



SPECIAL COUNCIL MEETING

30TH SEPTEMBER 2020

ATTACHMENT

8.1.1A; 8.1.2A; 8.1.3A; 8.1.4A

STATUTORY BUDGET DOCUMENT 2020-21

SHIRE OF BODDINGTON

BUDGET

FOR THE YEAR ENDED 30 JUNE 2021

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

A vibrant and connected community providing employment and lifestyle opportunities and a beautiful natural environment, surprisingly close to the coast and city.

SHIRE OF BODDINGTON
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	4,769,615	4,543,706	4,580,000
Operating grants, subsidies and contributions	9(a)	410,750	689,722	550,704
Fees and charges	8	1,106,573	1,121,076	1,274,020
Interest earnings	11(a)	42,500	98,173	132,779
Other revenue	11(b)	47,155	143,357	56,478
		6,376,593	6,596,034	6,593,981
Expenses				
Employee costs		(2,893,730)	(2,583,240)	(2,746,307)
Materials and contracts		(1,911,354)	(1,928,846)	(1,793,894)
Utility charges		(312,930)	(378,422)	(339,677)
Depreciation on non-current assets	5	(2,393,945)	(2,009,014)	(2,087,079)
Interest expenses	11(d)	(92,845)	(89,852)	(89,044)
Insurance expenses		(234,543)	(223,594)	(247,880)
Other expenditure		(135,017)	(132,199)	(145,995)
		(7,974,364)	(7,345,167)	(7,449,876)
Subtotal		(1,597,771)	(749,133)	(855,895)
Non-operating grants, subsidies and contributions				
Non-operating grants, subsidies and contributions	9(b)	1,305,799	683,682	1,862,779
Profit on asset disposals	4(b)	0	56,732	0
Loss on asset disposals	4(b)	0	(7,692)	(16,800)
		1,305,799	732,722	1,845,979
Net result		(291,972)	(16,411)	990,084
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		(291,972)	(16,411)	990,084

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

SHIRE OF BODDINGTON FOR THE YEAR ENDED 30 JUNE 2021

BASIS OF PREPARATION

The budget has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations. The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this budget. This is not in accordance with the requirements of *AASB 1051 Land Under Roads* paragraph 15 and *AASB 116 Property, Plant and Equipment* paragraph 7.

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 12 to the budget.

2019/20 ACTUAL BALANCES

Balances shown in this budget as 2019/20 Actual are estimates as forecast at the time of budget preparation and are subject to final adjustments.

CHANGE IN ACCOUNTING POLICIES

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

AASB 1059 Service Concession Arrangements: Grantors

AASB 2018-7 Amendments to Australian Accounting Standards - Materiality

AASB 1059 is not expected to impact the annual budget. Specific impacts of AASB 2018-7 have not been identified.

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES RATES

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

SERVICE CHARGES

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

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

PROFIT ON ASSET DISPOSAL

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

REVENUES (CONTINUED)

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

FEES AND CHARGES

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

INTEREST EARNINGS

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

OTHER REVENUE / INCOME

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

EXPENSES

EMPLOYEE COSTS

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

MATERIALS AND CONTRACTS

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

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

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

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

INTEREST EXPENSES

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

OTHER EXPENDITURE

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

SHIRE OF BODDINGTON
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
Revenue	1,8,9(a),11(a),11(b)	\$	\$	\$
Governance		43,000	82,466	79,287
General purpose funding		4,931,771	4,966,888	4,931,865
Law, order, public safety		154,264	220,054	94,777
Health		20,265	20,212	29,537
Education and welfare		449,580	453,783	612,089
Housing		20,100	20,613	6,812
Community amenities		289,310	290,300	315,446
Recreation and culture		67,918	37,324	69,928
Transport		128,210	147,167	122,247
Economic services		241,170	249,797	299,293
Other property and services		31,005	107,430	32,700
		6,376,593	6,596,034	6,593,981
Expenses excluding finance costs	4(a),5,11(c),(e)			
Governance		(87,241)	(377,939)	74,542
General purpose funding		(24,080)	(21,583)	(34,368)
Law, order, public safety		(490,460)	(553,217)	(474,054)
Health		(232,570)	(227,174)	(207,914)
Education and welfare		(672,863)	(689,444)	(806,822)
Housing		312	(4,418)	49,785
Community amenities		(977,558)	(665,830)	(738,902)
Recreation and culture		(1,852,819)	(1,718,127)	(1,714,615)
Transport		(2,866,826)	(2,514,221)	(2,703,519)
Economic services		(653,317)	(612,526)	(741,507)
Other property and services		(24,097)	129,164	(63,458)
		(7,881,519)	(7,255,315)	(7,360,832)
Finance costs	6(a),11(d)			
Governance		(21,154)	(26,231)	(26,285)
Health		0	0	(2,211)
Education and welfare		(7,329)	(8,234)	(8,354)
Housing		(26,158)	(30,002)	(26,480)
Recreation and culture		(38,204)	(25,385)	(25,714)
		(92,845)	(89,852)	(89,044)
Subtotal		(1,597,771)	(749,133)	(855,895)
Non-operating grants, subsidies and contributions	9(b)	1,305,799	683,682	1,862,779
Profit on disposal of assets	4(b)	0	56,732	0
Loss) on disposal of assets	4(b)	0	(7,692)	(16,800)
		1,305,799	732,722	1,845,979
Net result		(291,972)	(16,411)	990,084
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		(291,972)	(16,411)	990,084

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

SHIRE OF BODDINGTON
FOR THE YEAR ENDED 30 JUNE 2021

KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

GOVERNANCE

GOVERNANCE

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

ACTIVITIES

Administration and operation of facilities and services to members of Council. Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services.

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services

To collect revenue in the form of rates, interest and general purpose government grants to allow for the provision of services.

LAW, ORDER, PUBLIC SAFETY

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

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

HEALTH

To provide an operational framework for environmental and community health

Inspection of food outlets and their control, immunisation services, operation of health centre, noise control and general public health administration

EDUCATION AND WELFARE

To provide services to the elderly, children and youth

Operation of senior citizens centre and independent care units. Assistance to playgroups and other voluntary services.

HOUSING

To provide and maintain staff and other housing

Provision and maintenance of staff and other housing

COMMUNITY AMENITIES

To provide services required by the community

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

RECREATION AND CULTURE

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

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

TRANSPORT

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

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

ECONOMIC SERVICES

To help promote the shire and its economic wellbeing

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

OTHER PROPERTY AND SERVICES

To monitor and control Shire's overheads operating accounts

Private works operation, plant repair and operation costs and engineering operation costs, and other unclassified works and services.

SHIRE OF BODDINGTON
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		4,769,615	4,535,645	4,580,000
Operating grants, subsidies and contributions		389,309	836,792	550,704
Fees and charges		1,106,573	1,121,076	1,511,385
Interest earnings		42,500	98,173	132,779
Goods and services tax		0	(144,367)	0
Other revenue		47,155	143,357	56,478
		6,355,152	6,590,676	6,831,346
Payments				
Employee costs		(2,858,940)	(2,594,684)	(2,746,307)
Materials and contracts		(1,911,354)	(1,220,569)	(2,031,258)
Utility charges		(312,930)	(378,422)	(339,677)
Interest expenses		(92,845)	(90,505)	(89,044)
Insurance expenses		(234,543)	(223,594)	(247,880)
Other expenditure		(135,017)	(132,202)	(162,795)
		(5,545,629)	(4,639,976)	(5,616,961)
Net cash provided by (used in) operating activities	3	809,523	1,950,700	1,214,385
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	4(a)	(968,382)	(723,530)	(893,185)
Payments for construction of infrastructure	4(a)	(3,033,745)	(2,784,663)	(6,052,851)
Non-operating grants, subsidies and contributions		1,305,799	683,682	1,862,779
Proceeds from sale of plant and equipment	4(b)	113,818	185,630	184,500
Net cash provided by (used in) investing activities		(2,582,510)	(2,638,881)	(4,898,757)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(345,124)	(239,036)	(240,532)
Proceeds from new borrowings	6(b)	0	1,000,000	1,000,000
Net cash provided by (used in) financing activities		(345,124)	760,964	759,468
Net increase (decrease) in cash held		(2,118,111)	72,783	(2,924,904)
Cash at beginning of year		5,125,713	5,052,930	4,560,614
Cash and cash equivalents at the end of the year	3	3,007,602	5,125,713	1,635,710

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

SHIRE OF BODDINGTON
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
OPERATING ACTIVITIES			
Net current assets at start of financial year - surplus/(deficit)	1,023,331	308,681	279,975
	1,023,331	308,681	279,975
Revenue from operating activities (excluding rates)			
Governance	43,000	82,466	79,287
General purpose funding	162,156	423,182	351,865
Law, order, public safety	154,264	220,054	94,777
Health	20,265	20,212	29,537
Education and welfare	449,580	453,783	612,089
Housing	20,100	20,613	6,812
Community amenities	289,310	290,300	315,446
Recreation and culture	67,918	37,324	69,928
Transport	128,210	203,899	122,247
Economic services	241,170	249,797	299,293
Other property and services	31,005	107,430	32,700
	1,606,978	2,109,060	2,013,981
Expenditure from operating activities			
Governance	(108,395)	(404,170)	48,257
General purpose funding	(24,080)	(21,583)	(34,368)
Law, order, public safety	(490,460)	(553,217)	(474,054)
Health	(232,570)	(227,174)	(210,125)
Education and welfare	(680,192)	(697,678)	(815,176)
Housing	(25,846)	(34,420)	23,305
Community amenities	(977,558)	(665,830)	(738,902)
Recreation and culture	(1,891,023)	(1,743,512)	(1,740,329)
Transport	(2,866,826)	(2,521,913)	(2,720,319)
Economic services	(653,317)	(612,526)	(741,507)
Other property and services	(24,097)	129,164	(63,458)
	(7,974,364)	(7,352,859)	(7,466,676)
Non-cash amounts excluded from operating activities	2 (a)(i) 2,428,735	1,955,911	2,087,079
Amount attributable to operating activities	(2,915,320)	(2,979,207)	(3,085,641)
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions	9(b) 1,305,799	683,682	1,862,779
Purchase property, plant and equipment	4(a) (968,382)	(723,530)	(893,185)
Purchase and construction of infrastructure	4(a) (3,033,745)	(2,784,663)	(6,052,851)
Proceeds from disposal of assets	4(b) 113,818	185,630	184,500
Amount attributable to investing activities	(2,582,510)	(2,638,881)	(4,898,757)
FINANCING ACTIVITIES			
Repayment of borrowings	6(a) (345,124)	(239,036)	(240,532)
Proceeds from new borrowings	6(b) 0	1,000,000	1,000,000
Transfers to cash backed reserves (restricted assets)	7(a) (20,000)	(59,689)	(17,517)
Transfers from cash backed reserves (restricted assets)	7(a) 1,093,339	1,396,438	2,953,482
Amount attributable to financing activities	728,215	2,097,713	3,695,433
Budgeted deficiency before general rates	(4,769,615)	(3,520,375)	(4,288,965)
Estimated amount to be raised from general rates	1 4,769,615	4,543,706	4,580,000
Net current assets at end of financial year - surplus/(deficit)	2 (a)(iii) 0	1,023,331	291,035

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

SHIRE OF BODDINGTON
INDEX OF NOTES TO THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

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SHIRE OF BODDINGTON
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2021

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in \$	Number of properties	Rateable value \$	2020/21 Budgeted rate revenue \$	2020/21 Budgeted interim rates \$	2020/21 Budgeted back rates \$	2020/21 Budgeted total revenue \$	2019/20 Actual total revenue \$	2019/20 Budget total revenue \$
Differential general rate									
Gross rental valuations									
GRV - General	0.108500	475	7,112,505	771,706	0	0	771,706	775,170	775,170
GRV - Mining	0.081116	2	20,635,000	1,673,828	0	0	1,673,828	1,532,561	1,532,561
Unimproved valuations									
UV - Rural	0.006716	244	100,330,001	673,816	0	0	673,816	635,259	671,553
UV - Mining	0.031850	46	39,696,251	1,264,325	0	0	1,264,325	1,200,968	1,200,968
UV - Non Rural	0.024812	1	737,000	18,286	0	0	18,286	17,443	17,443
Sub-Totals		768	168,510,757	4,401,961	0	0	4,401,961	4,161,401	4,197,695
Minimum									
Minimum payment									
Gross rental valuations									
GRV - General	960	156	420,709	149,760	0	0	149,760	148,800	148,800
GRV - Mining	960	1	20	960	0	0	960	960	960
Unimproved valuations									
UV - Rural	758	233	21,302,499	176,614	0	0	176,614	192,225	192,225
UV - Mining	960	42	186,628	40,320	0	0	40,320	40,320	40,320
UV - Non Rural	960	0	0	0	0	0	0	0	0
Sub-Totals		432	21,909,856	367,654	0	0	367,654	382,305	382,305
Total amount raised from general rates		1,200	190,420,613	4,769,615	0	0	4,769,615	4,543,706	4,580,000
							4,769,615	4,543,706	4,580,000

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

The general rates detailed for the 2020/21 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

SHIRE OF BODDINGTON
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2021

1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge \$	Instalment plan interest rate %	Unpaid rates interest rates %															
Option one																			
Single payment		0	0.0%	8.0%															
Option two																			
Payment 1		0	0.0%	8.0%															
Payment 2		0	3.0%	8.0%															
Option three																			
Payment 1		0	0.0%	8.0%															
Payment 2		0	3.0%	8.0%															
Payment 3		0	3.0%	8.0%															
Payment 4		0	3.0%	8.0%															
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">2020/21 Budget revenue</th> <th style="text-align: left;">2019/20 Actual revenue</th> <th style="text-align: left;">2019/20 Budget revenue</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">\$ 0</td> <td style="text-align: right;">\$ 1,153</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td style="text-align: right;">2,500</td> <td style="text-align: right;">5,987</td> <td style="text-align: right;">0</td> </tr> <tr> <td style="text-align: right;">19,000</td> <td style="text-align: right;">29,377</td> <td style="text-align: right;">27,714</td> </tr> <tr> <td style="text-align: right;">21,500</td> <td style="text-align: right;">36,517</td> <td style="text-align: right;">27,714</td> </tr> </tbody> </table>					2020/21 Budget revenue	2019/20 Actual revenue	2019/20 Budget revenue	\$ 0	\$ 1,153	\$ 0	2,500	5,987	0	19,000	29,377	27,714	21,500	36,517	27,714
2020/21 Budget revenue	2019/20 Actual revenue	2019/20 Budget revenue																	
\$ 0	\$ 1,153	\$ 0																	
2,500	5,987	0																	
19,000	29,377	27,714																	
21,500	36,517	27,714																	
Instalment plan admin charge revenue																			
Instalment plan interest earned																			
Unpaid rates and service charge interest earned																			

SHIRE OF BODDINGTON
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2021

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Objectives and Reasons for Differential Rating

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

Differential general rate and minimum payment

Description	Characteristics	Objects	Reasons
GRV Mining	This rating category covers all Mining Leases, Exploration Licenses, Prospecting Licences, Retention Licenses, General Purpose Leases, Special Prospecting Licences for Gold and Miscellaneous Licenses as defined under the Mining Act with a GRV valuation. It also includes properties with a GRV valuation that are held by or leased by a company whose primary activities involve mining. It does not include properties with a GRV valuation that comprise a single dwelling in the township of Boddington.	This sector comprises mining properties subjected to GRV Rating and Council considers that the sector has been contributing to the services and infrastructure of the shire in a fair manner.	The imposition of GRV General rate to these properties in addition to the rates the sector pays from UV Mining rated properties which it holds would cause the sector to contribute at a level which would not be fair. For this reason, the GRV Mining rate is lower than the GRV General rate.

GRV General

This rating category covers all properties with a GRV valuation not categorised as GRV Mining. This sector comprises the residential and commercial properties in the town area. Council considers that this sector has been contributing to the services and infrastructure of the Shire in a fair manner.

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Objectives and Reasons for Differential Rating

Differential general rate and minimum payment

Description	Characteristics	Objects	Reasons
UV Mining	<p>This rating category covers all Mining Leases, Exploration Licences, Prospecting Licences, Retention Licences, General Purpose Leases, Special Prospecting Licences for Gold and Miscellaneous Licences as defined under the Mining Act with a UV valuation. It also includes properties with a UV valuation that are, held by or leased by a company whose primary activities involve mining.</p>	<p>The object of the rate for this category is to rate properties at a higher than the UV General differential rate to improve fairness and equity outcomes by:</p> <ul style="list-style-type: none"> · Applying a premium to compensate for the different valuation method and comparatively lower valuation level compared to equivalent properties in built-up areas. · Applying a premium to reflect the following key points: <ol style="list-style-type: none"> 1. Mining areas and known mineral resources cover a considerable portion of the district with the most extensive resource being bauxite. 2. Other than the Shire of Collie, the Shire of Boddington is the local government that is most impacted by mining operations in the South-West Land Division (generally the area from Geraldton to Esperance). 3. The Shire receives a number of enquiries from landowners and other stakeholders regarding the planning implications of living and investing in the vicinity of bauxite mining operations. 4. A mining buffer was originally identified in 2007 to assist in accommodating bauxite and gold mining and to reduce land use conflict. The mining buffer protects mining operations from sensitive land uses and development, which could prejudice the extraction (now and in the future) of mineral and basic raw material resources. 	<p>This sector comprises properties outside the town area, which are not used for rural purposes. Council considers that this sector has not been contributing to the services and infrastructure of the Shire in a fair manner.</p>

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Objectives and Reasons for Differential Rating (continued)

Differential general rate and minimum payment

Description	Characteristics	Objects	Reasons
UV Mining	<p>This rating category covers all Mining Leases, Exploration Licenses, Prospecting Licences, Retention Licenses, General Purpose Leases, Special Prospecting Licences for Gold and Miscellaneous Licenses as defined under the Mining Act with a UV valuation. It also includes properties with a UV valuation that are, held by or leased by a company whose primary activities involve mining.</p>	<p>5. The mining buffer covers a significant portion of the district including parts of the Boddington townsite, various rural residential and rural smallholding estates and many freehold rural properties. There is a mining buffer of 1200 metres for bauxite mining surrounding known bauxite resources.</p> <p>6. The mining buffer has been proposed to be considerably expanded in recent years based on advice from South32 and State Government agencies including the Department of Mines and Petroleum.</p> <p>7. The Shire has spent considerable time and funds to review the Shire of Boddington Local Planning Strategy, which was endorsed by the Western Australian Planning Commission (WAPC) in 2018. A key driver of this review was the modified mining buffer. The Shire's efforts have included raising awareness and liaising with landowners, the community and stakeholders.</p> <p>8. The Shire will spend an increasing amount of time and funds to assist in protecting and accommodating bauxite mining through the Shire of Boddington Local Planning Scheme No. 3 (LPS3). This included the WAPC requirement to give statutory weight to the mining buffer through a Mining Buffer Special Control Area to be, introduced into LPS3. LPS3 also includes provisions to control development within the Mining Buffer Special Control Area.</p>	<p>This sector comprises properties outside the town area, which are not used for rural purposes. Council considers that this sector has not been contributing to the services and infrastructure of the Shire in a fair manner.</p>

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Objectives and Reasons for Differential Rating (continued)

Differential general rate and minimum payment

Description	Characteristics	Objects	Reasons
UV Mining	<p>This rating category covers all Mining Leases, Exploration Licences, Prospecting Licences, Retention Licences, General Purpose Leases, Special Prospecting Licences for Gold and Miscellaneous Licences as defined under the Mining Act with a UV valuation. It also includes properties with a UV valuation that are, held by or leased by a company whose primary activities involve mining.</p>	<p>9. South32 operations have resource implications on other Shire services and assets including environmental health, emergency management, administration and roads. Examples of this include the haul road crossing on Morts Road, the proposed haul road crossing on Lower Hotham Road and the significant restoration works on Lower Hotham Road on three recent occasions when a dam burst on South32 property.</p>	<p>This sector comprises properties outside the town area, which are not used for rural purposes. Council considers that this sector has not been contributing to the services and infrastructure of the Shire in a fair manner.</p>
UV Rural	<p>This rating category covers all properties with a UV valuation and predominant usage that involves agricultural production or horticultural production activities and lifestyle properties.</p>	<p>This sector comprises the rural properties outside the town area</p>	<p>The Council considers that this sector has been contributing to the services and infrastructure of the shire in a fair manner.</p>
UV - Non Rural	<p>This rating category covers all properties with a UV valuation with any intensive usage, which is significantly different from agricultural or horticultural production.</p>	<p>The object of the rate for this category is to rate properties at a higher than the UV Rural differential rate to improve fairness and equity outcomes by:</p> <ul style="list-style-type: none"> · Applying a premium to compensate for the different valuation method and comparably lower valuation level to equivalent properties held for intensive usage in built-up areas. 	<p>This sector comprises the rural properties outside the town area and Council considers that this sector has not been contributing to the services and infrastructure of the shire in a fair manner.</p>

SHIRE OF BODDINGTON
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2021

1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Differential general rate	Proposed Rate in \$	Adopted Rate in \$	Reasons for the difference
GRV Mining	0.10850	0.081116	The Shire resolved to keep a lower differential general rate for GRV mining properties, rather than fully removing the differential rate category, and take the opportunity to develop a more cooperative working relationship with the mining company.

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

1. RATES AND SERVICE CHARGES (CONTINUED)

(e) Specified Area Rate

The Shire did not raise specified area rates for the year ended 30 June 2021.

(f) Service Charges

The Shire did not raise service charges for the year ended 30 June 2021.

1. RATES AND SERVICE CHARGES (CONTINUED)

(g) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30 June 2021.

SHIRE OF BODDINGTON
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2021

2 (a). NET CURRENT ASSETS

Items excluded from calculation of budgeted deficiency

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

(i) Operating activities excluded from budgeted deficiency

The following non-cash revenue or expenditure has been excluded from operating activities within the Rate Setting Statement.

Adjustments to operating activities

	Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
		\$	\$	\$
Less: Profit on asset disposals	4(b)	0	(56,732)	0
Less: Movement in non-current employee liabilities		34,790	53,833	0
Less: Movement for bonds and deposits			(88,830)	0
Less: Movement in non-current asset LG House Unit Trust			30,934	0
Add: Loss on disposal of assets	4(b)	0	7,692	0
Add: Depreciation on assets	5	2,393,945	2,009,014	2,087,079
Non cash amounts excluded from operating activities		2,428,735	1,955,911	2,087,079

(ii) Current assets and liabilities excluded from budgeted deficiency

The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement.

Adjustments to net current assets

Less: Cash - restricted reserves	3	(1,955,714)	(3,029,053)	(1,344,675)
Add: Current liabilities not expected to be cleared at end of year - Current portion of borrowings		0	345,124	0
Total adjustments to net current assets		(1,955,714)	(2,683,929)	(1,344,675)

SHIRE OF BODDINGTON
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2021

2 (a). NET CURRENT ASSETS (CONTINUED)

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

	Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
		\$	\$	\$
(iii) Composition of estimated net current assets				
Current assets				
Cash and cash equivalents- unrestricted	3	1,051,888	2,075,219	291,035
Cash and cash equivalents - restricted				
Cash backed reserves	3	1,955,714	3,029,053	1,344,675
Unspent grants, subsidies and contributions	9	0	21,441	0
Receivables		585,934	585,934	0
		3,593,536	5,711,647	1,635,710
Less: current liabilities				
Trade and other payables		(1,392,277)	(1,392,277)	0
Contract liabilities		0	(21,441)	0
Long term borrowings		0	(345,124)	0
Provisions		(245,545)	(245,545)	0
		(1,637,822)	(2,004,387)	0
Net current assets		1,955,714	3,707,260	1,635,710
Less: Total adjustments to net current assets	2 (a)(ii)	(1,955,714)	(2,683,929)	(1,344,675)
Closing funding surplus / (deficit)		0	1,023,331	291,035

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

! (b). NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

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

TRADE AND OTHER PAYABLES

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

CONTRACT ASSETS

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

PROVISIONS

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

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

INVENTORIES

General

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

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

Superannuation

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

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

LEASE LIABILITIES

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

TRADE AND OTHER RECEIVABLES

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

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

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

EMPLOYEE BENEFITS

Short-term employee benefits

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

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

LAND HELD FOR RESALE

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

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

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

CONTRACT LIABILITIES

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

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

3. RECONCILIATION OF CASH

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

Note	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Cash at bank and on hand	3,007,602	5,125,713	291,035
Term deposits	0	0	1,344,675
	3,007,602	5,125,713	1,635,710
- Unrestricted cash and cash equivalents	1,051,888	2,075,219	291,035
- Restricted cash and cash equivalents	1,955,714	3,050,494	1,344,675
	3,007,602	5,125,713	1,635,710

The following restrictions have been imposed by regulation or other externally imposed requirements on cash and cash equivalents:

Reserves cash backed - Plant	224,560	574,466	223,758
Reserves cash backed - Building	97,586	96,946	0
Reserves cash backed - Local Organisation Assistance Fund	31,767	31,559	31,712
Reserves cash backed - Refuse	39,657	39,397	39,638
Reserves cash backed - Aged Housing	640,808	636,605	634,035
Reserves cash backed - Swimming pool	21,105	20,967	30,834
Reserves cash backed - River Crossing	47,870	47,556	46,915
Reserves cash backed - Prepaid Conditional Grants	200,508	199,193	14,267
Reserves cash backed - Unspent Conditional Grants	378,494	376,011	236,075
Reserves cash backed - Public open space	273,359	1,006,353	87,441
Unspent grants, subsidies and contributions	9 0	21,441	0
	1,955,714	3,050,494	1,344,675

Reconciliation of net cash provided by operating activities to net result

Net result		(291,972)	(16,411)	990,084
Depreciation	5	2,393,945	2,009,014	2,087,079
(Profit)/loss on sale of asset	4(b)	0	(49,040)	0
(Increase)/decrease in receivables		0	(26,799)	0
Increase/(decrease) in payables		0	730,060	1
Increase/(decrease) in contract liabilities		(21,441)	21,441	0
Increase/(decrease) in employee provisions		34,790	(33,883)	0
Non-operating grants, subsidies and contributions		(1,305,799)	(683,682)	(1,862,779)
Net cash from operating activities		809,523	1,950,700	1,214,385

SIGNIFICANT ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

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

Bank overdrafts are shown as short term borrowings in current liabilities in Note 2 - Net Current Assets.

FINANCIAL ASSETS AT AMORTISED COST

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

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

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

4. FIXED ASSETS

(a) Acquisition of Assets

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

Reporting program

Asset class	Reporting program										2020/21 Budget total	2019/20 Actual total	2019/20 Budget total	
	General purpose funding	Governance	Law, order, public safety	Health	Education and welfare	Housing	Community amenities	Recreation and culture	Transport	Economic services				Other property and services
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Property, Plant and Equipment														
Buildings - non-specialised	0	0	0	0	0	8,500	0	0	0	0	0	8,500	2,640	0
Buildings - specialised	0	0	0	0	20,000	0	0	202,000	0	0	0	222,000	226,062	180,000
Furniture and equipment	50,000	0	0	0	0	0	0	8,000	0	0	0	58,000	9,770	50,000
Plant and equipment	0	0	0	0	0	0	0	0	679,882	0	0	679,882	485,058	663,185
	50,000	0	0	0	20,000	8,500	0	210,000	679,882	0	0	968,382	723,530	893,185
Infrastructure														
Infrastructure - roads	0	0	0	0	0	0	0	0	1,453,279	0	0	1,453,279	711,189	560,000
Infrastructure - footpaths	0	0	0	0	0	0	0	0	50,000	0	0	50,000	28,832	71,970
Infrastructure - Culverts/Bridges	0	0	0	0	0	0	0	0	0	0	0	0	52,521	1,329,000
Infrastructure - Drainage	0	0	0	0	50,000	0	0	0	0	0	0	150,000	39,774	100,000
Infrastructure - Parks & ovals	0	0	0	0	0	0	0	51,135	0	0	0	51,135	0	25,000
Infrastructure - Other	0	0	0	0	29,560	0	0	69,446	0	126,000	0	250,006	263,294	1,175,381
Infrastructure - Foreshore	0	0	0	0	0	0	0	0	0	0	0	1,079,325	1,689,063	2,761,500
Infrastructure - Waste	0	0	0	0	0	0	0	0	0	0	0	0	0	10,000
	0	0	0	0	79,560	0	0	120,581	1,503,279	0	126,000	3,033,745	2,784,663	6,052,851
Total acquisitions	50,000	0	0	0	99,560	8,500	0	330,581	2,183,161	0	126,000	4,002,127	3,508,193	6,946,036

A detailed breakdown of acquisitions on an individual asset basis can be found in the supplementary information attached to this budget document.

SIGNIFICANT ACCOUNTING POLICIES

RECOGNITION OF ASSETS

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

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

SHIRE OF BODDINGTON
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2021

4. FIXED ASSETS

(b) Disposals of Assets

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

By Program	2020/21			2019/20			2019/20			2019/20		
	Budget Net Book Value	Budget Sale Proceeds	2020/21 Budget Loss	Actual Net Book Value	Actual Sale Proceeds	2019/20 Actual Loss	Budget Net Book Value	Budget Sale Proceeds	2019/20 Budget Profit	Budget Net Book Value	Budget Sale Proceeds	2019/20 Budget Loss
Transport	113,818	113,818	0	136,590	185,630	(7,692)	201,300	184,500	0	201,300	184,500	(16,800)
	113,818	113,818	0	136,590	185,630	(7,692)	201,300	184,500	0	201,300	184,500	(16,800)
By Class												
<u>Property, Plant and Equipment</u>	113,818	113,818	0	136,590	185,630	(7,692)	201,300	184,500	0	201,300	184,500	(16,800)
Plant and equipment	113,818	113,818	0	136,590	185,630	(7,692)	201,300	184,500	0	201,300	184,500	(16,800)

A detailed breakdown of disposals on an individual asset basis can be found in the supplementary information attached to this budget document

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

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

SHIRE OF BODDINGTON
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2021

5. ASSET DEPRECIATION

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
By Program			
Governance	62,050	56,878	75,269
Law, order, public safety	112,395	102,590	110,111
Health	43,675	36,391	39,248
Education and welfare	53,115	44,259	75,380
Housing	53,665	44,718	48,840
Community amenities	54,970	45,804	48,824
Recreation and culture	568,720	473,922	500,342
Transport	1,319,505	1,099,580	1,074,173
Economic services	48,850	40,707	40,733
Other property and services	77,000	64,165	74,159
	2,393,945	2,009,014	2,087,079
By Class			
Buildings - non-specialised	56,942	47,786	54,318
Buildings - specialised	407,026	341,579	388,271
Furniture and equipment	26,346	22,110	44,850
Plant and equipment	249,815	209,646	231,564
Infrastructure - roads	891,782	748,389	745,951
Infrastructure - footpaths	59,501	49,934	49,157
Infrastructure - Culverts/Bridges	233,878	196,272	0
Infrastructure - Kerb & Channel	31,456	26,398	26,398
Infrastructure - Drainage	32,352	27,150	197,987
Infrastructure - Parks & ovals	32,270	27,081	29,579
Infrastructure - Public use facilities	136,883	114,873	128,828
Infrastructure - Other	137,493	115,385	150,970
Infrastructure - Foreshore	29,757	24,972	22,893
Infrastructure - Caravan park	19,439	16,313	16,313
Infrastructure - Waste	49,005	41,126	0
	2,393,945	2,009,014	2,087,079

SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

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

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

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

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

Buildings - non-specialised	10 to 100 years
Buildings - specialised	10 to 100 years
Furniture and equipment	1 to 12 years
Plant and equipment	1 to 15 years
Infrastructure - roads	
- formation	not depreciated
- pavement	75 years
- seal	10 to 30 years
Infrastructure - footpaths	30 years
Infrastructure - Culverts/Bridges	40 to 125 years
Infrastructure - Kerb & Channel	40 to 75 years
Infrastructure - Drainage	40 to 75 years
Infrastructure - Parks & ovals	5 to 25 years
Infrastructure - Public use facilities	5 to 30 years
Infrastructure - Other	3 to 50 years
Infrastructure - Foreshore	10 to 25 years
Infrastructure - Caravan park	7 to 15 years

AMORTISATION

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

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

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

**SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021**

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	2020/21		2020/21		2020/21		2020/21		2019/20		2019/20		2019/20		2019/20		2019/20	
				Budget New Loans	Budget Principal Repayments	Budget Principal outstanding 30 June 2021	Budget Interest Repayments	Actual Principal 1 July 2020	Actual Interest Repayments	Actual Principal outstanding 30 June 2020	Actual Interest Repayments	Actual New Loans	Actual Principal Repayments	Actual Interest Repayments	Budget New Loans	Budget Principal Repayments	Budget Interest Repayments	Budget Principal outstanding 30 June 2020	Budget Principal Repayments	Budget Interest Repayments	
Government Administration Centre	105	WATC	4.01%	0	(131,812)	429,525	(21,154)	561,337	0	(126,681)	561,337	(26,231)	686,833	0	(126,681)	560,152	(26,285)				
Health Doctors Residence	83	WATC	6.57%	0	(12,132)	13,982	(1,451)	26,114	36,446	(10,332)	26,114	(2,128)	36,446	0	(11,373)	25,073	(2,211)				
Education and welfare Childcare Centre	100	WATC	6.42%	0	(16,735)	102,445	(7,329)	119,180	134,890	(15,710)	119,180	(8,234)	133,988	0	(15,710)	118,278	(8,354)				
Housing 3 Pecan Place	94	WATC	6.45%	0	(14,318)	179,384	(12,267)	207,139	207,139	(13,437)	193,702	(15,803)	207,139	0	(13,437)	193,702	(13,147)				
34 Hill Street	97	WATC	6.45%	0	(14,520)	182,375	(12,440)	210,067	210,067	(13,172)	196,895	(12,071)	210,067	0	(13,627)	196,440	(13,333)				
Recreation and culture Recreation Centre	106	WATC	3.36%	0	(61,727)	660,580	(23,692)	722,307	782,011	(59,704)	722,307	(25,385)	780,119	0	(59,704)	720,415	(25,714)				
Recreation Centre	107	WATC	1.56%	0	(93,880)	906,120	(14,512)	1,000,000	0	1,000,000	1,000,000	0	0	1,000,000	0	1,000,000	0				
Recreation Centre				2,819,535	0	(345,124)	2,474,411	2,819,535	2,058,571	(239,036)	2,819,535	(89,852)	2,054,592	1,000,000	(240,532)	2,814,060	(89,044)				
				2,819,535	0	(345,124)	2,474,411	2,819,535	2,058,571	(239,036)	2,819,535	(89,852)	2,054,592	1,000,000	(240,532)	2,814,060	(89,044)				

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.
The self supporting loan(s) repayment will be fully reimbursed.

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

6. INFORMATION ON BORROWINGS

(b) New borrowings - 2020/21

The Shire does not intend to undertake any new borrowings for the year ended 30 June 2021

(c) Unspent borrowings

Loan Details	Purpose of the loan	Year loan taken	Amount b/fwd.	Amount used 2020/21 Budget	New loans unspent at 30 June 2021	Amount as at 30 June 2021
Recreation Centre - Loan 107	Recreation Centre, including playground, skate park and pump track	2020	\$ 303,686	\$ (303,686)	\$ 0	\$ 0
			303,686	(303,686)	0	0

(d) Credit Facilities

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit	750,000	750,000	750,000
Bank overdraft at balance date	0	0	0
Credit card limit	20,000	20,000	20,000
Credit card balance at balance date	0	0	0
Total amount of credit unused	770,000	770,000	770,000
Loan facilities			
Loan facilities in use at balance date	2,474,411	2,819,535	2,814,060
Unused loan facilities at balance date	0	303,686	0

SIGNIFICANT ACCOUNTING POLICIES

BORROWING COSTS

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

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2021

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2020/21		2020/21		2020/21		2019/20		2019/20		2019/20		2019/20	
	Budget Opening Balance	Budget Transfer to	Budget Transfer (from)	Budget Closing Balance	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance	Budget Opening Balance	Budget Transfer to	Budget Transfer (from)	Budget Closing Balance	Budget Opening Balance	Budget Transfer to
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Reserves cash backed - Plant	574,466	3,794	(353,700)	224,560	886,943	12,126	(324,603)	574,466	886,943	0	(663,185)	223,758	886,943	0
(b) Reserves cash backed - Building	96,946	640	0	97,586	321,077	4,390	(228,521)	96,946	321,077	0	(321,077)	0	321,077	0
(c) Reserves cash backed - Local Organisation Assistance Fund	31,559	208	0	31,767	31,133	426	0	31,559	31,133	579	0	31,712	31,133	579
(d) Reserves cash backed - Refuse	39,397	260	0	39,657	38,866	531	0	39,397	38,866	772	0	39,638	38,866	772
(e) Reserves cash backed - Aged Housing	636,605	4,203	0	640,808	628,019	8,586	0	636,605	628,019	6,016	0	634,035	628,019	6,016
(f) Reserves cash backed - Swimming pool	20,967	138	0	21,105	20,684	283	0	20,967	20,684	10,150	0	30,834	20,684	10,150
(g) Reserves cash backed - River Crossing	47,556	314	0	47,870	46,915	641	0	47,556	46,915	0	0	46,915	46,915	0
(h) Reserves cash backed - Prepaid Conditional Grants	199,193	1,315	0	200,508	196,506	2,687	0	199,193	195,534	0	(181,267)	14,267	195,534	0
(i) Reserves cash backed - Unspent Conditional Grants	376,011	2,483	0	378,494	420,265	5,746	(50,000)	376,011	286,075	0	(50,000)	236,075	286,075	0
(j) Reserves cash backed - Public open space	1,006,353	6,645	(739,639)	273,359	1,775,394	24,273	(793,314)	1,006,353	1,825,394	0	(1,737,953)	87,441	1,825,394	0
	3,029,053	20,000	(1,093,339)	1,955,714	4,365,802	59,689	(1,396,438)	3,029,053	4,280,640	17,517	(2,953,482)	1,344,675	4,280,640	17,517

(b) Cash Backed Reserves - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
(a) Reserves cash backed - Plant	Ongoing	to fund the purchase of new or second hand plant and equipment
(b) Reserves cash backed - Building	Ongoing	to fund the construction of buildings
(c) Reserves cash backed - Local Organisation Assistance Fund	Ongoing	to fund local organisation projects as per Council policy
(d) Reserves cash backed - Refuse	Ongoing	to fund the establishment and operation of the refuse disposal facilities. All surplus income over expenditure for Sanitation
(e) Reserves cash backed - Aged Housing	Ongoing	to fund future aged housing developments
(f) Reserves cash backed - Swimming pool	Ongoing	to fund the ongoing upgrading and maintaining of the swimming pool
(g) Reserves cash backed - River Crossing	Ongoing	to fund the upgrading and refurbishment of river crossings as decided by Council
(h) Reserves cash backed - Prepaid Conditional Grants	Ongoing	to provide a mechanism for identifying prepaid grants where the expenditure will be incurred in the next financial year
(i) Reserves cash backed - Unspent Conditional Grants	Ongoing	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) Reserves cash backed - Public open space	Ongoing	to fund the upgrade and rationalisation of Public Open Space and parklands within the Shire

SHIRE OF BODDINGTON
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2021

8. FEES & CHARGES REVENUE

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Governance	29,800	30,954	14,780
General purpose funding	3,500	4,739	10,564
Law, order, public safety	53,500	61,902	13,807
Health	19,225	14,180	28,425
Education and welfare	404,580	395,957	522,881
Housing	16,720	14,723	11,070
Community amenities	289,310	290,300	335,446
Recreation and culture	35,608	32,906	127,352
Transport	300	331	43,990
Economic services	231,525	229,191	165,705
Other property and services	22,505	45,893	0
Total	1,106,573	1,121,076	1,274,020

9. GRANT REVENUE

	Unspent grants, subsidies and contributions liability					Grants, subsidies and contributions revenue		
	Liability 1 July 2020	Increase in Liability	Liability Reduction (As revenue)	Total Liability 30 June 2021	Current Liability 30 June 2021	2020/21 Budget	2019/20 Actual	2019/20 Budget
By Program:	\$	\$	\$	\$	\$	\$	\$	\$
(a) Operating grants, subsidies and contributions								
Governance	0	0	0	0	0	2,600	0	0
General purpose funding	0	0	0	0	0	107,376	311,864	202,664
Law, order, public safety	21,441	0	(21,441)	0	0	100,764	158,011	76,880
Health	0	0	0	0	0	0	5,058	5,813
Education and welfare	0	0	0	0	0	45,000	57,825	88,100
Recreation and culture	0	0	0	0	0	25,000	0	55,000
Transport	0	0	0	0	0	127,910	144,276	49,062
Economic services	0	0	0	0	0	2,100	12,688	73,185
Total	21,441	0	(21,441)	0	0	410,750	689,722	550,704
(b) Non-operating grants, subsidies and contributions								
General purpose funding	0	0	0	0	0	0	0	664,500
Community amenities	0	0	0	0	0	0	75,000	0
Recreation and culture	0	0	0	0	0	137,500	234,883	200,000
Transport	0	0	0	0	0	1,168,299	373,799	998,279
Total	0	0	0	0	0	1,305,799	683,682	1,862,779
Total	21,441	0	(21,441)	0	0	1,716,549	1,373,404	2,413,483

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

	Budget Closing Balance 30 June 2021	Actual Balance 30 June 2020
Unspent grants, subsidies and contributions	0	21,441
	0	21,441

SHIRE OF BODDINGTON
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2021

0. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

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

Revenue Category	Nature of goods and services	when obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

SHIRE OF BODDINGTON
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2021

11. OTHER INFORMATION

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	20,000	60,922	26,162
- Other funds	1,000	1,887	78,903
Other interest revenue (refer note 1b)	21,500	35,364	27,714
	42,500	98,173	132,779
(b) Other revenue			
Reimbursements and recoveries	47,155	143,357	56,478
	47,155	143,357	56,478
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	30,000	40,010	28,800
	30,000	40,010	28,800
(d) Interest expenses (finance costs)			
Borrowings (refer Note 6(a))	92,845	89,852	89,044
	92,845	89,852	89,044
(e) Elected members remuneration			
Meeting fees	37,395	37,395	45,161
Mayor/President's allowance	8,320	8,320	8,000
Deputy Mayor/President's allowance	2,080	2,080	2,060
Travelling expenses	1,000	605	5,225
Telecommunications allowance	500	386	2,000
	49,295	48,786	62,446

12. TRUST FUNDS

There are no funds held at balance date over which the local government has no control and which are not included in the financial statements.

13. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION

GOODS AND SERVICES TAX (GST)

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

ROUNDING OFF FIGURES

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

COMPARATIVE FIGURES

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

BUDGET COMPARATIVE FIGURES

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

14. BUDGET RATIOS

	2020/21 Budget	2019/20 Actual	2018/19 Actual	2017/18 Actual
Operating Surplus				
Funds After Operations				
PPE				
Infrastructure				
Cash Reserves				
Borrowings				
Debt Servicing				
Average Rates (UV)				
Average Rates (GRV)				

The ratios are calculated as follows:

OPERATIONS

Operating Surplus $\frac{\text{Adjusted underlying surplus (or deficit)}}{\text{Adjusted underlying revenue}}$

Funds After Operations $\frac{\text{Funds remaining after operations}}{\text{General funds}}$

ASSET RATIOS

PPE $\frac{\text{Closing WDV value of PPE less Opening WDV value of PPE}}{\text{Opening WDV value of PPE}}$

Infrastructure $\frac{\text{Closing WDV Infrastructure less Opening WDV infrastructure}}{\text{Opening WDV Infrastructure}}$

FINANCING RATIOS

Cash Reserves $\frac{\text{Discretionary Reserve Balance}}{\text{General Funds}}$

Borrowings $\frac{\text{Principal outstanding}}{\text{General funds}}$

Debt Servicing $\frac{\text{Principal and interest due}}{\text{General funds}}$

RATES RATIOS

Average Rates $\frac{\text{Rate revenue per category}}{\text{Number of properties per category}}$