

Agenda

Audit Committee Meeting

Wednesday 18 December 2024
At 5.00pm

Council Chambers, 39 Bannister Road, Boddington

A vibrant and connected community with excellent lifestyle and employment opportunities in a beautiful natural environment.

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No responsibility whatsoever is implied or accepted by the Shire of Boddington for any act, omission or statement or intimation occurring during Council/Committee meetings or during formal/informal conversations with staff. The Shire of Boddington disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council/Committee meetings or discussions. Any person or legal entity who acts or fails to act in reliance upon any statement does so at that person's or legal entity's own risk.

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1. DECLARATION OF OPENING

I would like to begin by acknowledging the Wilman People as the Traditional Custodians of the land we are meeting on today, and pay respect to Elders past and present, as well as the continuation of cultural, spiritual, and educational practices of Aboriginal people.

Councillors, to ensure clarity and effective communication during this Council Meeting, I kindly remind you to switch on your microphones when called upon to speak. This meeting will be recorded.

2. ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE

2.1 Attendance

2.2 Apologies

2.3 Leave of Absence

Cr Garry Ventris Shire President

3. DISCLOSURES OF INTEREST

4. CONFIRMATION OF MINUTES

That the minutes of the Ordinary Council Meeting held on Thursday 27 June, 2024, be confirmed as a true record of proceedings.

5. REPORTS BY OFFICERS

5.1 Adoption of Annual Financial Report

File Reference:	3.0033
Applicant:	Not Applicable
Disclosure of Interest:	Nil
Author:	Chief Executive Officer
Attachments:	5.1A Annual Financial Report 5.1B Audit Opinion 5.1C Final Management Letter

Summary

The purpose of this report is for the Audit Committee to consider and review the Independent Auditor Report, and Management Letter for the Annual Financial Report, for the year ending 30 June 2024.

Background

Following proclamation of the Local Government Amendment (Auditing) Act 2017, the Auditor General is responsible for the audit of Local Government's Annual Financial Reporting.

AMD Chartered Accountants (AMD) were appointed by the Office of the Auditor General (OAG) to conduct the audit of the Shire of Boddingtons Annual Financial report ending 30 June 2024. The audit procedure has been conducted under the direction of the OAG, who retains responsibility for forming the audit opinion and issuing the Independent Auditor Report to the Shire.

On 3 December 2024, the Deputy Shire President, Chief Executive Officer and Executive Manager Corporate Services attended an audit exit meeting with representation from the OAG and AMD. The audit approach and the audit findings contained in both the interim management letter and final management letter were discussed.

Comment

The Audit Opinion, Financial Management Letter and Annual Financial Report are included as attachments. The Audit results again demonstrated the high level of financial management and reporting standards that are in place at the Shire, with only one item raised in the Final Management Letter.

This item relates to two former employees being listed as signatories on the bank's confirmation. One instance was confirmed to be an error by the bank, as the Shire had received confirmation of the employee's removal in October 2022. The Shire is currently awaiting confirmation from the bank regarding the status of the second employee.

There were no other unresolved issues or outstanding matters included in the Independent Auditor Report, and as such, the Auditor General has issued an unqualified audit.

Consultation

Office of the Auditor General
AMD Chartered Accountants

Strategic Implications

Nil

Legislative Implications

Local Government (Audit) Regulations 1995
Regulation 17 – Functions of the Audit Committee

An audit committee has the following functions —

- a) to guide and assist the local government in carrying out
 - (i) its functions under Part 6 of the Act; and
 - (ii) its functions relating to other audits and other matters related to financial management;

Policy Implications

Nil

Financial Implications

Nil

Economic Implications

Nil

Social Implications

Nil

Environmental Considerations

Nil

Risk Considerations

Risk Statement and Consequence	Lack of compliance with legislation is the key risk regarding this recommendation
Risk Rating (prior to treatment or control)	Medium
Principal Risk Theme	Reputational, Compliance
Risk Action Plan (controls or treatment proposed)	No further actions proposed

Voting Requirements

Simple Majority

Officer Recommendation

That the Audit Committee:

- 1. Receive the 2023/24 Annual Financial report, including the Independent Auditor Report, as attached.**
- 2. Recommend that Council endorse the 2023/24 Annual Financial Report and notes the Independent Auditors Report.**

SHIRE OF BODDINGTON
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

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The Shire of Boddington conducts the operations of a local government with the following community vision:

Boddington is well known for being, a vibrant and connected community, with excellent lifestyle and employment opportunities, in a beautiful natural environment, just 90 minutes from Perth.

Principal place of business:
 39 Bannister Road
 Boddington WA 6390

**SHIRE OF BODDINGTON
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

*Local Government Act 1995
Local Government (Financial Management) Regulations 1996*

STATEMENT BY CEO

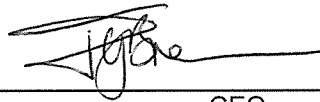
The accompanying financial report of the Shire of Boddington has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2024 and the financial position as at 30 June 2024.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the

3 day of

December 2024



CEO

Julie Burton

Name of CEO



**SHIRE OF BODDINGTON
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
Revenue				
Rates	2(a),23	6,539,478	6,538,742	6,124,419
Grants, subsidies and contributions	2(a)	723,784	339,835	973,317
Fees and charges	2(a)	1,391,319	1,199,971	1,690,231
Interest revenue	2(a)	380,062	211,977	176,304
Other revenue	2(a)	250,512	103,450	285,303
		9,285,155	8,393,975	9,249,574
Expenses				
Employee costs	2(b)	(3,190,598)	(3,253,044)	(3,136,188)
Materials and contracts		(2,969,296)	(3,133,536)	(2,608,481)
Utility charges		(349,460)	(341,558)	(354,802)
Depreciation		(2,483,450)	(2,706,950)	(2,707,158)
Finance costs		(53,182)	(54,968)	(66,165)
Insurance		(227,069)	(226,419)	(218,803)
Other expenditure	2(b)	(20,155)	(25,850)	(25,245)
		(9,293,210)	(9,742,325)	(9,116,842)
		(8,055)	(1,348,350)	132,732
Capital grants, subsidies and contributions	2(a)	1,429,885	3,876,677	1,216,850
Profit on asset disposals		31,103	65,582	26,028
Loss on asset disposals		(6,417)	0	0
Fair value adjustments to financial assets at fair value through profit or loss	4(a)	840	0	1,843
		1,455,411	3,942,259	1,244,721
Net result for the period		1,447,356	2,593,909	1,377,453
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	15	0	0	9,141,543
Total other comprehensive income for the period	15	0	0	9,141,543
Total comprehensive income for the period		1,447,356	2,593,909	10,518,996

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



**SHIRE OF BODDINGTON
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

	NOTE	2024 \$	2023 \$
CURRENT ASSETS			
Cash and cash equivalents	3	8,398,140	8,009,668
Trade and other receivables	5	554,121	635,929
Other assets	6	41,018	7,883
TOTAL CURRENT ASSETS		8,993,279	8,653,480
NON-CURRENT ASSETS			
Trade and other receivables	5	28,912	23,375
Other financial assets	4(a)	41,585	40,745
Property, plant and equipment	7	38,434,877	38,372,382
Infrastructure	8	63,087,338	62,263,509
TOTAL NON-CURRENT ASSETS		101,592,712	100,700,011
TOTAL ASSETS		110,585,991	109,353,491
CURRENT LIABILITIES			
Trade and other payables	11	963,127	911,908
Other liabilities	12	3,474,279	3,386,114
Borrowings	13	228,376	369,416
Employee related provisions	14	232,052	203,240
TOTAL CURRENT LIABILITIES		4,897,834	4,870,678
NON-CURRENT LIABILITIES			
Borrowings	13	1,158,283	1,386,659
Employee related provisions	14	51,804	65,440
TOTAL NON-CURRENT LIABILITIES		1,210,087	1,452,099
TOTAL LIABILITIES		6,107,921	6,322,777
NET ASSETS		104,478,070	103,030,714
EQUITY			
Retained surplus		34,936,570	34,019,773
Reserve accounts	26	2,571,944	2,041,385
Revaluation surplus	15	66,969,556	66,969,556
TOTAL EQUITY		104,478,070	103,030,714

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



**SHIRE OF BODDINGTON
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	RETAINED SURPLUS	RESERVE ACCOUNTS	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2022		33,054,705	1,629,000	57,828,013	92,511,718
Comprehensive income for the period					
Net result for the period		1,377,453	0	0	1,377,453
Other comprehensive income for the period	15	0	0	9,141,543	9,141,543
Total comprehensive income for the period		1,377,453	0	9,141,543	10,518,996
Transfers from reserve accounts	26	477,080	(477,080)	0	0
Transfers to reserve accounts	26	(889,465)	889,465	0	0
Balance as at 30 June 2023		34,019,773	2,041,385	66,969,556	103,030,714
Comprehensive income for the period					
Net result for the period		1,447,356	0	0	1,447,356
Total comprehensive income for the period		1,447,356	0	0	1,447,356
Transfers from reserve accounts	26	303,833	(303,833)	0	0
Transfers to reserve accounts	26	(834,392)	834,392	0	0
Balance as at 30 June 2024		34,936,570	2,571,944	66,969,556	104,478,070

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

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

	NOTE	2024 Actual \$	2023 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		6,569,833	6,087,846
Grants, subsidies and contributions		543,535	292,812
Fees and charges		1,391,152	1,691,034
Interest revenue		380,062	176,304
Goods and services tax received		290,410	343,480
Other revenue		250,512	285,303
		<u>9,425,504</u>	<u>8,876,779</u>
Payments			
Employee costs		(3,155,723)	(3,156,932)
Materials and contracts		(2,590,799)	(2,709,048)
Utility charges		(349,460)	(354,802)
Finance costs		(53,182)	(66,165)
Insurance paid		(227,069)	(218,803)
Goods and services tax paid		(710,523)	562,616
Other expenditure		(20,322)	(24,442)
		<u>(7,107,078)</u>	<u>(5,967,576)</u>
Net cash provided by operating activities		<u>2,318,426</u>	<u>2,909,203</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	7(a)	(1,025,495)	(489,200)
Payments for construction of infrastructure	8(a)	(2,359,411)	(1,994,539)
Capital grants, subsidies and contributions		1,784,550	1,577,650
Proceeds from sale of property, plant & equipment		39,818	34,517
Net cash (used in) investing activities		<u>(1,560,538)</u>	<u>(871,572)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	25(a)	(369,416)	(356,511)
Net cash (used in) financing activities		<u>(369,416)</u>	<u>(356,511)</u>
Net increase in cash held		388,472	1,681,120
Cash at beginning of year		8,009,668	6,328,548
Cash and cash equivalents at the end of the year		<u><u>8,398,140</u></u>	<u><u>8,009,668</u></u>

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

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

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	23	6,539,478	6,538,742	6,124,419
Grants, subsidies and contributions		723,784	339,835	973,317
Fees and charges		1,391,319	1,199,971	1,690,231
Interest revenue		380,062	211,977	176,304
Other revenue		250,512	103,450	285,303
Profit on asset disposals		31,103	65,582	26,028
Fair value adjustments to financial assets at fair value through profit or loss	4(a)	840	0	1,843
		<u>9,317,098</u>	<u>8,459,557</u>	<u>9,277,445</u>
Expenditure from operating activities				
Employee costs		(3,190,598)	(3,253,044)	(3,136,188)
Materials and contracts		(2,969,296)	(3,133,536)	(2,608,481)
Utility charges		(349,460)	(341,558)	(354,802)
Depreciation		(2,483,450)	(2,706,950)	(2,707,158)
Finance costs		(53,182)	(54,968)	(66,165)
Insurance		(227,069)	(226,419)	(218,803)
Other expenditure		(20,155)	(25,850)	(25,245)
Loss on asset disposals		(6,417)	0	0
		<u>(9,299,627)</u>	<u>(9,742,325)</u>	<u>(9,116,842)</u>
Non cash amounts excluded from operating activities	24(a)	2,438,751	2,641,368	2,385,966
Amount attributable to operating activities		<u>2,456,222</u>	<u>1,358,600</u>	<u>2,546,569</u>
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		1,429,885	3,876,677	1,216,850
Proceeds from disposal of assets		39,818	189,000	34,517
		<u>1,469,703</u>	<u>4,065,677</u>	<u>1,251,367</u>
Outflows from investing activities				
Purchase of property, plant and equipment	7(a)	(1,025,495)	(1,594,009)	(489,200)
Purchase and construction of infrastructure	8(a)	(2,359,411)	(5,435,531)	(1,994,539)
		<u>(3,384,906)</u>	<u>(7,029,540)</u>	<u>(2,483,739)</u>
Amount attributable to investing activities		<u>(1,915,203)</u>	<u>(2,963,863)</u>	<u>(1,232,372)</u>
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	26	303,833	425,555	477,080
		<u>303,833</u>	<u>425,555</u>	<u>477,080</u>
Outflows from financing activities				
Repayment of borrowings	25(a)	(369,416)	(369,416)	(356,511)
Transfers to reserve accounts	26	(834,392)	(834,536)	(889,465)
		<u>(1,203,808)</u>	<u>(1,203,952)</u>	<u>(1,245,976)</u>
Amount attributable to financing activities		<u>(899,975)</u>	<u>(778,397)</u>	<u>(768,896)</u>
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	24(b)	2,110,833	2,383,660	1,565,532
Amount attributable to operating activities		2,456,222	1,358,600	2,546,569
Amount attributable to investing activities		(1,915,203)	(2,963,863)	(1,232,372)
Amount attributable to financing activities		(899,975)	(778,397)	(768,896)
Surplus or deficit after imposition of general rates	24(b)	<u>1,751,877</u>	<u>0</u>	<u>2,110,833</u>

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

**SHIRE OF BODDINGTON
FOR THE YEAR ENDED 30 JUNE 2024
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**SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

1. BASIS OF PREPARATION

The financial report of the Shire of Boddington which is a Class 4 local government comprises general purpose financial statements which have 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 financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the *Local Government Act 1995*, 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 except for disclosure requirements of:

- AASB 7 Financial Instruments Disclosures
- AASB 16 Leases paragraph 58
- AASB 101 Presentation of Financial Statements paragraph 61
- AASB 107 Statement of Cash Flows paragraphs 43 and 45
- AASB 116 Property, Plant and Equipment paragraph 79
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets paragraph 85
- AASB 140 Investment Property paragraph 75(f)
- AASB 1052 Disaggregated Disclosures paragraph 11
- AASB 1054 Australian Additional Disclosures paragraph 16

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 Leases which would have required the Shire to measure any vested improvements at zero cost.

The Local Government Financial Management Regulations 1996 provide that:

- land and buildings classified as property, plant and equipment; or
- infrastructure; or
- vested improvements that the local government controls;

and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116 Property, Plant and Equipment, which would have required the Shire to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

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

Critical accounting estimates and judgements

The preparation of a financial report 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 amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the financial report.

The following are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and further information on their nature and impact can be found in the relevant note:

- Fair value measurement of assets carried at reportable value including:
 - Property, plant and equipment - note 7
 - Infrastructure - note 8
- Expected credit losses on financial assets - note 5
- Measurement of employee benefits - note 14
- Measurement of provisions - note 14

Fair value hierarchy information can be found in note 22

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 financial report.

Initial application of accounting standards

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- AASB 2021-2 Amendments to Australian Accounting Standards - *Disclosure of Accounting Policies or Definition of Accounting Estimates*

This standard resulted in terminology changes relating to material accounting policies (formerly referred to as significant accounting policies).

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*

These amendments are not expected to have any material impact on the financial report on initial application.

- AASB 2022-10 Amendments to Australian Accounting Standards - *Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*

These amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.

- AASB 2023-1 Amendments to Australian Accounting Standards - *Supplier Finance Arrangements*

These amendments may result in additional disclosures in the case of applicable finance arrangements.

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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	Timing of revenue recognition
Grants, subsidies and contributions	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	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - 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	On entry to facility
Fees and charges - sale of stock	Youth Centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service
Fees and charges - property hire and entry	Use of halls and facilities	Single point in time	Payment in full in advance	Refund if event cancelled	On entry or at conclusion of hire

Consideration from contracts with customers is included in the transaction price.

Revenue Recognition

Revenue recognised during the year under each basis of recognition by nature of goods or services is provided in the table below:

For the year ended 30 June 2024

Nature	Contracts with customers	Capital grant / contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	6,539,478	0	6,539,478
Grants, subsidies and contributions	213,918	0	111,055	398,811	723,784
Fees and charges	973,408	0	374,753	43,158	1,391,319
Interest revenue	0	0	38,316	341,746	380,062
Other revenue	19,388	0	162,121	69,003	250,512
Capital grants, subsidies and contributions	0	1,429,885	0	0	1,429,885
Total	1,206,714	1,429,885	7,225,723	852,718	10,715,040

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant / contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	6,124,419	0	6,124,419
Grants, subsidies and contributions	49,236	0	106,671	817,410	973,317
Fees and charges	1,306,425	0	350,290	33,516	1,690,231
Interest revenue	0	0	17,930	158,374	176,304
Other revenue	33,215	0	105,763	146,325	285,303
Capital grants, subsidies and contributions	0	1,216,850	0	0	1,216,850
Total	1,388,876	1,216,850	6,705,073	1,155,625	10,466,424

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2024 Actual \$	2023 Actual \$
Interest revenue		
Interest on reserve account	65,602	34,466
Other interest revenue	314,460	141,838
	380,062	176,304

Fees and charges relating to rates receivable

Charges on instalment plan	5,590	4,920
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(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report	29,340	30,500
- Other services – grant acquittals	7,020	4,730
	36,360	35,230

Employee Costs

Employee benefit costs	2,651,648	2,612,217
Other employee costs	538,950	523,971
	3,190,598	3,136,188

Finance costs

Interest and financial charges paid/payable for financial liabilities not at fair value through profit or loss	53,182	66,165
	53,182	66,165

Other expenditure

Impairment losses on trade receivables		
Impairment losses on other receivables	(167)	803
Sundry expenses	20,322	24,442
	20,155	25,245

**SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

3. CASH AND CASH EQUIVALENTS

Note	2024	2023
	\$	\$
Cash at bank and on hand	8,398,140	8,009,668
Total cash and cash equivalents	8,398,140	8,009,668
Held as		
- Unrestricted cash and cash equivalents	2,351,917	2,882,169
- Restricted cash and cash equivalents	6,046,223	5,127,499
	8,398,140	8,009,668

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

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

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

4. OTHER FINANCIAL ASSETS

(a) Non-current assets

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss

Units in Local Government House Trust - opening balance
Movement attributable to fair value increment
Units in Local Government House Trust - closing balance

Note	2024	2023
	\$	\$
	41,585	40,745
	41,585	40,745
	40,745	38,902
	840	1,843
	41,585	40,745

Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

MATERIAL ACCOUNTING POLICIES

Other 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.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 22 (i)) due to the observable market rates).

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

Financial assets at fair value through profit or loss

The Shire has elected to classify the following financial assets at fair value through profit or loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has elected to recognise as fair value gains and losses through profit or loss.

**SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

5. TRADE AND OTHER RECEIVABLES

Note	2024	2023
	\$	\$
Current		
Rates and statutory receivables	294,746	300,227
Trade receivables	174,877	328,914
GST receivable	44,636	0
Receivables for employee related provisions	44,568	11,661
Allowance for credit losses of trade receivables	(4,706)	(4,873)
	554,121	635,929
Non-current		
Rates and statutory receivables	28,912	23,375
	28,912	23,375

Disclosure of opening and closing balances related to contracts with customers

Information about receivables from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

Note	30 June 2024 Actual	30 June 2023 Actual	1 July 2022 Actual
	\$	\$	\$
Trade and other receivables from contracts with customers	174,877	328,914	138,804
Allowance for credit losses of trade receivables	(4,706)	(4,873)	(4,070)
Total trade and other receivables from contracts with customers	170,171	324,041	134,734

MATERIAL ACCOUNTING POLICIES

Rates and statutory receivables

Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

Trade receivables

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations or for the construction of recognisable non financial assets as part of the ordinary course of business.

Other receivables

Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers and amounts received as grants for the construction of recognisable non financial assets.

Measurement

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other 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.

**SHIRE OF BODDINGTON
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2024**

6. OTHER ASSETS

	2024	2023
	\$	\$
Other assets - current		
Accrued income	41,018	7,883
	41,018	7,883

MATERIAL ACCOUNTING POLICIES
Other current assets
 Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

7. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

Movement in the balances of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Assets not subject to operating lease			Assets subject to operating lease			Total Property					Plant and equipment		Total property, plant and equipment
	Land	Buildings - non-specialised	Buildings - specialised	Land	Buildings - non-specialised	Buildings - specialised	Land	Buildings - non-specialised	Buildings - specialised	Work in progress	Total Property	Furniture and equipment	Plant and equipment	
		\$	\$		\$	\$		\$	\$	\$				
Balance at 1 July 2022	2,851,049	3,754,073	12,653,302	955,000	328,267	7,817,189	3,806,049	4,082,340	20,470,491	0	28,358,880	93,846	2,477,946	30,930,672
Additions	99,004	47,322	0	0	0	12,096	99,004	47,322	12,096	0	158,422	117,487	213,291	489,200
Disposals	0	0	0	0	0	0	0	0	0	0	0	0	(8,489)	(8,489)
Revaluation increments / (decrements) transferred to revaluation surplus	273,447	475,230	3,175,104	65,000	402,099	4,026,602	338,447	877,329	7,201,706	0	8,417,482	0	0	8,417,482
Depreciation	0	(72,517)	(590,968)	0	(20,366)	(448,858)	0	(92,883)	(1,039,826)	0	(1,132,709)	(18,673)	(299,487)	(1,450,869)
Transfers	0	(2,544,108)	2,544,108	0	0	0	0	(2,544,108)	2,544,108	0	0	1,754	(7,368)	(5,614)
Balance at 30 June 2023	3,223,500	1,660,000	17,781,546	1,020,000	710,000	11,407,029	4,243,500	2,370,000	29,188,575	0	35,802,075	194,414	2,375,893	38,372,382
Comprises:														
Gross balance amount at 30 June 2023	3,223,500	1,660,000	22,165,130	1,020,000	710,000	16,118,380	4,243,500	2,370,000	38,283,510	0	44,897,010	491,871	4,230,117	49,618,998
Accumulated depreciation at 30 June 2023	0	0	(4,383,584)	0	0	(4,711,351)	0	0	(9,094,935)	0	(9,094,935)	(297,457)	(1,854,224)	(11,246,616)
Balance at 30 June 2023	3,223,500	1,660,000	17,781,546	1,020,000	710,000	11,407,029	4,243,500	2,370,000	29,188,575	0	35,802,075	194,414	2,375,893	38,372,382
Additions	94,661	29,676	479,122	0	0	17,617	94,661	29,676	496,739	8,594	629,670	92,584	303,241	1,025,495
Disposals	0	0	0	0	0	0	0	0	0	0	0	0	(15,132)	(15,132)
Depreciation	0	(24,232)	(324,755)	0	(11,610)	(272,971)	0	(35,842)	(597,726)	0	(633,568)	(32,661)	(281,639)	(947,868)
Transfers	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance at 30 June 2024	3,318,161	1,665,444	17,935,913	1,020,000	698,390	11,151,675	4,338,161	2,363,834	29,087,588	8,594	35,798,177	254,337	2,382,363	38,434,877
Comprises:														
Gross balance amount at 30 June 2024	3,318,161	1,689,676	22,644,252	1,020,000	710,000	16,135,997	4,338,161	2,399,676	38,780,249	8,594	45,526,680	584,455	4,518,226	50,629,361
Accumulated depreciation at 30 June 2024	0	(24,232)	(4,708,339)	0	(11,610)	(4,984,322)	0	(35,842)	(9,692,661)	0	(9,728,503)	(330,118)	(2,135,863)	(12,194,484)
Balance at 30 June 2024	3,318,161	1,665,444	17,935,913	1,020,000	698,390	11,151,675	4,338,161	2,363,834	29,087,588	8,594	35,798,177	254,337	2,382,363	38,434,877

**SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Amount Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value - as determined at the last valuation date					
Land and buildings					
Land	Level 2	Market Approach	Independent registered valuers	June 2023	Recent observable market data for similar properties/income approach using discounted cash flow methodology
Buildings - non-specialised	Level 2	Market Approach	Independent registered valuers	June 2023	Recent observable market data for similar properties/income approach using discounted cash flow methodology
Buildings - specialised	Level 3	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuers	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs. The valuation techniques applied to property subject to lease was the same as that applied to property not subject to lease.



SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

8. INFRASTRUCTURE

(a) Movements in Balances

Movement in the balances of each class of infrastructure between the beginning and the end of the current financial year.

	Infrastructure -											Total
	roads	bridges & culverts	drainage	footpaths	other	work in progress	caravan park	foreshore	waste	parks & gardens	public facilities	Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	41,998,412	7,757,248	1,520,251	1,368,724	1,787,161	0	661,639	1,628,564	2,765,524	62,824	1,245,237	60,795,584
Additions	1,089,854	98,000	8,258	172,050	561,324	65,053	0	0	0	0	0	1,994,539
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	724,061	0	0	0	0	0	0	724,061
Depreciation	(714,199)	(148,266)	(56,189)	(43,631)	(294,004)	0	0	0	0	0	0	(1,256,289)
Transfers					6,369,402		(661,639)	(1,628,564)	(2,765,524)	(62,824)	(1,245,237)	5,614
Balance at 30 June 2023	42,374,067	7,706,982	1,472,320	1,497,143	9,147,944	65,053	0	0	0	0	0	62,263,509
Comprises:												
Gross balance at 30 June 2023	51,595,926	14,495,132	2,265,946	2,753,919	13,475,180	65,053	0	0	0	0	0	84,651,156
Accumulated depreciation at 30 June 2023	(9,221,859)	(6,788,150)	(793,626)	(1,256,776)	(4,327,236)	0	0	0	0	0	0	(22,387,647)
Balance at 30 June 2023	42,374,067	7,706,982	1,472,320	1,497,143	9,147,944	65,053	0	0	0	0	0	62,263,509
Additions	1,140,306	688,664	0	157,952	365,324	7,165	0	0	0	0	0	2,359,411
Depreciation	(749,014)	(149,287)	(56,302)	(48,326)	(532,653)	0	0	0	0	0	0	(1,535,582)
Transfers	0	0	0	0	40,053	(40,053)	0	0	0	0	0	0
Balance at 30 June 2024	42,765,359	8,246,359	1,416,018	1,606,769	9,020,668	32,165	0	0	0	0	0	63,087,338
Comprises:												
Gross balance at 30 June 2024	52,736,232	15,183,796	2,265,946	2,911,871	13,880,557	32,165	0	0	0	0	0	87,010,567
Accumulated depreciation at 30 June 2024	(9,970,873)	(6,937,437)	(849,928)	(1,305,102)	(4,859,889)	0	0	0	0	0	0	(23,923,229)
Balance at 30 June 2024	42,765,359	8,246,359	1,416,018	1,606,769	9,020,668	32,165	0	0	0	0	0	63,087,338



**SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

8. INFRASTRUCTURE (Continued)

(b) Carrying Amount Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value - as determined at the last valuation date					
Infrastructure - roads	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2022	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - bridges & culverts	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2022	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - drainage	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2022	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - footpaths	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2022	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - other	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs

**SHIRE OF BODDINGTON
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2024**

9. FIXED ASSETS

(a) Depreciation

Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Buildings	5 to 100 years
Furniture and equipment	1 to 12 years
Plant and equipment	1 to 15 years
Sealed roads and streets	
- formation	not depreciated
- pavement	75 years
seal	
- bituminous seals	10 to 30 years
- asphalt surfaces	10 to 30 years
Gravel roads	
- formation	not depreciated
- pavement	6 to 15 years
Footpaths - slab	30 years
Bridges and Culverts	60 to 100 years
Sewerage piping	75 years
Water supply piping and drainage systems	20 to 75 years
Other infrastructure	3 to 50 years

**SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

9. FIXED ASSETS (Continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition

An item of property, plant and equipment or infrastructure that qualifies for recognition as an asset is measured at its cost.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition.

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 *Local Government (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.

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the Shire's revaluation policy, are recognised at cost and disclosed as being at reportable value.

Measurement after recognition

Plant and equipment including furniture and equipment and right-of-use assets (other than vested improvements) are measured using the cost model as required under *Local Government (Financial Management) Regulation 17A(2)*. Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses being their reportable value.

Reportable Value

In accordance with *Local Government (Financial Management) Regulation 17A(2)*, the carrying amount of non-financial assets that are *land and buildings classified as property, plant and equipment*, investment properties, infrastructure or vested improvements that the local government controls.

Reportable value is for the purpose of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date minus (to the extent applicable) the accumulated depreciation and any accumulated impairment losses in respect of the non-financial asset subsequent to its last valuation date.

Revaluation

Land and buildings classified as property, plant and equipment, *infrastructure or vested improvements that the local government controls* and measured at reportable value, are only required to be revalued every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on land vested in the Shire.

Revaluation (continued)

Whilst the regulatory framework only requires a revaluation to occur every five years, it also provides for the Shire to revalue earlier if it chooses to do so.

For land, buildings and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity.

Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, 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.

Depreciation on revaluation

When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Impairment

In accordance with *Local Government (Financial Management) Regulations 17A(4C)*, the Shire is not required to comply with *AASB 136 Impairment of Assets* to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

In other circumstances where it has been assessed that one or more of these non-financial assets are impaired, the asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposal

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

**SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

10 LEASES

(a) Lessor - Property, Plant and Equipment Subject to Lease

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

Less than 1 year
1 to 2 years
2 to 3 years
3 to 4 years
4 to 5 years
> 5 years

	2024 Actual	2023 Actual
	\$	\$
	60,552	49,440
	53,605	20,365
	35,105	15,165
	8,300	15,165
	2,725	7,109
	33,655	25,674
	193,942	132,918
Amounts recognised in profit or loss for Property, Plant and Equipment Subject to Lease		
Rental income	245,980	215,113

Amounts recognised in profit or loss for Property, Plant and Equipment Subject to Lease

The Shire leases houses to staff, aged persons and for affordable living, with rentals payable fortnightly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to ownership of the assets. Staff housing is not considered investment property as these houses are leased to support the supply of services to the community. Similarly, aged and affordable housing is not classified investment property as the primary purpose is the provision of community housing.

In addition, the Shire leases a concrete plant, office space and facilities to community groups and medical services. These are not considered investments property as they are leased to support the provision of services to the community.

Lease payments for most contracts are based on market rents. Concessions on lease payments are determined by Council through the budget process. Although the Shire is exposed to changes in the residual value at the end of the current leases, the Shire group typically enters new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of properties.

MATERIAL ACCOUNTING POLICIES

The Shire as Lessor

Upon entering into each contract as a lessor, the Shire assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the Shire applies AASB 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

**SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

11. TRADE AND OTHER PAYABLES

Current

	2024	2023
	\$	\$
Sundry creditors	574,912	493,705
Prepaid rates	75,303	44,892
Accrued payroll liabilities	61,776	52,827
ATO liabilities	0	12,262
Bonds and deposits held	150,931	147,144
Accrued interest on loan borrowings	7,905	9,691
Unclaimed Funds	490	490
Road Safety Alliance	91,810	150,897
	963,127	911,908

MATERIAL ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are initially recognised at fair value when the Shire becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and any consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

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 usually 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 income for the prepaid rates that have not been refunded.

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

12. OTHER LIABILITIES

Current

Contract liabilities	33,500	0
Capital grant/contributions liabilities	3,440,779	3,086,114
Retirement village - lease loan	0	300,000
	<u>3,474,279</u>	<u>3,386,114</u>

Reconciliation of changes in contract liabilities

Opening balance	0	160,416
Additions	33,500	0
Revenue from contracts with customers included as a contract liability at the start of the period	0	(160,416)
	<u>33,500</u>	<u>0</u>

The Shire expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 12 months.

Reconciliation of changes in capital grant/contribution liabilities

Opening balance	3,086,114	2,415,414
Additions	1,166,511	765,641
Revenue from capital grant/contributions held as a liability at the start of the period	(811,846)	(94,941)
	<u>3,440,779</u>	<u>3,086,114</u>

Expected satisfaction of capital grant/contribution liabilities

Less than 1 year	3,440,779	3,086,114
	<u>3,440,779</u>	<u>3,086,114</u>

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or completion of construction or acquisition of the asset.

MATERIAL ACCOUNTING POLICIES

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.

Capital grant/contribution liabilities

Capital grant/contribution liabilities represent the Shire's obligations to construct recognisable non-financial assets to identified specifications to be controlled by the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as income when the obligations in the contract are satisfied.

Retirement village - lease loan

The Retirement village lease loan is a 45 year non-transferable lease for a residence at "Hotham Rise Lifestyle Village" located at Forrest Street, Boddington. After the lease is terminated and, a replacement resident settles the grant of a new lease, the Shire has agreed to repay the lessee the loan amount.

The tenant has given notice to terminate lease, as the Shire will not be continuing with the lease loan arrangement, repayment of the loan amount was settled during 2023/2024.

**SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

13. BORROWINGS

	Note	2024			2023		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		228,376	1,158,283	1,386,659	369,416	1,386,659	1,756,075
Total secured borrowings	25(a)	228,376	1,158,283	1,386,659	369,416	1,386,659	1,756,075

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 (see Note 22(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 25(a).

**SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2024	2023
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	126,013	134,861
Long service leave	106,039	68,379
	<u>232,052</u>	<u>203,240</u>
Total current employee related provisions	232,052	203,240
Non-current provisions		
Employee benefit provisions		
Long service leave	51,804	65,440
	<u>51,804</u>	<u>65,440</u>
Total non-current employee related provisions	51,804	65,440
Total employee related provisions	<u>283,856</u>	<u>268,680</u>

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

MATERIAL ACCOUNTING POLICIES

Employee benefits

The Shire's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

Short-term employee benefits

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

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

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 BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

15. REVALUATION SURPLUS

	2024 Opening Balance	2024 Closing Balance	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance
	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	2,499,207	2,499,207	2,160,759	338,448	2,499,207
Revaluation surplus - Buildings - non-specialised	8,708,117	8,708,117	6,782,899	1,925,218	8,708,117
Revaluation surplus - Buildings - specialised	6,495,372	6,495,372	341,556	6,153,816	6,495,372
Revaluation surplus - Plant and equipment	118,039	118,039	118,039	0	118,039
Revaluation surplus - Infrastructure - roads	34,557,745	34,557,745	34,557,745	0	34,557,745
Revaluation surplus - Infrastructure - bridges & culverts	7,798,848	7,798,848	7,798,848	0	7,798,848
Revaluation surplus - Infrastructure - drainage	912,062	912,062	912,062	0	912,062
Revaluation surplus - Infrastructure - footpaths	728,982	728,982	728,982	0	728,982
Revaluation surplus - Infrastructure - other	0	0	409,916	(409,916)	0
Revaluation surplus - Infrastructure - work in progress	0	0	1,658,763	(1,658,763)	0
Revaluation surplus - Infrastructure - caravan park	5,151,184	5,151,184	704,614	4,446,570	5,151,184
Revaluation surplus - Infrastructure - foreshore	0	0	261,249	(261,249)	0
Revaluation surplus - Infrastructure - waste	0	0	43,871	(43,871)	0
Revaluation surplus - Infrastructure - parks & gardens	0	0	1,348,710	(1,348,710)	0
	66,969,556	66,969,556	57,828,013	9,141,543	66,969,556

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

16. RESTRICTIONS OVER FINANCIAL ASSETS

	Note	2024 Actual \$	2023 Actual \$
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	6,046,223	5,127,499
		6,046,223	5,127,499
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	26	2,571,944	2,041,385
Contract liabilities	12	33,500	0
Capital grant liabilities	12	3,440,779	3,086,114
Total restricted financial assets		6,046,223	5,127,499
17. UNDRAWN BORROWING FACILITIES AND CREDIT STANDBY ARRANGEMENTS			
Bank overdraft limit		750,000	750,000
Bank overdraft at balance date		0	0
Credit card limit		50,000	50,000
Credit card balance at balance date		(6,769)	(1,979)
Total amount of credit unused		793,231	798,021
Loan facilities			
Loan facilities - current		228,376	369,416
Loan facilities - non-current		1,158,283	1,386,659
Total facilities in use at balance date		1,386,659	1,756,075
Unused loan facilities at balance date		NIL	NIL

**SHIRE OF BODDINGTON
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2024**

18. CONTINGENT LIABILITIES

In compliance with Contaminated Sites Act 2003 Section 11, the Shire has listed sites to be possible sources of contamination. Details of those sites are:

- Shire Refuse Site - Lot 71 Robins Rd, Boddington
- Shire Old Depot - 50 Johnstone Street, Boddington

A waste site management plan is currently in draft form for the Refuse Site located at Lot 71 Robins Rd, Boddington. The future use of the site post-closure is limited due to the proximity of mining operations as it is completely surrounded by bauxite excavation. The lifespan of the tip is estimated to be a approximately 50 more years. The Shire will continue to fill and revegetate the site each year, with funding allocated from the normal operating budget. There are no plans for full remediation, with the site to remain as parklands post-closure.

The Shires Old Depot located on 50 Johnstone Street, Boddington is registered with the Department of Water and Environmental Regulations as "possibly contaminated" and memorials have been applied to the title. The memorials prevent any further development of the land and there is no immediate requirement to investigate or remediate the site, unless the Shire wishes to develop it.

Until the Shire completes its investigation to determine the presence and scope of contamination, assess the risk, and agree with the Department of Water and Environmental Regulation on the need and criteria for remediation of a risk based approach, the Shire is unable to estimate the potential costs associated with remediation of these sites. This approach is consistent with the Department of Water and Environmental Regulation Guidelines.

19. CAPITAL COMMITMENTS

	2024	2023
	\$	\$
Contracted for:		
- capital expenditure projects	0	153,976
- plant & equipment purchases	40,555	27,270
	40,555	181,246
Payable:		
- not later than one year	40,555	181,246

The capital commitment for the current year represents a purchase of 2 x EV Charging Stations.

The prior year capital expenditure commitments represents purchase of transportable lunch room, water tanks, and installation of lighting for entry sign. The plant and equipment is the purchase of a pod for the Rangers vehicle.



SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

20. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Fees, expenses and allowances to be paid or reimbursed to elected council members.

Note	2024 Actual \$	2024 Budget \$	2023 Actual \$
President's annual allowance	9,372	9,372	8,925
President's meeting attendance fees	12,128	12,128	11,550
President's annual allowance for ICT expenses	568	568	541
President's travel and accommodation expenses	227	500	409
	22,295	22,568	21,425
Deputy President's annual allowance	2,343	2,343	2,231
Deputy President's meeting attendance fees	6,064	6,064	5,775
Deputy President's annual allowance for ICT expenses	568	568	541
Deputy President's travel and accommodation expenses	557	500	1,585
	9,532	9,475	10,132
All other council member's meeting attendance fees	21,224	30,320	28,875
All other council member's annual allowance for ICT expenses	1,988	2,840	2,705
All other council member's travel and accommodation expenses	1,711	2,500	1,754
	24,923	35,660	33,334
20(b)	56,750	67,703	64,891

(b) Key Management Personnel (KMP) Compensation

The total of compensation paid to KMP of the Shire during the year are as follows:

Short-term employee benefits	606,345	506,453
Post-employment benefits	79,998	68,791
Employee - other long-term benefits	58,219	49,245
Employee - termination benefits	5,501	3,615
Council member costs	20(a) 56,750	64,891
	806,813	692,995

Short-term employee benefits

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

Post-employment benefits

These amounts are the current-year's cost of the Shire's superannuation contributions made during the year.

Other long-term benefits

These amounts represent annual leave and long service leave entitlements accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

Council member costs

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

**SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

20. RELATED PARTY TRANSACTIONS

Transactions with related parties

Transactions between related parties and the Shire are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guarantees exist in relation to related parties at year end.

In addition to KMP compensation above the following transactions occurred with related parties:

	2024 Actual	2023 Actual
	\$	\$
Sale of goods and services	50,118	6,447
Purchase of goods and services	64,518	255,473
Short term employee benefits - other related parties	88,809	36,582
Payment of council member costs (Refer to Note 19(a))	56,750	64,891

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Shire, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 20(a) and 20(b).

ii. Other Related Parties

Sale of goods and services relate to rental payments for domestic tenancies.

A significant portion of the purchases for goods and services involves a contractor for electrical work, totaling \$58,112. The contractor is a closely related party to one of the council members.

Short-term employee benefits were provided to one staff member closely associated with the Executive Manager Corporate Services, as well as two staff members related to council members, all of whom are employed by the Shire under normal employment terms and conditions.

Outside of normal citizen type transactions with the Shire, there were no other related party transactions involving key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

iii. Entities subject to significant influence by the Shire

There were no such entities requiring disclosure during the current or previous year.

**SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

21. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There have been no significant events after the reporting period that are to be included in 2023/2024.

**SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

22. OTHER MATERIAL ACCOUNTING POLICIES

a) 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.

b) 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.

c) Rounding off figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

d) Comparative figures

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

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial report is presented.

e) Budget comparative figures

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

f) 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.

g) Fair value of assets and liabilities

Fair value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

h) Interest revenue

Interest revenue is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

i) Fair value hierarchy

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

j) Impairment of assets

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

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount except for non-financial assets that are:

- land and buildings classified as property, plant and equipment;
- infrastructure; or
- vested improvements that the local government controls, in circumstances where there has been an impairment indication of a general decrease in asset values.

These non-financial assets are assessed in accordance with the regulatory framework detailed in Note 9.

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

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

23. RATING INFORMATION

(a) General Rates

RATE TYPE		2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	2022/23	
Rate Description	Basis of valuation	Rate in \$	Number of Properties	Actual Rateable Value*	Actual Rate Revenue	Actual Interim Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Total Revenue	Actual Total Revenue
		\$		\$	\$	\$	\$	\$	\$	\$	\$
(i) General rates											
General	Gross rental valuation	0.116774	503	28,017,281	3,271,690	869	3,272,559	3,271,690	1,000	3,272,690	3,112,389
Rural	Unimproved valuation	0.005205	126	138,105,000	718,837	15,537	734,374	718,837	1,000	719,837	683,090
Mining	Unimproved valuation	0.031027	49	63,725,776	1,977,220	842	1,978,062	1,977,220	0	1,977,220	1,810,090
Commercial	Unimproved valuation	0.021617	2	1,252,000	27,064	0	27,064	27,064	0	27,064	25,763
Rural Residential	Unimproved valuation	0.009397	127	15,719,000	147,712	0	147,712	147,711	20,000	167,711	138,487
Total general rates			807	246,819,057	6,142,523	17,248	6,159,771	6,142,522	22,000	6,164,522	5,769,819
(ii) Minimum payment											
General	Gross rental valuation	945	129	269,111	121,905	316	122,221	121,905	0	121,905	118,800
Rural	Unimproved valuation	945	99	14,662,500	93,555	5,171	98,726	93,555	0	93,555	88,200
Mining	Unimproved valuation	945	42	198,009	39,690	0	39,690	39,690	0	39,690	37,800
Rural Residential	Unimproved valuation	945	126	10,767,500	119,070	0	119,070	119,070	0	119,070	109,800
Total minimum payments			396	25,897,120	374,220	5,487	379,707	374,220	0	374,220	354,600
Total general rates and minimum payments			1,203	272,716,177	6,516,743	22,735	6,539,478	6,516,742	22,000	6,538,742	6,124,419
Rate instalment interest							7,273			3,500	3,407
Rate overdue interest							31,043			15,300	14,804

The rate revenue was recognised from the rate record as soon as practicable after the Shire resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

*Rateable Value at time of raising of rate.

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

24. DETERMINATION OF SURPLUS OR DEFICIT

	2023/24 (30 June 2024 Carried Forward)	2023/24 Budget (30 June 2024 Carried Forward)	2022/23 (30 June 2023 Carried Forward)
Note	\$	\$	\$
(a) 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 <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	(31,103)	(65,582)	(26,028)
Less: Fair value adjustments to financial assets at fair value through profit or loss	(840)	0	(1,843)
Add: Loss on disposal of assets	6,417	0	0
Add: Depreciation	2,483,450	2,706,950	2,707,158
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	(5,537)		(10,529)
Employee benefit provisions	(13,636)		17,208
Retirement Village - Lease Loan	0		(300,000)
Non-cash amounts excluded from operating activities	2,438,751	2,641,368	2,385,966
(b) Surplus or deficit after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserve accounts	26 (2,571,944)	(2,450,365)	(2,041,385)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	13 228,376	380,208	369,416
Total adjustments to net current assets	(2,343,568)	(2,070,157)	(1,671,969)
Net current assets used in the Statement of Financial Activity			
Total current assets	8,993,279	5,682,094	8,653,480
Less: Total current liabilities	(4,897,834)	(3,611,937)	(4,870,678)
Less: Total adjustments to net current assets	(2,343,568)	(2,070,157)	(1,671,969)
Surplus or deficit after imposition of general rates	1,751,877	0	2,110,833

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

25. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual						Budget		
		Principal at	New Loans	Principal	Principal at 30	Principal	Principal at	Principal at 1	Principal	Principal at
		1 July 2022	During 2022-23	Repayments During 2022-23	June 2023	Repayments During 2023-24	30 June 2024	July 2023	Repayments During 2023-24	30 June 2024
		\$	\$	\$	\$	\$	\$	\$	\$	
Administration Centre		291,190	0	(142,705)	148,485	(148,485)	0	148,485	(148,485)	0
Childcare Centre		83,717	0	(18,989)	64,728	(20,228)	44,500	64,728	(20,228)	44,500
House - 3 Pecan Place		164,128	0	(16,256)	147,872	(17,322)	130,550	147,872	(17,321)	130,551
House - 34 Hill Street		166,448	0	(16,486)	149,962	(17,566)	132,396	149,962	(17,566)	132,396
Recreation Centre		594,869	0	(65,981)	528,888	(68,216)	460,672	528,888	(68,217)	460,671
Recreation Centre		812,234	0	(96,094)	716,140	(97,599)	618,541	716,140	(97,599)	618,541
Total Borrowings	13	2,112,586	0	(356,511)	1,756,075	(369,416)	1,386,659	1,756,075	(369,416)	1,386,659

Borrowing Finance Cost Payments

Purpose	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024	Actual for year ending 30 June 2023
					\$	\$	\$
Administration Centre	105	WATC*	4.01%	11/06/2024	(4,139)	(4,481)	(9,932)
Childcare Centre	100	WATC*	6.42%	2/03/2026	(3,405)	(3,836)	(4,671)
House - 3 Pecan Place	94	WATC*	6.45%	28/05/2030	(9,160)	(9,263)	(10,232)
House - 34 Hill Street	97	WATC*	6.45%	28/05/2030	(9,289)	(9,394)	(10,376)
Recreation Centre	106	WATC*	3.36%	13/03/2030	(16,517)	(17,202)	(18,775)
Recreation Centre	107	WATC*	1.56%	3/06/2030	(10,672)	(10,792)	(12,179)
Total Finance Cost Payments					(53,182)	(54,968)	(66,165)

* WA Treasury Corporation

**SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

26. RESERVE ACCOUNTS	2024	2024	2024	2024	2024	2024	2024	2024	2023	2023	2023	2023
	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance	Budget Opening Balance	Budget Transfer to	Budget Transfer (from)	Budget Closing Balance	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Plant reserve	276,078	61,079	0	337,157	276,078	61,043	(121,343)	215,778	221,394	54,684	0	276,078
(b) Building reserve	299,278	112,010	0	411,288	299,278	111,971	0	411,249	97,221	202,057	0	299,278
(c) Community facility fund reserve	81,509	13,270	0	94,779	81,509	13,260	0	94,769	40,649	40,860	0	81,509
(d) Refuse site reserve	80,345	53,225	0	133,570	80,345	53,214	0	133,559	39,509	40,836	0	80,345
(e) Aged housing reserve	212,850	33,541	0	246,391	212,850	33,514	0	246,364	267,197	45,653	(100,000)	212,850
(f) Swimming pool reserve	221,471	85,247	0	306,718	221,471	85,218	0	306,689	21,026	200,445	0	221,471
(g) River crossing reserve	88,701	3,180	(91,870)	11	88,701	3,548	(92,249)	0	47,692	41,009	0	88,701
(h) Prepaid conditional grants reserve	203,985	0	(203,985)	0	203,985	0	(203,985)	0	199,759	4,226	0	203,985
(i) Unspent conditional grants reserve	7,978	0	(7,978)	0	7,978	0	(7,978)	0	377,080	7,978	(377,080)	7,978
(j) Public open space reserve	318,132	262,766	0	580,898	318,132	262,725	0	580,857	267,473	50,659	0	318,132
(k) Town Weir reserve	251,058	210,074	0	461,132	251,058	210,042	0	461,100	50,000	201,058	0	251,058
	2,041,385	834,392	(303,833)	2,571,944	2,041,385	834,536	(425,555)	2,450,365	1,629,000	889,465	(477,080)	2,041,385

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

In accordance with council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Restricted by council	
(a) Plant reserve	to fund the purchase of new or second hand plant and equipment
(b) Building reserve	to fund the requirements for maintenance, renewal, upgrade or new buildings and associated facilities
(c) Community facility fund reserve	to fund the Shire's co-contribution towards projects received under the Community Facilities Fund
(d) Refuse site reserve	to fund the establishment and operation of the refuse disposal facilities
(e) Aged housing reserve	to fund future aged housing developments
(f) Swimming pool reserve	to fund the maintenance and upgrade requirements of the swimming pool
(g) River crossing reserve	to fund the upgrading and refurbishment of river crossings
(h) Prepaid conditional grants reserve	to provide a mechanism for identifying prepaid grants where the expenditure will be incurred in the next financial year
(i) Unspent conditional grants reserve	to provide a mechanism for identifying conditional unspent grants where the expenditure will be undertaken in future years be it operating or capital in nature
(j) Public open space reserve	to fund the upgrade and rationalisation of Public Open Space and parklands within the Shire
(k) Town Weir reserve	to fund renewal, replacement, upgrade and maintenance expenses related to the town weir



Auditor General

INDEPENDENT AUDITOR'S REPORT

2024

Shire of Boddington

To the Council of the Shire of Boddington

Opinion

I have audited the financial report of the Shire of Boddington (Shire) which comprises:

- the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of financial activity for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial report:

- is based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2024 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2024, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer (CEO) of the Shire is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Shire's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality management relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Boddington for the year ended 30 June 2024 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.

Grant Robinson
Assistant Auditor General
Delegate of the Auditor General for Western Australia
Perth, Western Australia
6 December 2024

ATTACHMENT

SHIRE OF BODDINGTON

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Two former employees included as authorised signatories on the bank confirmation	No		✓		

Key to ratings

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

Significant - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However even if the issue is not likely to impact the audit opinion, it should be addressed promptly.

Moderate - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.

Minor - Those findings that are not of primary concern but still warrant action being taken.

SHIRE OF BODDINGTON**PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2024****FINDINGS IDENTIFIED DURING THE FINAL AUDIT****1. Two former employees included as authorised signatories on bank confirmation****Finding**

Two former employees were listed on the bank confirmation at 30 June 2024 as bank signatories.

No payments approved by an unauthorised signatory were identified during our testing.

Rating: Moderate

Implication

Risk of unauthorised access to the bank account and unauthorised transactions occurring.

Recommendation

We recommend the bank be contacted to update the list of signatories to ensure signatories are current, and reflect authorities approved by the delegated authority list.

Management comment

Upon becoming aware of the above finding during final audit, the Shire immediately contacted the bank to investigate why a former employee remained on the list, despite the Shire receiving confirmation at the time that the employee had been removed. The bank has apologised for the oversight and have confirmed that the employee was removed in October 2022. The Shire is currently awaiting confirmation from the bank regarding the status of the second employee.

It is important to note that neither of these employees had access to Online Banking, as the Shire had removed their access when their employment ended. Unfortunately, the removal of signatories depends on the bank to complete the process, and this step was not completed as expected.

Responsible person: Executive Manager Corporate Services

Completion date: 31 December 2024

6. **CLOSURE OF MEETING**