

SHIRE OF CHAPMAN VALLEY
ANNUAL BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

A thriving community, making the most of our coastline, ranges and rural settings to support us to grow and prosper.

SHIRE OF CHAPMAN VALLEY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2023/24 Budget	2022/23 Actual	2022/23 Budget
Revenue		\$	\$	\$
Rates	2(a)	3,158,236	3,051,734	3,049,621
Grants, subsidies and contributions	11	1,090,299	2,786,614	2,481,632
Fees and charges	18	371,929	440,190	357,252
Interest revenue	12(a)	34,615	60,833	14,615
Other revenue	12(b)	21,375	15,041	17,375
		4,676,454	6,354,412	5,920,495
Expenses				
Employee costs		(3,020,842)	(2,126,581)	(2,466,051)
Materials and contracts		(3,727,073)	(2,639,116)	(3,335,131)
Utility charges		(56,907)	(51,988)	(65,969)
Depreciation	6	(2,422,606)	(2,287,287)	(2,132,983)
Finance costs	12(d)	(9,356)	(1,371)	(2,456)
Insurance		(198,552)	(181,505)	(184,624)
Other expenditure		(134,326)	(149,164)	(128,137)
		(9,569,662)	(7,437,012)	(8,315,351)
		(4,893,208)	(1,082,600)	(2,394,856)
Capital grants, subsidies and contributions	11	3,372,849	1,175,260	928,620
Profit on asset disposals	5	20,000	17,200	55,876
Loss on asset disposals		(20,000)	(25,532)	(19,302)
Fair value adjustments to financial assets at fair value through profit or loss		0	2,764	0
		3,372,849	1,169,692	965,194
Net result for the period		(1,520,359)	87,092	(1,429,662)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		(1,520,359)	87,092	(1,429,662)

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

**SHIRE OF CHAPMAN VALLEY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts

	NOTE	2023/24 Budget	2022/23 Actual	2022/23 Budget
Rates		\$ 3,157,509	\$ 3,091,198	3,049,621
Grants, subsidies and contributions		1,105,299	2,184,958	2,481,632
Fees and charges		371,929	422,198	357,252
Interest revenue		34,615	60,833	14,615
Other revenue		21,375	15,041	17,375
		<u>4,690,727</u>	<u>5,774,228</u>	<u>5,920,495</u>

Payments

Employee costs		(3,122,199)	(2,081,740)	(2,466,051)
Materials and contracts		(3,788,983)	(3,055,158)	(3,335,131)
Utility charges		(56,907)	(51,988)	(65,969)
Finance costs		(9,356)	(1,371)	(2,456)
Insurance		(198,552)	(181,505)	(184,624)
Other expenditure		(134,326)	(149,164)	(128,137)
		<u>(7,310,323)</u>	<u>(5,520,926)</u>	<u>(6,182,368)</u>

Net cash provided by (used in) operating activities 4 (2,619,596) 253,302 (261,873)

CASH FLOWS FROM INVESTING ACTIVITIES

Payments for purchase of property, plant & equipment	5(a)	(4,088,575)	(813,185)	(1,508,584)
Payments for construction of infrastructure	5(b)	(1,175,122)	(1,537,327)	(2,001,564)
Capital grants, subsidies and contributions		3,372,849	1,175,260	928,620
Proceeds from sale of property, plant and equipment	5(a)	163,000	68,471	106,304
Net cash provided by (used in) investing activities		<u>(1,727,848)</u>	<u>(1,106,781)</u>	<u>(2,475,224)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of borrowings	7(a)	(31,000)	0	0
Payments for principal portion of lease liabilities	8	(7,886)	(7,886)	(7,886)
Proceeds from new borrowings	7(a)	1,462,024	0	344,533
Net cash provided by (used in) financing activities		<u>1,423,138</u>	<u>(7,886)</u>	<u>336,647</u>

Net increase (decrease) in cash held

Cash at beginning of year		4,080,340	4,941,705	4,941,705
Cash and cash equivalents at the end of the year	4	<u>1,156,034</u>	<u>4,080,340</u>	<u>2,541,255</u>

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

SHIRE OF CHAPMAN VALLEY
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2024

		2023/24	2022/23	2022/23
	NOTE	Budget	Actual	Budget
OPERATING ACTIVITIES				
Revenue from operating activities				
		\$	\$	\$
General rates	2(a)	3,158,236	3,051,734	3,049,621
Grants, subsidies and contributions	11	1,090,299	2,786,614	2,481,632
Fees and charges	18	371,929	440,190	357,252
Interest revenue	12(a)	34,615	60,833	14,615
Other revenue	12(b)	21,375	15,041	17,375
Profit on asset disposals	5	20,000	17,200	55,876
Fair value adjustments to financial assets at fair value through profit or loss		0	2,764	0
		4,696,454	6,374,376	5,976,371
Expenditure from operating activities				
Employee costs		(3,020,842)	(2,126,581)	(2,466,051)
Materials and contracts		(3,727,073)	(2,639,116)	(3,335,131)
Utility charges		(56,907)	(51,988)	(65,969)
Depreciation	6	(2,422,606)	(2,287,287)	(2,132,983)
Finance costs	12(d)	(9,356)	(1,371)	(2,456)
Insurance		(198,552)	(181,505)	(184,624)
Other expenditure		(134,326)	(149,164)	(128,137)
Loss on asset disposals	5	(20,000)	(25,532)	(19,302)
		(9,589,662)	(7,462,544)	(8,334,653)
Non-cash amounts excluded from operating activities	3(b)	2,329,377	2,323,294	2,058,909
Amount attributable to operating activities		(2,563,831)	1,235,126	(299,373)
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions	11	3,372,849	1,175,260	928,620
Proceeds from disposal of assets	5	163,000	68,471	106,304
		3,535,849	1,243,731	1,034,924
Outflows from investing activities				
Payments for property, plant and equipment	5(a)	(4,088,575)	(813,185)	(1,508,584)
Payments for construction of infrastructure	5(b)	(1,175,122)	(1,537,327)	(2,001,564)
		(5,263,697)	(2,350,512)	(3,510,148)
Amount attributable to investing activities		(1,727,848)	(1,106,781)	(2,475,224)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from new borrowings	7(a)	1,462,024	0	344,533
Transfers from reserve accounts	9(a)	573,543	0	250,000
		2,035,567	0	594,533
Outflows from financing activities				
Repayment of borrowings	7(a)	(31,000)	0	0
Payments for principal portion of lease liabilities	8	(7,886)	(7,886)	(7,886)
Transfers to reserve accounts	9(a)	(115)	(13,411)	(115)
		(39,001)	(21,297)	(8,001)
Amount attributable to financing activities		1,996,566	(21,297)	586,532
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	3	2,295,113	2,188,065	2,188,065
Amount attributable to operating activities		(2,563,831)	1,235,126	(299,373)
Amount attributable to investing activities		(1,727,848)	(1,106,781)	(2,475,224)
Amount attributable to financing activities		1,996,566	(21,297)	586,532
Surplus or deficit at the end of the financial year	3	0	2,295,113	0

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

**SHIRE OF CHAPMAN VALLEY
FOR THE YEAR ENDED 30 JUNE 2024
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1(a) **BASIS OF PREPARATION**

The annual budget is a forward looking document and has been prepared in accordance with the Local Government Act 1995 and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the annual budget be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

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

Accounting policies which have been adopted in the preparation of this annual budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the annual 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 controls resources to carry on its functions have been included in the financial statements forming part of this annual budget.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 17 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.

Rounding off figures

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

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

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.

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 CHAPMAN VALLEY
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
		\$		\$	\$	\$	\$	\$	\$	\$
(i) General rates										
General Rate GRV	Gross rental valuation	0.099526	299	4,974,684	495,110	0	0	495,110	481,487	475,006
General Rate UV	Unimproved valuation	0.007847	423	296,543,000	2,326,973	0	0	2,326,973	2,244,058	2,248,426
Oakagee Industrial Estate Buffer Zone	Unimproved valuation	0.014801	2	13,474,000	199,429	0	0	199,429	192,689	192,689
Total general rates			724	314,991,684	3,021,512	0	0	3,021,512	2,918,234	2,916,121
(ii) Minimum payment										
		Minimum								
		\$								
General Rate GRV	Gross rental valuation	724.50	175		126,788	0	0	126,788	123,900	123,900
General Rate UV	Unimproved valuation	414	24		9,936	0	0	9,936	9,600	9,600
Total minimum payments			199		136,724	0	0	136,724	133,500	133,500
Total general rates and minimum payments			923	314,991,684	3,158,236	0	0	3,158,236	3,051,734	3,049,621
Waivers or Concessions (Refer note 2(f))					0	0	0	0	0	0
Total rates					3,158,236	0	0	3,158,236	3,051,734	3,049,621

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 CHAPMAN VALLEY
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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	20/09/2023	N/A	N/A	11.00%
Option two				
First instalment	20/09/2023	9.00	5.50%	11.00%
Second instalment	20/11/2023	9.00	5.50%	11.00%
Option three				
First instalment	20/09/2023	9.00	5.50%	11.00%
Second instalment	20/11/2023	9.00	5.50%	11.00%
Third instalment	22/01/2024	9.00	5.50%	11.00%
Fourth instalment	22/03/2024	9.00	5.50%	11.00%

	2023/24 Budget revenue	2022/23 Actual revenue	2022/23 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	3,600	3,195	3,600
Instalment plan interest earned	4,000	4,218	5,000
Unpaid rates and service charge interest earned	15,000	18,381	9,000
	22,600	25,794	17,600

(c) Objectives and Reasons for Differential Rating

To provide equity in the rating of properties across the Shire the following rate categories have been determined for the implementation of differential rating.

Differential general rate

Description	Characteristics	Objects/Reasons
UV Oakajee Industrial Estate	This category includes any property zoned Oakajee Industrial Estate and buffer within the Town Planning Scheme No.1	To recover from this sector an equitable share of the rates relating to the land held by Landcorp so that the Shire of Chapman Valley should not be financially disadvantaged due to the acquisition and subsequent development of the land. This follows on from the written commitment made in September 1998, by the then Minister for Resources Development & Energy, the Shire of Chapman Valley would not be financially disadvantaged due to the acquisition and subsequent development of land by Landcorp. In order to reduce the impact of the Oakajee development on other ratepayers Council has sought to introduce a differential rate.

(d) Variation in Adopted Differential Rates to Local Public Notice

The following rates and minimum payments were previously set out in the local public notice giving notice of the intention to charge differential rates.

Differential general rate or general rate	Proposed Rate in \$	Adopted Rate in \$	Reasons for the difference
UV Oakajee Industrial Estate	0.018504	0.014801	The advertised rate in the dollar for differential rates have been amended to take into account the overall general increase to values in the annual Unimproved Valuation and rate revenue required by council.
Unimproved Value Rural	0.009778	0.007847	The advertised rate in the dollar for differential rates have been amended to take into account the overall general increase to values in the annual Unimproved Valuation and rate revenue required by council.
Minimum payment	Proposed Minimum \$	Adopted Minimum \$	Reasons for the difference
UV Oakajee Industrial Estate	400	414	The advertised rate in the dollar for differential rates have been amended to take into account the overall general increase to values in the annual Unimproved Valuation and rate revenue required by council.
Unimproved Value Rural	400	414	The advertised rate in the dollar for differential rates have been amended to take into account the overall general increase to values in the annual Unimproved Valuation and rate revenue required by council.
	700	724.50	The advertised rate in the dollar for differential rates have been amended to take into account the rate revenue required by council.

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

2. RATES AND SERVICE CHARGES (CONTINUED)

(e) Service Charges

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

(f) Waivers or concessions

Rate, fee or charge to which the waiver or concession is granted	Type	Waiver/Concession	Discount %	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
Rates	Rate	Waiver	100.00%	Council grant a waiver of rates to the Yuna CWA for the 2023/2024 rating year on the basis it is a non-profit community organisation.	Council considers support of these groups necessary for the overall benefit of the community.
Venue Hire; Photocopy Charges & Private Works Fees & charges	Fee and charge	Waiver	100.00%	Council may grant a waiver to community groups who reside in the shire who wish to use the facilities in association with a community event.	Council considers support of these groups necessary for the overall benefit of the community.
Pool Inspections & Water Testing Charges	Fee and charge	Waiver	100.00%	Council will grant a waiver to Yuna Primary School for pool inspection and water testing at the Yuna Primary School pool under the condition the school has the pool open outside of school hours during summer.	Council considers support of these groups necessary for the overall benefit of the community.
Venue Hire Recreation Facilities	Fee and charge	Waiver	100.00%	Council will grant a waiver to Yuna and Nabawa Parents and Citizens Association for the use of recreation facilities within the Shire.	Council considers support of these groups necessary for the overall benefit of the community.

SHIRE OF CHAPMAN VALLEY
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

Current assets

Cash and cash equivalents
 Receivables
 Inventories
 Other assets

Less: current liabilities

Trade and other payables
 Contract liabilities
 Lease liabilities
 Long term borrowings
 Employee provisions

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Statement of Financial Activity

Note	2023/24 Budget 30 June 2024	2022/23 Actual 30 June 2023	2022/23 Budget 30 June 2023
	\$	\$	\$
4	1,156,034	4,080,340	2,541,255
	185,840	200,113	156,585
	6,000	5,931	5,267
	10,908	10,908	0
	1,358,782	4,297,292	2,703,107
	(600,733)	(670,702)	(944,363)
	0	0	(600,000)
8	(202)	(8,088)	0
7	(1,431,024)	0	(344,533)
	(350,000)	(448,462)	(418,331)
	(2,381,959)	(1,127,252)	(2,307,227)
	(1,023,177)	3,170,040	395,880
3(c)	1,023,177	(874,927)	(395,880)
	0	2,295,113	0

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

Items excluded from calculation of budgeted deficiency

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

(b) Non-cash amounts excluded from operating activities

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

Adjustments to operating activities

Less: Profit on asset disposals
 Less: Fair value adjustments to financial assets at fair value through profit and loss
 Add: Loss on asset disposals
 Add: Depreciation
 Movement in current employee provisions associated with restricted cash
 Non-cash movements in non-current assets and liabilities:
 - Employee provisions

Non cash amounts excluded from operating activities

Note	2023/24 Budget 30 June 2024	2022/23 Actual 30 June 2023	2022/23 Budget 30 June 2023
	\$	\$	\$
5	(20,000)	(17,200)	(55,876)
	0	(2,764)	0
5	20,000	25,532	19,302
6	2,422,606	2,287,287	2,132,983
	(98,462)	30,131	(37,500)
	5,233	308	0
	2,329,377	2,323,294	2,058,909

(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 Statement of Financial Activity 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
 Add: Current liabilities not expected to be cleared at end of year
 - Current portion of borrowings
 - Current portion of lease liabilities
 - Current portion of employee benefit provisions held in reserve

Total adjustments to net current assets

9	(758,049)	(1,331,477)	(1,068,181)
	1,431,024	0	344,533
	202	8,088	0
	350,000	448,462	327,768
	1,023,177	(874,927)	(395,880)

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.

SHIRE OF CHAPMAN VALLEY
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		\$ 1,156,034	\$ 4,080,340	\$ 2,541,255
Total cash and cash equivalents		1,156,034	4,080,340	2,541,255
Held as				
- Unrestricted cash and cash equivalents	3(a)	397,985	2,748,863	1,473,074
- Restricted cash and cash equivalents	3(a)	758,049	1,331,477	1,068,181
		1,156,034	4,080,340	2,541,255
Restrictions				
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents		758,049	1,331,477	1,068,181
		758,049	1,331,477	1,068,181
The assets are restricted as a result of the specified purposes associated with the liabilities below:				
Financially backed reserves	9	758,049	1,331,477	1,068,181
		758,049	1,331,477	1,068,181
Reconciliation of net cash provided by operating activities to net result				
Net result		(1,520,359)	87,092	(1,429,662)
Depreciation	6	2,422,606	2,287,287	2,132,983
(Profit)/loss on sale of asset	5	0	8,332	(36,574)
Adjustments to fair value of financial assets at fair value through profit and loss		0	(2,764)	0
(Increase)/decrease in receivables		14,273	21,472	65,000
(Increase)/decrease in inventories		(69)	836	1,500
(Increase)/decrease in other assets		0	(1,840)	0
Increase/(decrease) in payables		(69,969)	(400,636)	(29,000)
Increase/(decrease) in contract liabilities		0	(601,656)	0
Increase/(decrease) in employee provisions		(93,229)	30,439	(37,500)
Capital grants, subsidies and contributions		(3,372,849)	(1,175,260)	(928,620)
Net cash from operating activities		(2,619,596)	253,302	(261,873)

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 CHAPMAN VALLEY
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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Property, Plant and Equipment												
Land and buildings	3,214,575	0	0	0	456,578	32,000	12,721	(19,279)	781,480	0	0	0
Furniture and equipment	0	0	0	0	0	0	0	0	0	0	0	0
Plant and equipment	874,000	163,000	163,000	0	356,607	44,803	55,750	10,947	727,104	69,730	106,304	36,574
Tools and equipment	0	0	0	0	0	0	0	0	0	0	0	0
Total	4,088,575	163,000	163,000	0	813,185	76,803	68,471	(8,332)	1,508,584	69,730	106,304	36,574
(b) Infrastructure												
Infrastructure - roads	1,175,122	0	0	0	1,537,327	0	0	0	2,001,564	0	0	0
Infrastructure - footpaths	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,175,122	0	0	0	1,537,327	0	0	0	2,001,564	0	0	0
(c) Right of Use Assets												
Right of use - land and buildings	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0
Total	5,263,697	163,000	163,000	0	2,350,512	76,803	68,471	(8,332)	3,510,148	69,730	106,304	36,574

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 CHAPMAN VALLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

6. DEPRECIATION

By Class

Land and buildings
Furniture and equipment
Plant and equipment
Tools and equipment
Infrastructure - roads
Infrastructure - footpaths
Right of use - land and buildings

By Program

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

2023/24 Budget	2022/23 Actual	2022/23 Budget
\$	\$	\$
382,500	377,141	260,500
6,000	5,530	7,500
541,500	539,064	548,500
11,000	11,679	11,000
1,467,706	1,339,997	1,291,583
6,000	5,776	6,000
7,900	8,100	7,900
2,422,606	2,287,287	2,132,983
36,461	38,897	36,461
63,943	63,946	71,074
159,421	29,412	25,650
366,719	363,465	247,139
1,403,816	1,403,816	1,354,137
6,479	6,468	12,755
385,767	381,283	385,767
2,422,606	2,287,287	2,132,983

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	30 to 100 years
Furniture and equipment	2 to 10 years
Plant and equipment	2 to 15 years
Tools and equipment	2 to 15 years
Infrastructure - roads	15 to 65 years
Infrastructure - footpaths	30 years
Right of use - land and buildings	Subject to lease arrangement

SHIRE OF CHAPMAN VALLEY
 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	2023/24	2023/24	Budget	2023/24	Actual	2022/23	2022/23	Actual	2022/23	Budget	2022/23	2022/23	Budget	2022/23
				Principal	Budget	Budget	Principal	Actual		Actual	Principal	Actual	Principal		Budget	Budget	Budget	Principal
				1 July 2023	New Loans	Principal Repayments	Principal outstanding 30 June 2024	Interest Repayments	1 July 2022	New Loans	Principal Repayments	outstanding 30 June 2023	Interest Repayments	1 July 2022	New Loans	Principal Repayments	outstanding 30 June 2023	Interest Repayments
				\$ 0	\$ 267,024	\$ 0	\$ 267,024	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 175,000	\$ 0	\$ 175,000	\$ 0
Depot Construction	99	WATC	4.05%	0	267,024	0	267,024	0	0	0	0	0	0	0	175,000	0	175,000	0
Road Plant Capital	100	WATC	4.05%	0	410,000	(31,000)	379,000	(6,900)	0	0	0	0	0	0	169,533	0	169,533	0
BHP Oval Capital	101	WATC	4.05%	0	185,000	0	185,000	0	0	0	0	0	0	0	0	0	0	0
Disaster Recovery Centre	102	WATC	4.05%	0	600,000	0	600,000	0	0	0	0	0	0	0	0	0	0	0
				0	1,462,024	(31,000)	1,431,024	(6,900)	0	0	0	0	0	0	344,533	0	344,533	0

All borrowing repayments will be financed by general purpose revenue.

SHIRE OF CHAPMAN VALLEY
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
					\$	\$	\$	\$
Depot Construction	WA Treasury Corporation	Fixed Rate	10	4.05%	267,024	53,131	267,024	0
Road Plant Capital	WA Treasury Corporation	Fixed Rate	5	4.05%	410,000	47,036	410,000	0
BHP Oval Capital	WA Treasury Corporation	Fixed Rate	30	4.05%	185,000	63,660	185,000	0
Disaster Recovery Centr	WA Treasury Corporation	Fixed Rate	30	4.05%	600,000	206,464	600,000	0
					1,462,024	370,291	1,462,024	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
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit	250,000	250,000	250,000
Bank overdraft at balance date	0	0	0
Credit card limit	10,000	10,000	10,000
Credit card balance at balance date	0	0	0
Total amount of credit unused	260,000	260,000	260,000
Loan facilities			
Loan facilities in use at balance date	1,431,024	0	344,533

Overdraft details	Purpose overdraft was established	Year overdraft established	Amount b/fwd 1 July 2023	2023/24 Budgeted Increase/ (Decrease)	Amount as at 30th June 2024
				\$	\$
Westpac Banking Corp	Cashflow	2016	250,000	0	250,000
			250,000	0	250,000

MATERIAL ACCOUNTING POLICIES

BORROWING COSTS

The Shire has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the unobservable inputs, including own credit risk.

SHIRE OF CHAPMAN VALLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

8. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease	2023/24	2023/24	Budget Lease	2023/24	Actual Principal	2022/23	2022/23	Actual Lease	2022/23	Budget	2022/23	2022/23	Budget Lease	2022/23
					Principal 1 July 2023	Budget New Leases	Budget Lease Principal Repayments	Lease Principal outstanding 30 June 2024	Budget Lease Interest Repayments		Actual Principal 1 July 2022	Actual New Leases	Actual Lease Principal repayments	Lease Principal outstanding 30 June 2023	Actual Lease Interest repayments	Principal 1 July 2022	Budget New Leases	Budget Lease Principal repayments	Lease Principal outstanding 30 June 2023
Nabawa Fuel Station	LE01	Searange Holdings Pty Ltd	2.60%	60 Months	\$ 42,609	\$ 0	\$ (7,886)	\$ 34,723	\$ (1,206)	\$ 50,495	\$ 0	\$ (7,886)	\$ 42,609	\$ (1,205)	\$ 50,495	\$ 0	\$ (7,886)	\$ 42,609	\$ (1,206)
					42,609	0	(7,886)	34,723	(1,206)	50,495	0	(7,886)	42,609	(1,205)	50,495	0	(7,886)	42,609	(1,206)

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.

SHIRE OF CHAPMAN VALLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

9. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2023/24 Budget Opening Balance	2023/24 Budget Transfer to	2023/24 Budget Transfer (from)	2023/24 Budget Closing Balance	2022/23 Actual Opening Balance	2022/23 Actual Transfer to	2022/23 Actual Transfer (from)	2022/23 Actual Closing Balance	2022/23 Budget Opening Balance	2022/23 Budget Transfer to	2022/23 Budget Transfer (from)	2022/23 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave reserve	167,427	10	(17,601)	149,836	165,741	1,686	0	167,427	165,740	10	0	165,750
(b) Water strategy reserve	14,392	5	0	14,397	14,247	145	0	14,392	14,248	5	0	14,253
(c) Plant/light vehicle reserve	524,609	50	(393,785)	130,874	519,325	5,284	0	524,609	519,325	50	(150,000)	369,375
(d) Computer and office equipment reserve	40,177	5	0	40,182	39,772	405	0	40,177	39,772	5	0	39,777
(e) Legal reserve	40,452	5	0	40,457	40,045	407	0	40,452	40,045	5	0	40,050
(f) Land development reserve	72,846	5	(62,157)	10,694	72,112	734	0	72,846	72,113	5	0	72,118
(g) Infrastructure reserve	285,471	15	0	285,486	282,596	2,875	0	285,471	282,595	15	0	282,610
(h) Building reserve	186,103	20	(100,000)	86,123	184,228	1,875	0	186,103	184,228	20	(100,000)	84,248
	1,331,477	115	(573,543)	758,049	1,318,066	13,411	0	1,331,477	1,318,066	115	(250,000)	1,068,181

(b) Reserve Accounts - 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) Leave reserve	30/06/2024	To be used to fund annual and long service leave requirements.
(b) Water strategy reserve	N/A	To be used for the construction and operational costs of facilities for fire fighting purposes.
(c) Plant/light vehicle reserve	30/06/2024	To be used for the purchase of and/or major repair of major plant and light vehicles.
(d) Computer and office equipment reserve	N/A	To be used to replace Information and Communications Technology equipment.
(e) Legal reserve	N/A	To be used to fund legal expenses incurred as a result of tribunals, hearings, litigation etc.
(f) Land development reserve	30/06/2024	To be used for further subdivisional development in the Shire of Chapman Valley.
(g) Infrastructure reserve	30/06/2024	To be used to fund road and building infrastructure projects, including yet not limited to, natural disasters upfront or insurance excess costs, annual roadworks maintenance and construction works.
(h) Building reserve	30/06/2024	To be used for the construction of shire buildings or capital upgrades of existing buildings, including yet not limited to, covering insurance excess component of claims for repair/replace buildings.

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 CHAPMAN VALLEY
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

ACTIVITIES

Governance

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

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 council services.

General purpose funding

To collect revenue to allow for the provision of services.

Revenue from rates levied, interest and fees on instalment arrangements and arrears, government subsidy for entitled pensioners and rates deferred, less discounts and concessions relating to rates levied. Expenditures incurred in administration and maintaining rate records, rating valuations, serving notices, postage, stationery, advertising, debt collection, printing, indirect administration costs etc. Income receivable from the WA Grants Commission and any other Government Grant of a general purpose nature. Interest earnings from deposits and investments, including reserve accounts. General overdraft expenses.

Law, order, public safety

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

Administration and operations on fire prevention services, including volunteer fire brigades, outlays on roadside clearing operations and other protective burning. Revenues include fines and penalties imposed under relevant Acts and fines, fees or charges for clearing fire breaks. Administration enforcement and operations relating to the control of animals. Costs of impounding, destroying and disposal of stray animals. Revenues include dog registration fees, fines and penalties relating to straying animals, impounding and destruction fees. Ranger's expenses are collected here and apportioned throughout the various programs to which they relate.

Health

To provide an operational framework for environmental and community health.

Food quality and pest control, inspections of eating houses, lodging and boarding houses, itinerant food vendors, offensive trade, and any other outlays concerned with general health inspections and administration services provided by the Council.

Education and welfare

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

Operation, improvements and maintenance of pre-school facilities; assistance to playgroups and other voluntary services. Annual awards and prizes to Nabawa and Yuna Primary Schools.

Housing

To provide and maintain elderly residents housing.

Collection of revenue and expenditure in respect of the administration and operation of residential housing for council staff. The expenditure is reallocated to the relevant programmes using staff duties as a basis.

Community amenities

To provide services required by the community.

Administration and operation of domestic refuse collection and disposal services, including delivery to a regional disposal site. Provision and maintenance of rubbish disposal sites. Collection and disposal of public litter bins, special rubbish clean ups, special litter enforcement and control. Includes administration and operation of foreshore protection project. Administration and operation of town planning and regional development services. These include planning control, the preparation of town planning development schemes, zoning and rezoning. Costs associated with resumption of land for recreational purposes. Accommodating a Natural Resource Management Officer to assist community groups and landowners.

Recreation and culture

To establish and effectively manage infrastructure and resource which will help the

Maintenance of public halls, civic centres, aquatic centre, beaches. Provision and maintenance of parks, gardens and playgrounds. Operation of library,

social wellbeing of the community.

museum and other cultural facilities.

Transport

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

Construction and maintenance of streets, roads, bridges; cleaning and lighting of streets and maintenance of depots. Purchase of plant used predominantly for the construction and maintenance of streets, roads, bridges etc. Operations relating to the licensing or regulating of traffic under the control of the local government.

Economic services

To help promote the shire and its economic wellbeing.

Attempt to control and contain weeds and vermin. The development, promotion, support etc. of tourism and area promotion to cater for tourists. Administration, inspection and operations concerned with application of the building standards including examination, processing and inspections services.

Other property and services

To monitor and control Shire's overheads operating accounts.

Administration, inspection, and operation of work carried out on property or services not under the care, control and management of the Council. These include road works on private property. Public Works Overheads - Overheads incurred as the result of the use of direct labour, which is subsequently apportioned to the appropriate works and services absorbing the total expenditure. Includes expenditure incurred in the maintenance and operation of plant, Council's hire rate absorbing the total expenditure of plant running costs and usage. The total salaries and wages incurred during the year is recorded here and allocated over the various works and services to which it relates.

SHIRE OF CHAPMAN VALLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

11 PROGRAM INFORMATION (Continued)

(b) Income and expenses

	2023/24	2022/23	2022/23
	Budget	Actual	Budget
	\$	\$	\$
Income excluding grants, subsidies and contributions			
Governance	1,200	2,770	1,200
General purpose funding	3,203,651	3,125,241	3,075,036
Law, order, public safety	11,739	15,036	11,739
Health	5,477	5,523	5,087
Community amenities	236,163	266,237	221,876
Recreation and culture	82,000	117,024	82,000
Transport	23,500	20,577	59,376
Economic services	23,425	26,109	23,425
Other property and services	19,000	9,245	15,000
	3,606,155	3,587,762	3,494,739
Grants, subsidies and contributions			
General purpose funding	11,000	1,718,997	422,137
Law, order, public safety	261,500	38,727	57,500
Community amenities	216,857	65,788	56,000
Recreation and culture	235,000	29,140	936,711
Transport	174,942	879,754	989,284
Other property and services	191,000	54,208	20,000
	1,090,299	2,786,614	2,481,632
Capital grants, subsidies and contributions			
Recreation and culture	1,765,437	247,000	0
Transport	1,607,412	928,260	928,620
	3,372,849	1,175,260	928,620
Total Income	8,069,303	7,549,636	6,904,991
Expenses			
Governance	(483,099)	(394,671)	(458,467)
General purpose funding	(190,266)	(124,831)	(157,228)
Law, order, public safety	(539,984)	(241,821)	(341,992)
Health	(31,428)	(13,296)	(33,152)
Community amenities	(1,166,300)	(703,296)	(982,671)
Recreation and culture	(1,300,771)	(922,799)	(1,442,520)
Transport	(5,199,337)	(4,275,927)	(4,418,644)
Economic services	(468,478)	(362,634)	(465,096)
Other property and services	(209,999)	(423,269)	(34,883)
Total expenses	(9,589,662)	(7,462,544)	(8,334,653)
Net result for the period	(1,520,359)	87,092	(1,429,662)

**SHIRE OF CHAPMAN VALLEY
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

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
Investments			
- Reserve accounts	115	13,412	115
- Other funds	15,500	24,822	500
Other interest revenue	19,000	22,599	14,000
	<u>34,615</u>	<u>60,833</u>	<u>14,615</u>

* The Shire has resolved to charge interest under section 6.13 for the late payment of any amount of money at 11%.

(b) Other revenue

Reimbursements and recoveries	21,375	15,041	17,375
	<u>21,375</u>	<u>15,041</u>	<u>17,375</u>

The net result includes as expenses

(c) Auditors remuneration

Audit services	45,000	42,100	45,000
	<u>45,000</u>	<u>42,100</u>	<u>45,000</u>

(d) Interest expenses (finance costs)

Borrowings (refer Note 7(a))	6,900	0	0
expense on lease liabilities (refer Note 8)	1,206	1,205	1,206
Other finance costs	1,250	166	1,250
	<u>9,356</u>	<u>1,371</u>	<u>2,456</u>

SHIRE OF CHAPMAN VALLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

13. ELECTED MEMBERS REMUNERATION

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
Cr Warr			
President's allowance	10,000	10,000	10,000
Meeting attendance fees	9,742	9,742	9,742
ICT expenses	500	500	500
Annual allowance for ICT expenses	50	50	50
	20,292	20,292	20,292
Cr Forth			
Deputy President's allowance	2,500	2,500	2,500
Meeting attendance fees	9,742	9,742	9,742
ICT expenses	500	500	500
Annual allowance for ICT expenses	50	50	50
	12,792	12,792	12,792
Cr Batten			
Meeting attendance fees	9,742	9,742	9,742
ICT expenses	500	500	500
Annual allowance for ICT expenses	50	50	50
	10,292	10,292	10,292
Cr Davidson			
Meeting attendance fees	9,742	9,742	9,742
ICT expenses	500	500	500
Annual allowance for ICT expenses	50	50	50
	10,292	10,292	10,292
Cr Elliott-Lockhart			
Meeting attendance fees	9,742	9,742	9,742
ICT expenses	500	500	500
Annual allowance for ICT expenses	50	50	50
	10,292	10,292	10,292
Cr Humphrey			
Meeting attendance fees	9,742	9,742	9,742
ICT expenses	500	500	500
Annual allowance for ICT expenses	50	50	50
	10,292	10,292	10,292
Cr Low			
Meeting attendance fees	9,742	9,742	9,742
ICT expenses	500	500	500
Annual allowance for ICT expenses	50	50	50
	10,292	10,292	10,292
Cr Royce			
Meeting attendance fees	9,742	9,742	9,742
ICT expenses	500	500	500
Annual allowance for ICT expenses	50	50	50
	10,292	10,292	10,292
Total Elected Member Remuneration	94,836	94,836	94,836
President's allowance	10,000	10,000	10,000
Deputy President's allowance	2,500	2,500	2,500
Meeting attendance fees	77,936	77,936	77,936
ICT expenses	4,000	4,000	4,000
Annual allowance for ICT expenses	400	400	400
	94,836	94,836	94,836

14. MAJOR LAND TRANSACTIONS

The shire doesn't anticipate any major land transactions in the 2023/2024 financial year.

15. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire does not anticipate any trading undertakings during the 2023/2024 financial year.

16. INVESTMENT IN ASSOCIATES

(a) Investment in associate

The Shire does not anticipate any investment in associates during the 2023/2024 financial year.

MATERIAL ACCOUNTING POLICIES

Investments in associates

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

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

Investments in associates (continued)

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

SHIRE OF CHAPMAN VALLEY
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17. TRUST FUNDS

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

Detail	Balance 1 July 2023	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2024
	\$	\$	\$	\$
Funds in Lieu of Public Open Space	150,357	0	0	150,357
Construction Training Fund Levies	1,835	9,000	(10,200)	635
Building Services Levies	1,366	8,500	(9,500)	366
	<u>153,558</u>	<u>17,500</u>	<u>(19,700)</u>	<u>151,358</u>

**SHIRE OF CHAPMAN VALLEY
 NOTES TO AND FORMING PART OF THE BUDGET
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18. FEES AND CHARGES

	2023/24 Budget	2022/23 Actual	2022/23 Budget
	\$	\$	\$
By Program:			
General purpose funding	10,800	12,675	10,800
Law, order, public safety	11,739	15,036	11,739
Health	5,477	5,523	5,087
Community amenities	236,163	266,537	221,876
Recreation and culture	82,000	117,024	82,000
Economic services	15,750	17,814	15,750
Other property and services	10,000	5,581	10,000
	371,929	440,190	357,252

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