments to Australian Accounting Standards - Materiality

AASB 1059 is not expected to impact the annual budget.

Specific impacts of AASB 2018-7 have not been identified.

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

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

SERVICE CHARGES

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

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

PROFIT ON ASSET DISPOSAL

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

REVENUES (CONTINUED)

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

FEES AND CHARGES

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

INTEREST EARNINGS

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

OTHER REVENUE / INCOME

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

EXPENSES

EMPLOYEE COSTS

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

MATERIALS AND CONTRACTS

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

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

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

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

INTEREST EXPENSES

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

OTHER EXPENDITURE

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

SHIRE OF DUMBLEYUNG
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
Revenue	1,9,10(a),12(a),12(b)	\$	\$	\$
Governance		0	862,017	0
General purpose funding		2,323,725	4,327,688	2,760,480
Law, order, public safety		212,121	123,156	59,900
Health		0	795	2,000
Education and welfare		3,000	3,000	3,000
Housing		134,000	180,239	119,300
Community amenities		285,898	275,942	253,264
Recreation and culture		11,100	45,419	21,800
Transport		183,759	(463,079)	175,761
Economic services		200,500	119,653	98,260
Other property and services		61,250	119,169	86,119
		3,415,353	5,593,999	3,579,884
Expenses excluding finance costs	4(a),5,12(c),(e),(f)			
Governance		(682,878)	(708,819)	(803,410)
General purpose funding		(133,323)	(95,144)	(105,242)
Law, order, public safety		(386,246)	(217,577)	(195,214)
Health		(83,813)	(53,007)	(89,379)
Education and welfare		(20,470)	(17,668)	(31,097)
Housing		(229,864)	(245,791)	(282,614)
Community amenities		(712,655)	(541,292)	(609,912)
Recreation and culture		(1,083,844)	(908,089)	(925,318)
Transport		(2,513,706)	(2,196,722)	(2,645,541)
Economic services		(525,917)	(424,539)	(551,383)
Other property and services		(80,316)	(443,900)	(124,418)
		(6,453,032)	(5,852,548)	(6,363,528)
Finance costs	7,6(a),12(d)			
Housing		(2,727)	(2,866)	(2,866)
Recreation and culture		0	(135)	(142)
Transport		0	(360)	(360)
Economic services		(6,091)	(6,865)	(6,866)
Other property and services		(200)	(433)	(48)
		(9,018)	(10,659)	(10,282)
Subtotal		(3,046,697)	(269,208)	(2,793,926)
Non-operating grants, subsidies and co	10(b)	6,007,120	1,019,117	3,139,590
Profit on disposal of assets	4(b)	29,500	60,260	54,425
(Loss) on disposal of assets	4(b)	(56,600)	(6,321)	(11,475)
		5,980,020	1,073,056	3,182,540
Net result		2,933,323	803,848	388,614
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		2,933,323	803,848	388,614

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

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

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

ACTIVITIES

GOVERNANCE

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

Include 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 specific council systems and the administration of the Bain Estate Future Fund.

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, 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.

HOUSING

To provide and maintain housing for low income earners and aged residents.

Provision and maintenance of housing for low income earners and elderly residents.

COMMUNITY AMENITIES

To provide services required by the community.

Rubbish Collection services, operation of rubbish disposal sites, litter control/protection of the environment and administration of town planning schemes, cemetery and public conveniences.

RECREATION AND CULTURE

To establish and effectively manage infrastructure and resource which will help the social well being of the community.

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

TRANSPORT

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

Construction and maintenance of roads, street, footpaths, depots and traffic control. Cleaning of street and maintenance of street trees.

ECONOMIC SERVICES

To help promote the Shire and its economic wellbeing.

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

OTHER PROPERTY AND SERVICES

To monitor and control Council's overheads operating accounts.

Private works operation, administration costs, public works overheads, plant repair and operation costs.

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

NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates	1,927,140	1,848,885	1,841,286
Operating grants, subsidies and contributions	891,765	3,010,954	1,109,999
Fees and charges	498,398	531,977	471,864
Service charges	0	23,116	22,000
Interest earnings	33,450	27,320	33,450
Goods and services tax	0	43,830	250,000
Other revenue	64,600	120,118	69,724
	3,415,353	5,606,200	3,798,323
Payments			
Employee costs	(1,730,965)	(1,519,403)	(1,701,813)
Materials and contracts	(2,451,360)	(528,316)	(1,709,706)
Utility charges	(149,290)	(129,814)	(208,860)
Interest expenses	(9,018)	(10,658)	(10,282)
Insurance expenses	(187,459)	(179,190)	(177,309)
Goods and services tax	0	0	(250,000)
Other expenditure	(132,204)	(571,737)	(139,551)
	(4,660,296)	(2,939,118)	(4,197,521)
Net cash provided by (used in) operating activities	3 (1,244,943)	2,667,082	(399,198)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	4(a) (2,201,157)	(882,734)	(1,151,305)
Payments for construction of infrastructure	4(a) (5,914,545)	(1,672,956)	(3,858,858)
Non-operating grants, subsidies and contributions	4,488,743	2,505,933	3,139,590
Proceeds from sale of plant and equipment	4(b) 317,000	228,977	203,230
Net cash provided by (used in) investing activities	(3,309,959)	179,220	(1,667,342)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	6(a) (19,738)	(53,011)	(53,010)
Principal elements of lease payments	7 0	(8,680)	(8,680)
Proceeds on disposal of financial assets at amortised cost - term deposits	361,215	(1,181,574)	0
Net cash provided by (used in) financing activities	341,477	(1,243,265)	(61,690)
Net increase (decrease) in cash held	(4,213,425)	1,603,039	(2,128,230)
Cash at beginning of year	4,478,860	2,871,277	2,554,863
Cash and cash equivalents at the end of the year	3 265,435	4,474,316	426,633

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

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

NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
OPERATING ACTIVITIES			
Net current assets at start of financial year - surplus/(deficit)			
	1,911,438	2,452,377	2,413,082
	1,911,438	2,452,377	2,413,082
Revenue from operating activities (excluding rates)			
Specified area rates	0	0	14,034
Operating grants, subsidies and contributions	10(a) 891,765	3,065,730	1,141,560
Fees and charges	9 498,398	531,977	471,864
Service charges	0	23,116	22,000
Interest earnings	12(a) 33,450	27,320	33,450
Other revenue	12(b) 64,600	120,118	69,724
Profit on asset disposals	4(b) 29,500	60,260	54,425
	1,517,713	3,828,521	1,807,057
Expenditure from operating activities			
Employee costs	(1,730,965)	(1,595,312)	(1,701,813)
Materials and contracts	(1,667,750)	(1,326,225)	(1,709,706)
Utility charges	(149,290)	(129,814)	(208,860)
Depreciation on non-current assets	5 (2,585,366)	(2,298,803)	(2,426,290)
Interest expenses	12(d) (9,018)	(10,658)	(10,282)
Insurance expenses	(187,459)	(179,190)	(177,309)
Other expenditure	(132,204)	(328,002)	(139,550)
Loss on asset disposals	4(b) (56,600)	(6,321)	(11,475)
	(6,518,652)	(5,874,325)	(6,385,285)
Operating activities excluded from budgeted deficiency			
Non-cash amounts excluded from operating activities	2 (a)(i) 2,612,466	2,244,864	2,383,340
Amount attributable to operating activities	(477,035)	2,651,437	218,194
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions	10(b) 6,007,120	1,019,117	3,139,590
Purchase property, plant and equipment	4(a) (2,201,157)	(882,734)	(1,151,305)
Purchase and construction of infrastructure	4(a) (5,914,545)	(1,672,956)	(3,858,858)
Proceeds from disposal of assets	4(b) 317,000	228,977	203,230
Amount attributable to investing activities	(1,791,582)	(1,307,596)	(1,667,342)
FINANCING ACTIVITIES			
Repayment of borrowings	6(a) (19,738)	(53,011)	(53,010)
Principal elements of finance lease payments	7 0	(8,680)	(8,680)
Transfers to cash backed reserves (restricted assets)	8(a) (187,546)	(1,544,309)	(677,617)
Transfers from cash backed reserves (restricted assets)	8(a) 548,761	362,735	361,204
Amount attributable to financing activities	341,477	(1,243,265)	(378,103)
Budgeted deficiency before general rates	(1,927,140)	100,576	(1,827,251)
Estimated amount to be raised from general rates	1(a) 1,927,140	1,810,862	1,827,251
Net current assets at end of financial year - surplus/(deficit)	2 (a)(iii) 0	1,911,438	(0)

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

SHIRE OF DUMBLEYUNG
INDEX OF NOTES TO THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

Note 1	Rates	9
Note 2	Net Current Assets	12
Note 3	Reconciliation of Cash	15
Note 4(a)	Asset Acquisitions	16
Note 4(b)	Asset Disposals	18
Note 5	Asset Depreciation	19
Note 6	Borrowings	20
Note 7	Leases	22
Note 8	Reserves	23
Note 9	Fees and Charges	24
Note 10	Grant Revenue	24
Note 11	Revenue Recognition	25
Note 12	Other Information	26
Note 13	Trust	27
Note 14	Significant Accounting Policies - Other Information	28

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

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2022/23 Budgeted rate revenue	2022/23 Budgeted interim rates	2022/23 Budgeted back rates	2022/23 Budgeted total revenue	2021/22 Actual total revenue	2021/22 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
Differential general rate or general rate									
Gross rental valuations	0.121327	167	1,222,960	148,378			150,054	140,800	140,800
Unimproved valuations	0.008263	286	215,217,500	1,778,342			1,779,715	1,684,351	1,699,011
Sub-Totals		453	216,440,460	1,926,720	0	0	1,929,770	1,825,151	1,839,811
Minimum									
Minimum payment									
	\$								
Gross rental valuations	478	74	91,412	35,372			33,696	35,645	34,200
Unimproved valuations	478	52	754,528	24,856			23,400	20,983	18,240
Sub-Totals		126	845,940	60,228	0	0	57,096	56,628	52,440
Total from general rates		579	217,286,400	1,986,948	0	0	1,986,866	1,881,779	1,892,251
Discounts (Refer note 1(e))							(74,463)	70,917	(65,000)
Total amount raised from general rates							1,912,403	1,810,862	1,827,251
Ex-gratia rates							14,737	14,035	14,035
Total rates							1,927,140	1,824,897	1,841,286

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

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

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

1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single discount payment	12/08/2022			7.0%
Option two				
Payment in full	2/09/2022			7.0%
Option three				
First Instalment	2/09/2022		5.5%	7.0%
Second Instalment	2/01/2023	15	5.5%	7.0%
Option four				
First Instalment	2/09/2022		5.5%	7.0%
Second Instalment	2/11/2022	15	5.5%	7.0%
Third Instalment	2/01/2023	15	5.5%	7.0%
Fourth Instalment	2/03/2023	15	5.5%	7.0%

	2022/23 Budget revenue	2021/22 Actual revenue	2021/22 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	3,000	2,220	3,000
Instalment plan interest earned	3,000	2,410	3,000
Unpaid rates and service charge interest earned	9,000	6,291	9,000
	15,000	10,921	15,000

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Specified Area Rate

The Shire did not raise specified area rates for the year ended 30 June 2023.

(d) Service Charges

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(e) Rates discounts

Rate or fee to which discount is granted	Discount %	Discount (\$)	2022/23 Budget	2021/22 Actual	2021/22 Budget	Circumstances in which discount is granted
General rates discount	5.0%		\$ 74,463	\$ 70,917	\$ 65,000	When payment of the full outstanding amount, including arrears is received on or before 4.30pm on the discount due date.
			74,463	70,917	65,000	

(f) Waivers or concessions

Rate or fee and charge to which the waiver or concession is granted	Type	Discount %	Discount (\$)	2022/23 Budget	2021/22 Actual	2021/22 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
Pool entry	Waiver		100	\$ 100	\$ 100	\$ 100	Infants under one year old and school teachers accompanying students during school events and swimming lessons.	
				100	100	100		

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

2 (a). NET CURRENT ASSETS

Items excluded from calculation of budgeted deficiency

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

Note	2022/23 Budget 30 June 2023	2021/22 Actual 30 June 2022	2021/22 Budget 30 June 2022
	\$	\$	\$
(i) Operating activities excluded from budgeted deficiency			
The following non-cash revenue or expenditure has been excluded from operating activities within the Rate Setting Statement.			
Adjustments to operating activities			
Less: Profit on asset disposals	4(b) (29,500)	(60,260)	(54,425)
Add: Loss on disposal of assets	4(b) 56,600	6,321	11,475
Add: Depreciation on assets	5 2,585,366	2,298,803	2,426,290
Non cash amounts excluded from operating activities	2,612,466	2,244,864	2,383,340
(ii) 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.			
Adjustments to net current assets			
Less: Cash - restricted reserves	3 (2)	(1)	0
Less: Financial assets - restricted	3 (7,589,775)	(7,950,990)	0
Add: Current liabilities not expected to be cleared at end of year			0
- Current portion of lease liabilities	(1)	(1)	0
Total adjustments to net current assets	(7,589,778)	(7,950,992)	0

2 (a). NET CURRENT ASSETS (CONTINUED)

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

	2022/23 Budget 30 June 2023	2021/22 Actual 30 June 2022	2021/22 Budget 30 June 2022
Note	\$	\$	\$
(iii) Composition of estimated net current assets			
Current assets			
Cash and cash equivalents- unrestricted	265,435	4,478,859	426,633
Cash and cash equivalents - restricted			
Cash backed reserves	2	1	0
Financial assets - restricted	7,589,775	7,950,990	0
Receivables	362,931	382,670	327,673
Inventories	31,017	31,017	12,807
	8,249,160	12,843,537	767,113
Less: current liabilities			
Trade and other payables	(467,748)	(1,251,358)	(552,055)
Contract liabilities	0	(1,518,377)	
Lease liabilities	1	1	
Long term borrowings	0	(19,738)	
Provisions	(191,635)	(191,635)	(215,058)
	(659,382)	(2,981,107)	(767,113)
Net current assets	7,589,778	9,862,430	0
Less: Total adjustments to net current assets	(7,589,778)	(7,950,992)	0
Closing funding surplus / (deficit)	0	1,911,438	0

2 (b). NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

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.

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire of Dumbleyung 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.

CONTRACT ASSETS

A contract asset is the right to consideration in exchange for goods or services the entity has transferred to a customer when that right is conditioned on something other than the passage of time.

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.

INVENTORIES

General

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

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

Superannuation

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

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

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.

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.

EMPLOYEE BENEFITS

Short-term employee benefits

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

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

CONTRACT LIABILITIES

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Grants to acquire or construct recognisable non-financial assets to be controlled by the Shire are recognised as a liability until such time as the Shire satisfies its obligations under the agreement.

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

3. RECONCILIATION OF CASH

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

Note	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Cash at bank and on hand	265,437	4,478,860	426,633
	265,437	4,478,860	426,633
- Unrestricted cash and cash equivalents	265,435	4,478,859	426,633
- Restricted cash and cash equivalents	2	1	0
	265,437	4,478,860	426,633
- Restricted financial assets at amortised cost - term deposits	7,589,775	7,950,990	7,085,830
The following restrictions have been imposed by regulation or other externally imposed requirements on cash and cash equivalents and financial assets at amortised cost:			
Employee Entitlement Reserve	233,103	232,076	243,848
Emergency Response Reserve	349,868	540,626	504,649
IT & Office Equipment Reserve	30,254	30,127	30,074
Plant, Vehicle & Equipment Reserve	394,767	393,114	392,416
Buildings Reserve	624,212	687,321	686,103
Dam Cleaning Reserve	38,115	37,955	37,887
Dumbylung Sewerage Works Reserve	456,324	454,413	453,607
Landcare Development Reserve	65,019	65,019	89,074
Fence Road Drain Maintenance Reserve	29,732	17,978	6,239
Bain Estate Reserve	5,368,383	5,492,362	4,641,933
	7,589,777	7,950,991	7,085,830
Reconciliation of net cash provided by operating activities to net result			
Net result	2,933,323	803,848	388,614
Depreciation	5 2,585,366	2,298,803	2,426,290
(Profit)/loss on sale of asset	4(b) 27,100	(53,939)	(42,950)
(Increase)/decrease in receivables	0	13,042	0
(Increase)/decrease in inventories	0	(17,271)	0
Increase/(decrease) in payables	(783,612)	617,769	(1)
Increase/(decrease) in contract liabilities	(1,518,377)	1,486,816	(31,561)
Increase/(decrease) in employee provisions	0	28,489	0
Non-operating grants, subsidies and contributions	(4,488,743)	(2,505,933)	(3,139,590)
Net cash from operating activities	(1,244,943)	2,671,624	(399,198)

SIGNIFICANT ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

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

Bank overdrafts are shown as short term borrowings in current liabilities in Note 2 - 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 DUMBLEYUNG
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program						2022/23 Budget total	2021/22 Actual total	2021/22 Budget total
	Housing	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	
<i>Property, Plant and Equipment</i>									
Land - freehold land	0	0	0	0	0	0	0	21,816	0
Buildings	40,000	0	954,982	20,000	332,000	0	1,346,982	141,928	468,578
Plant and equipment	0	0	0	617,000	0	237,175	854,175	718,990	682,727
	40,000	0	954,982	637,000	332,000	237,175	2,201,157	882,734	1,151,305
<i>Infrastructure</i>									
Infrastructure - roads	0	0	0	5,468,094	0	0	5,468,094	1,512,845	3,649,194
Infrastructure - drainage	0	0	0	0	0	0	0	0	0
Infrastructure - bridges	0	0	0	0	0	0	0	0	0
Infrastructure - footpaths	0	0	7,000	0	359,451	0	366,451	0	0
Infrastructure - other	0	0	0	0	80,000	0	80,000	160,112	209,664
	0	0	7,000	5,468,094	439,451	0	5,914,545	1,672,956	3,858,858
Total acquisitions	40,000	0	961,982	6,105,094	771,451	237,175	8,115,702	2,555,690	5,010,162

A detailed breakdown of acquisitions on an individual asset basis can be found on the following page.

SIGNIFICANT ACCOUNTING POLICIES

RECOGNITION OF ASSETS

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

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

Job	Description	Year ending 30/6/23 Budget	Funding Source								TOTAL		
			WSFN	RRG	Reserves	Brought Forward Surplus	RTR	LRCIP	DPC	Water / RED		Proceeds on Sale	Own Resources
Projects continued from FY22 budget													
BC023	Renovation works at 36 Tunney Street	40,000				40,000					-	40,000	
BC230	Town Hall - Kukerin - Building (Capital)	40,000				40,000					-	40,000	
BC173	Depot Amenities Room	20,000				20,000					-	20,000	
BC343	Bain Estate Monument	121,200			121,200						-	121,200	
BC135	Swimming Pool Plant room - phase 3 LRCIP	793,782					793,782				-	793,782	
PR103	DU178 Holden Colorado Ute (Mechanic)	47,000				27,000				20,000	-	47,000	
PR104	DU195 Holden Colorado Ute (Kukerin)	41,000				41,000					-	41,000	
OC0131	Dam roaded catchment phase 2 LRCIP	279,482					279,482				-	279,482	
OC0132	Dumbleyung Dam - Capital	79,969				25,981			53,988		-	79,969	
OC0400	High speed internet/Wifi	80,000						80,000			-	80,000	
Roadworks program													
RRR123	WSFN 22/23 Dumbleyung Nyabing Road - Construction	384,336	358,714								25,622	384,336	
RR123A	WSFN 22/23 Dumbleyung Nyabing Road - Development	348,794	325,541								23,253	348,794	
RR119D	WSFN 22/23 Kulin-Dumbleyung	1,404,316	1,310,695								93,621	1,404,316	
RR119C	WSFN 21/22 Kulin-Dumbleyung Rd WSFN (Fence Road Nth) (Construction) -	1,117,607	1,043,100		74,507							1,117,607	
RR124C	WSFN 21/22 Katanning Dumbleyung Rd Pavement repairs	480,177	448,166		32,012							480,177	
RR119A	WSFN 21/22 Kulin Dumbleyung Rd Development works	115,322	107,634		7,688							115,322	
RRR124	WSFN 21/22 Katanning Dumbleyung Rd Development	83,019	77,484		5,535							83,019	
RR119B	WSFN 21/22 Kulin-Dumbleyung Roads Development (Geotech and sourcing	221,875	207,083							14,792		221,875	
RR124A	WSFN 20/21 Katanning - Dumbleyung Road Verge Maint	214,701	200,388							14,313		214,701	
RRR124	WSFN 20/21 Katanning Dumbleyung Rd Geotechnical	50,000	46,667		3,333							50,000	
RRR119	WSFN 20/21 Kulin Dumbleyung Rd Geotechnical / Development	50,000	46,667		3,333							50,000	
RR119A	WSFN 20/21 Kulin Dumbleyung Rd Development works	114,076	106,471		7,605							114,076	
RRG001	RRG 22/23 129 Gate Road - Install new seal SLK 35.08-40.50	289,565									96,522	289,565	
RC001	RRG 22/23 129 Gate Road - widen formation and resheet. SLK 40.52-43.17	136,663									45,554	136,663	
RRG002	RRG 22/23 Tincurrin Road - widen seal in sections to 7.2m SLK 1.47-24.37	243,322									91,214	243,322	
RC073	Robson Road (School bus route)	148,743									148,743	148,743	
RRR006	RTR 21/22 - Mt Pleasant Resheet	65,578									65,578	65,578	
											-	-	
Plant purchases													
PR004	Radio Communication Upgrade	10,000									10,000	10,000	
PR005	Backhoe	240,000							127,000		113,000	240,000	
PR006	Roller Vibe	190,000							35,000		155,000	190,000	
PR007	Tri axle dog	75,000							37,500		37,500	75,000	
PR008	Tri axle dog	75,000							37,500		37,500	75,000	
PR009	Ride on lawn mower	27,000							10,000		17,000	27,000	
PR105	DU372 Holden Colorado (Grader)	41,175								21,175		41,175	
PR106	DU99 Ford Ranger Works Supervisor Ute	50,000							28,000		22,000	50,000	
Other new FY23 budget items													
4110370	Nest swing for Dumbleyung playground	7,000									7,000	7,000	
PR010	Altus payroll implementation	58,000									58,000	58,000	
BC183	Short stay unit for Dumbleyung Caravan Park	327,000		132,000	110,000			85,000			-	327,000	
BC181	Power outlets for Dumb Caravan Park outdoor kitchen	5,000									5,000	5,000	
		8,115,702	4,278,608	436,260	253,200	437,994	0	1,073,264	80,000	138,988	315,000	1,102,387	8,115,702

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

4. FIXED ASSETS

(b) Disposals of Assets

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

	2022/23 Budget Net Book Value	2022/23 Budget Sale Proceeds	2022/23 Budget Profit	2022/23 Budget Loss	2021/22 Actual Net Book Value	2021/22 Actual Sale Proceeds	2021/22 Actual Profit	2021/22 Actual Loss	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Asset												
Asset 4168 - Mechanic crew cab Holden Colorado	7,500	20,000	12,500	0	0	0	0	0	0	0	0	0
Asset 4122 - Volvo BL71 Backhoe	35,000	42,000	7,000	0	0	0	0	0	0	0	0	0
Asset 4155 - Volvo L60 loader	90,000	85,000	0	(5,000)	0	0	0	0	0	0	0	0
Asset 4134 - Dynapac CA2800D Roller Vibe	40,000	35,000	0	(5,000)	0	0	0	0	0	0	0	0
Asset 4184 6 Wheel Tipper Isuzu FXZ1500	120,000	75,000	0	(45,000)	0	0	0	0	0	0	0	0
Asset 4211 - Works Supervisor Ford Ranger DU99	20,000	28,000	8,000	0	0	0	0	0	0	0	0	0
Asset 4180 - DU372 Holden Colorado (Grader)	18,000	20,000	0	2,000	0	0	0	0	0	0	0	0
Asset 4109 - DU433 Hustler Mower	8,600	5,000	0	(3,600)	0	0	0	0	0	0	0	0
Asset 4144 - Ferris ride on mower	5,000	5,000	0	0	0	0	0	0	0	0	0	0
Assorted IT equipment (computers/iPads)	0	2,000	2,000	0	0	0	0	0	0	0	0	0
Asset 4008 - Volvo Grader	0	0	0	0	74,000	92,358	18,358	0	74,000	85,000	11,000	0
Asset 4202 - CEO Vehicle	0	0	0	0	35,000	43,386	8,386	0	31,369	38,000	6,631	0
Asset 4193 - Supervisors's Utility	0	0	0	0	28,000	32,727	4,727	0	20,398	31,500	11,102	0
Asset 4121 - Volvo Skidsteer	0	0	0	0	23,038	16,717	0	(6,321)	21,475	10,000	0	(11,475)
Asset 4207 - DOI DU01 Isuzu MU-X 4X4 Wagon	0	0	0	0	15,000	43,789	28,789	0	13,038	38,730	25,692	0
	344,100	317,000	29,500	(56,600)	175,038	228,977	60,260	(6,321)	160,280	203,230	54,425	(11,475)
By Program												
Transport	311,600	267,000	7,000	(56,600)	125,038	141,802	23,085	(6,321)	115,873	126,500	22,102	(11,475)
Other property and services	32,500	50,000	22,500	0	50,001	87,176	37,175	0	44,407	76,730	32,323	0
	344,100	317,000	29,500	(56,600)	175,038	228,977	60,260	(6,321)	160,280	203,230	54,425	(11,475)
By Class												
<u>Property, Plant and Equipment</u>												
Plant and equipment	344,100	317,000	29,500	(56,600)	175,038	228,977	60,260	(6,321)	160,280	203,230	54,425	(11,475)
	344,100	317,000	29,500	(56,600)	175,038	228,977	60,260	(6,321)	160,280	203,230	54,425	(11,475)

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

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

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

5. ASSET DEPRECIATION

By Program

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

By Class

Buildings
Furniture and equipment
Plant and equipment
Infrastructure - roads
Infrastructure - footpaths
Infrastructure - sewerage
Infrastructure - other
Right-of-use assets - Furniture and equipment

2022/23 Budget	2021/22 Actual	2021/22 Budget
\$	\$	\$
19,990	18,347	20,000
49,111	45,074	48,000
889	3,237	4,000
81,204	71,390	78,000
161,997	148,682	155,000
256,348	223,288	208,200
1,671,924	1,500,152	1,633,500
40,444	22,580	24,000
303,459	266,053	255,590
2,585,366	2,298,803	2,426,290
387,631	317,870	304,200
0	0	1,320
366,210	329,041	322,200
1,631,264	1,469,905	1,530,000
7,236	6,641	3,500
45,208	41,492	45,000
146,673	132,804	212,000
1,143	1,049	8,070
2,585,366	2,298,803	2,426,290

SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

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

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

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

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

Asset Class	Useful life
Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
Formation	Not depreciated
Pavement	50 years
Seal - bituminous	20 years
Seal- asphalt	25 years
Gravel roads	
Formation	Not depreciated
Pavement	50 - 75 years
Gravel sheet	25 years
Footpaths - slab	20 years
Sewerage piping	50 years
Water supply piping and drainage systems	75 years
Parks and other improvements	10 to 20 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 DUMBLEYUNG
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2023

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan #	Institution	Interest Rate	Budget	2022/23	Budget	2022/23	Actual	2021/22	Actual	2021/22	Budget	2021/22	Budget	2021/22
				Principal	Budget	Principal	Budget	Principal	Actual	Principal	Principal	Principal	Principal	Principal	Principal
				1 July 2022	Repayments	30 June 2023	Repayments	1 July 2021	Repayments	30 June 2022	Repayments	1 July 2021	Repayments	30 June 2022	Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Housing															
Aged Care Housing	93	WATC	3.58%	77,152	(3,965)	73,186	2,727	80,979	(3,827)	77,152	2,866	80,979	(3,827)	77,152	2,866
Recreation and culture															
Mens Shed Contribution	89	WATC	3.8%	0	0	0	0	4,713	(4,713)	0	135	4,713	(4,713)	(0)	142
Transport															
WANDRRA Contribution	94	WATC	2.3%	(1)	0	(1)	0	20,920	(20,921)	(1)	360	20,921	(20,920)	1	360
Economic services															
Fence Rd Drainage Repairs	95	WATC	2.5%	8,447	(8,447)	0	104	25,035	(16,588)	8,447	515	25,035	(16,588)	8,447	515
28 Absolon Street	92	WATC	5.2%	118,067	(7,325)	110,742	5,987	125,029	(6,962)	118,067	6,350	125,029	(6,962)	118,067	6,351
				203,665	(19,738)	183,927	8,818	256,676	(53,011)	203,665	10,225	256,677	(53,010)	203,667	10,234
				203,665	(19,738)	183,927	8,818	256,676	(53,011)	203,665	10,225	256,677	(53,010)	203,667	10,234

*WATC - WA Treasury Corporation

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

6. INFORMATION ON BORROWINGS

(b) New borrowings - 2022/23

The Shire does not intend to undertake any new borrowings for the year ended 30 June 2023

(c) Unspent borrowings

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

(d) Credit Facilities

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit	0	0	0
Bank overdraft at balance date	0	0	0
Credit card limit	13,500	13,500	0
Credit card balance at balance date	0	0	0
Total amount of credit unused	13,500	13,500	0
Loan facilities			
Loan facilities in use at balance date	183,927	203,665	203,667

SIGNIFICANT ACCOUNTING POLICIES

BORROWING COSTS

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

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

7. LEASE LIABILITIES

Purpose	Institution	Lease Term	Budget Lease	2022/23 Budget Lease	Budget Lease outstanding	2022/23 Budget Lease Interest	Actual Principal	2021/22 Actual Lease repayments	Actual Lease outstanding	2021/22 Actual Lease Interest repayments	Budget Principal	2021/22 Budget Lease repayments	Budget Lease outstanding	2021/22 Budget Lease Interest repayments	
			Principal 1 July 2022	Principal Repayments	30 June 2023	Repayments	1 July 2021	Principal repayments	30 June 2022	Principal repayments	1 July 2021	Principal repayments	30 June 2022	Principal repayments	
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Other property and services															
Phone System	Telstra	5 Years	0	0	0	0	5,741	(5,741)	0	0	5,741	(5,741)	0	(39)	
Computer System	Wallis Computing Solutions	5 Years	0	0	0	0	2,939	(2,939)	0	0	2,939	(2,939)	0	(9)	
			0	0	0	0	8,680	(8,680)	0	0	8,680	(8,680)	0	(48)	

SIGNIFICANT ACCOUNTING POLICIES

LEASES

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

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

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

8. CASH BACKED RESERVES

103

(a) Cash Backed Reserves - Movement

	2022/23 Budget Opening Balance	2022/23 Budget Transfer to	2022/23 Budget Transfer (from)	2022/23 Budget Closing Balance	2021/22 Actual Opening Balance	2021/22 Actual Transfer to	2021/22 Actual Transfer (from)	2021/22 Actual Closing Balance	2021/22 Budget Opening Balance	2021/22 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Employee Entitlement Reserve	232,076	1,027	0	233,103	128,592	103,484	0	232,076	128,592	115,256	0	243,848
(b) Emergency Response Reserve	540,626	144,643	(335,401)	349,868	158,397	382,229	0	540,626	158,397	346,252	0	504,649
(c) IT & Office Equipment Reserve	30,127	127	0	30,254	30,014	113	0	30,127	30,014	60	0	30,074
(d) Plant, Vehicle & Equipment Reserve	393,114	1,653	0	394,767	391,639	143,276	(141,801)	393,114	391,638	204,008	(203,230)	392,416
(e) Buildings Reserve	687,321	2,891	(66,000)	624,212	684,741	2,580	0	687,321	684,742	1,361	0	686,103
(f) Dam Cleaning Reserve	37,955	160	0	38,115	37,813	142	0	37,955	37,812	75	0	37,887
(g) Dumbleyung Sewerage Works Reserve	454,413	1,911	0	456,324	452,707	1,706	0	454,413	452,708	899	0	453,607
(h) Landcare Development Reserve	65,019	0	0	65,019	88,897	18,023	(41,901)	65,019	88,897	177	0	89,074
(i) Fence Road Drain Maintenance Reserve	17,978	11,754	0	29,732	6,227	11,751	0	17,978	6,227	12	0	6,239
(j) Bain Estate Reserve	5,492,362	23,381	(147,360)	5,368,383	4,790,390	881,005	(179,033)	5,492,362	4,790,390	9,517	(157,974)	4,641,933
	7,950,991	187,546	(548,761)	7,589,777	6,769,417	1,544,309	(362,735)	7,950,991	6,769,417	677,617	(361,204)	7,085,830

(b) Cash Backed Reserves - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
(a) Employee Entitlement Reserve	Ongoing	To fund current and past employee leave entitlements.
(b) Emergency Response Reserve	Not known	To fund expenses arising for unforeseen circumstances, or other urgent expenditure.
(c) IT & Office Equipment Reserve	Ongoing	To fund the purchase and upgrade of computer equipment, software and office equipment.
(d) Plant, Vehicle & Equipment Reserve	Ongoing	To support the purchase/replacement of motor vehicles and heavy plant and equipment.
(e) Buildings Reserve	Not known	To support the maintenance, acquisition, upgrade, enhancement or future renewal of buildings within the district.
(f) Dam Cleaning Reserve	Not known	To fund the cleaning of the Kukerin Dam.
(g) Dumbleyung Sewerage Works Reserve	Not known	To fund maintenance, upgrades and future renewal of the Dumbleyung Sewerage Scheme.
(h) Landcare Development Reserve	Ongoing	To contribute to Landcare development.
(i) Fence Road Drain Maintenance Reserve	Not known	To fund maintenance on the Fence Road Drainage Scheme.
(j) Bain Estate Reserve	Ongoing	To hold funds from the Bain Estate prior to distribution to the community through the Bain Estate Future Funds and the annual budget.

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

9. FEES & CHARGES REVENUE

	2022/23 Budget	2021/22 Actual	2021/22 Budget
General purpose funding	\$ 4,500	\$ 4,120	\$ 4,500
Law, order, public safety	2,300	1,741	7,400
Health	0	795	1,000
Housing	133,000	175,128	118,300
Community amenities	278,398	268,543	245,264
Recreation and culture	10,750	9,749	20,950
Economic services	49,200	51,657	54,200
Other property and services	20,250	20,244	20,250
	498,398	531,977	471,864

10. GRANT REVENUE

	Unspent grants, subsidies and contributions liability				Grants, subsidies and contributions revenue			
	Liability 1 July 2022	Increase in Liability	Liability Reduction (As revenue)	Total Liability 30 June 2023	Current Liability 30 June 2023	2022/23 Budget	2021/22 Actual	2021/22 Budget
By Program:	\$	\$	\$	\$	\$	\$	\$	\$
(a) Operating grants, subsidies and contributions								
Governance	0	0	0	0	0	0	862,017	0
General purpose funding	0	0	0	0	0	358,635	2,400,259	881,244
Law, order, public safety	59,521	0	(59,521)	0	0	205,621	116,356	48,000
Education and welfare	0	0	0	0	0	3,000	3,000	0
Housing	0	0	0	0	0	0	146	0
Recreation and culture	0	0	0	0	0	0	33,141	500
Transport	0	0	0	0	0	173,259	(405,568)	162,261
Economic services	41,846	0	(41,846)	0	0	151,250	44,921	22,010
Other property and services	0	0	0	0	0	0	11,457	27,545
	101,366	0	(101,366)	0	0	891,765	3,065,730	1,141,560
(b) Non-operating grants, subsidies and contributions								
General purpose funding	428,622	0	(428,622)	0	0	1,292,252	91,155	150,000
Law, order, public safety	0	0	0	0	0	0	0	0
Community amenities	169,218	0	(169,218)	0	0	0	0	0
Transport	963,705	0	(963,705)	0	0	4,714,868	927,961	2,989,590
	1,561,545	0	(1,561,545)	0	0	6,007,120	1,019,117	3,139,590
Total	1,662,911	0	(1,662,911)	0	0	6,898,885	4,084,847	4,281,150

(c) Unspent grants, subsidies and contributions were restricted as follows:

	Budget Closing Balance 30 June 2023	Actual Balance 30 June 2022
Unspent grants, subsidies and contributions	0	1,662,911
	0	1,662,911

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

11. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

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

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

12. OTHER INFORMATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	13,450	14,598	13,450
- Other funds	8,000	4,022	8,000
Other interest revenue (refer note 1b)	12,000	8,701	12,000
	33,450	27,320	33,450
* The Shire has resolved to charge interest under section 6.13 for the late payment of any amount of money at 7%.			
(b) Other revenue			
Reimbursements and recoveries	64,600	120,118	66,724
	64,600	120,118	66,724
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	(25,000)	(28,400)	(27,000)
Other services (Internal Audit Function)	(18,000)	0	0
	(43,000)	(28,400)	(27,000)
(d) Interest expenses (finance costs)			
Borrowings (refer Note 6(a))	(8,818)	(10,225)	(10,234)
Interest expense on lease liabilities	0	0	(48)
Other	(200)	(433)	0
	(9,018)	(10,658)	(10,282)
(e) Elected members remuneration			
Meeting fees	29,970	30,650	30,550
Mayor/President's allowance	14,121	13,500	13,500
Deputy Mayor/President's allowance	1,831	1,750	1,750
Travelling expenses	12,000	6,983	5,000
Training expenses	8,000	6,441	8,000
	65,922	59,324	58,800
(f) Write offs			
General rate	500	308	500
	500	308	500

13. TRUST FUNDS

Funds held at balance date over which the local government has no control and which are not included in the financial statements are as follows:

Detail	Balance 30 June 2022	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2023
	\$	\$	\$	\$
Building Services Levy (BSL)	477	0	0	477
Unclaimed Moneys	2,187	0	0	2,187
Keys, Hall and Equipment Bonds	750	0	0	750
Community Group Funds	21,822	0	0	21,822
	25,237	0	0	25,237

14. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION

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.

CRITICAL ACCOUNTING ESTIMATES

The preparation of a 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.

ROUNDING OFF FIGURES

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

COMPARATIVE FIGURES

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

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.