



Shire of  
**BODDINGTON**

*Flowing with Natural Beauty*

## STATUTORY BUDGET

For year ended

30 JUNE 2017



**BODDINGTON SHIRE COUNCIL  
BUDGET FOR THE YEAR ENDED 30 JUNE 2017**

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**CONTENTS**

Note		Page
	<b>Standard Statements</b>	
	Statement of Financial Activity	1
	Statement of Comprehensive Income (by Nature/type)	2
	Statement of Cash Flows	3 - 4
	Statement of Changes in Equity	5
	Rate Setting Statement	6 - 7
	Statement of Financial Position	8
	<b>Notes to Budget Amounts</b>	
1	Significant Accounting Policies	9 - 22
2	Operating Revenue and expenses	23 - 24
3	Acquisition of Assets - By Class	25
4	Disposal of Assets	25
5	Information on Borrowings	26 - 27
6	Reserves	28 - 31
7	Net Current Assets	32
8	Information on Rating	33
9	Specified Area Rate & Service Charges	34
10	Operating Grants	34
11	Fees & Charges	35
12	Rate Payment Discounts, Waivers & Concessions	35
13	Interest Charges and Instalments	35 - 36
14	Councillors Remuneration	36
15	Notes to The Cash Flow Statement	37 - 38
16	Trust Funds	38
17	Major Land Transactions	38
18	Trading Undertakings and Major Trading Undertakings	38

**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
**Summary of Financial Activity**  
**For the Year Ended 30 June 2017**

	Note	2016/17 Draft Budget \$	2015/16 Amended Budget \$	2015/16 Adopted Budget \$
<b>Revenue</b>				
Rates		4,106,113	3,921,794	3,924,679
Operating Grants, Subsidies, Cont.		736,081	660,935	2,112,096
Fees and Charges		1,050,142	1,010,597	1,010,597
Service Charges		-	-	-
Interest Earnings		131,797	175,077	86,185
Profit on Sale of Assets		-	34,909	-
Other Revenue		173,487	139,792	383,081
		<u>6,197,620</u>	<u>5,943,104</u>	<u>7,516,638</u>
<b>Expenses</b>				
Employee Costs		(2,518,897)	(2,289,398)	(2,482,042)
Materials and Contracts		(1,532,789)	(1,693,123)	(3,256,524)
Utility Charges		(313,668)	(305,026)	(305,026)
Depreciation on Non-Current Assets		(1,378,259)	(1,303,395)	(1,303,395)
Interest Expenses		(121,119)	(135,642)	(157,346)
Insurance Expenses		(208,943)	(201,879)	(243,333)
Loss on Sale of Assets		0	0	(92,630)
Other Expenditure		(150,315)	(145,451)	(147,021)
		<u>(6,223,990)</u>	<u>(6,073,914)</u>	<u>(7,987,317)</u>
<b>Adjustment for Non Cash Items</b>				
(Profit)/Loss on Sale of Assets		0	(34,909)	92,630
Movements in Provisions and Accruals		0	77,468	231,273
Depreciation of Assets		1,378,259	1,303,395	1,303,395
		<u>1,378,259</u>	<u>1,345,954</u>	<u>1,627,298</u>
<b>Result before Capital &amp; Financing</b>		<u>1,351,890</u>	<u>1,215,144</u>	<u>1,156,619</u>
<b>Capital Items</b>				
Non-operating revenue		762,767	1,811,365	1,594,729
Land & Buildings		(104,641)	(5,095,859)	(5,095,859)
Road Infrastructure		(812,632)	(628,592)	(628,592)
Bridges & Culverts		(42,500)	(41,142)	(41,142)
Footpaths		(41,856)	(24,000)	(24,000)
Drainage		0	0	0
Streetscape		(20,928)	(225,000)	(225,000)
Infrastructure Other		(125,569)	(110,000)	(110,000)
Plant & Motor Vehicles		(238,631)	(387,620)	(167,950)
Furniture & Office Equipment		(83,713)	(15,917)	(15,917)
Waste Infrastructure		(31,000)	(40,000)	(40,000)
Strategic Initiatives		(411,635)	(60,000)	0
		<u>(1,150,338)</u>	<u>(4,816,765)</u>	<u>(4,753,731)</u>
<b>Financing Items</b>				
Proceeds from Asset Sales		384,000	89,500	234,500
Repayment of debentures		(301,130)	(327,462)	(327,463)
Proceeds from New Loans		0	0	0
Transfer to Reserves		(56,109)	(1,638,722)	(41,160)
Transfer from Reserves		0	586,332	584,844
		<u>26,761</u>	<u>(1,290,352)</u>	<u>450,721</u>
<b>Cash Surplus/(Deficit) for reporting period</b>		<u>228,312</u>	<u>(4,891,974)</u>	<u>(3,146,391)</u>

**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
**Statement of Comprehensive Income by Nature or Type**  
**For the Year Ended 30 June 2017**

	Note	2016/17 Draft Budget \$	2015/16 Amended Budget \$	2015/16 Adopted Budget \$
<b>Revenue</b>				
Rates	8	4,106,113	3,921,794	3,924,679
Operating Grants, Subsidies, Cont.	10	736,081	660,935	2,112,096
Fees and Charges	11	1,050,142	1,010,597	1,010,597
Service Charges		0	0	0
Interest Earnings	2(a)	131,797	175,077	86,185
Other Revenue		173,487	139,792	383,081
		<u>6,197,620</u>	<u>5,908,195</u>	<u>7,516,638</u>
<b>Expenses</b>				
Employee Costs		(2,518,897)	(2,289,398)	(2,482,042)
Materials and Contracts		(1,532,789)	(1,693,123)	(3,256,524)
Utility Charges		(313,668)	(305,026)	(305,026)
Depreciation on Non-Current Assets	2(a)	(1,378,259)	(1,303,395)	(1,303,395)
Interest Expenses	2(a)	(121,119)	(135,642)	(157,346)
Insurance Expenses		(208,943)	(201,879)	(243,333)
Other Expenditure		(150,315)	(145,451)	(147,021)
		<u>(6,223,990)</u>	<u>(6,073,914)</u>	<u>(7,894,687)</u>
Non-Operating Grants, Subsidies, Contributions		762,767	1,811,365	1,594,729
Profit on Asset Disposals	4	0	34,909	0
Loss on Asset Disposals	4	0	0	(92,630)
<b>Net Result</b>		736,397	1,680,555	1,124,050
Other Comprehensive Income		(64,500)	0	0
Changes on re-valuation of non-current assets				
<b>Total Comprehensive Income</b>		<u><u>671,897</u></u>	<u><u>1,680,555</u></u>	<u><u>1,124,050</u></u>

**Notes:** Fair value adjustments to financial assets at fair value through Profit or Loss and Other Comprehensive Income (if any), is impacted upon by external forces and is not able to be reliably estimated at the time of budget adoption.

It is anticipated, in all instances, any other comprehensive income will relate to non-cash transactions and as such, have no impact on this budget document.

Fair value adjustments will be assessed at the time they occur with compensating budget amendments made as necessary.

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



**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
**Statement of Cash Flows**  
**For the Year Ended 30 June 2017**

	Note	2016/17 Draft Budget \$	2015/16 Amended Budget \$	2014/15 Adopted Budget \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		4,106,113	3,921,794	3,924,679
Operating Grants, Subsidies, Contributions		736,081	660,935	2,112,096
Service Charges		0	0	0
Fees and Charges		1,050,142	1,010,597	1,010,597
Interest Earnings		131,797	175,077	86,185
Goods and Services Tax		0	0	0
Other Revenue		173,487	139,792	383,081
		<u>6,197,620</u>	<u>5,908,195</u>	<u>7,516,638</u>
<b>Payments</b>				
Employee Costs		(2,518,897)	(2,289,398)	(2,482,042)
Materials and Contracts		(1,532,787)	(1,693,123)	(4,955,097)
Utility Charges		(313,668)	(305,026)	(305,026)
Insurance Expenses		(208,945)	(201,879)	(243,332)
Interest Expenses		(121,119)	(135,641)	(157,346)
Goods and Services Tax		0	0	0
Other Expenditure		(150,315)	(145,451)	(147,021)
		<u>(4,845,731)</u>	<u>(4,770,518)</u>	<u>(8,289,864)</u>
<b>Net Cash Provided By Operating Activities</b>	15(b)	<u>1,351,889</u>	<u>1,137,676</u>	<u>(773,226)</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Development of Land Held for Resale		0	0	0
Payments for Purchase of Property, Plant & Equipment		(1,016,117)	(5,934,396)	(5,279,726)
Payments for Construction of Infrastructure		(896,988)	(693,734)	(1,068,734)
Non-Operating Grants, Subsidies, Contributions used for the Development of Assets		762,767	1,811,365	1,594,729
Proceeds from Sale of Land Held for Resale		0	0	190,000
Proceeds from Sale of Plant & Equipment	4	384,000	89,500	44,500
<b>Net Cash Used in Investing Activities</b>		<u>(766,338)</u>	<u>(4,727,265)</u>	<u>(4,519,231)</u>

**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
**Statement of Cash Flows (Continued)**  
**For the Year Ended 30 June 2017**

	Note	2016/17 Draft Budget \$	2015/16 Amended Budget \$	2014/15 Adopted Budget \$
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures	5	(301,130)	(327,462)	(327,463)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		0	0	0
Proceeds from New Debentures	5	0	0	0
<b>Net Cash Provided By (Used In) Financing Activities</b>		<u>(301,130)</u>	<u>(327,462)</u>	<u>(327,463)</u>
<b>Net Increase (Decrease) in Cash Held Cash at Beginning of Year</b>		284,420	(3,917,051)	(5,619,921)
<b>Cash and Cash Equivalents at the End of the Year</b>	15(a)	<u>2,867,033</u>	<u>2,582,612</u>	<u>841,915</u>

**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
**Statement of Changes in Equity**  
**For the Year Ended 30 June 2017**

Note	2016/17 Draft Budget \$	2015/16 Amended Budget \$	2015/16 Adopted Budget \$
<b>RETAINED SURPLUS</b>			
Balance 1 July	29,560,698	28,932,533	28,287,018
Transfer from/(to) Reserves	- 56,109	- 1,052,390	543,684
Net Result	736,397	1,680,555	1,124,050
<b>Balance 30 June</b>	<b>30,240,986</b>	<b>29,560,698</b>	<b>29,954,752</b>
<b>CASH BACKED RESERVES</b>			
Balance 1 July	2,353,563	1,301,173	1,371,986
Transfer (from)/to Reserves	56,109	1,052,390	- 543,684
<b>Balance 30 June</b>	<b>2,409,672</b>	<b>2,353,563</b>	<b>828,302</b>
<b>ASSET REVALUATION RESERVE</b>			
Balance 1 July	40,451,782	40,451,782	5,339,580
Transfer (from)/to Reserves	- 64,500	-	-
<b>Balance 30 June</b>	<b>40,387,282</b>	<b>40,451,782</b>	<b>5,339,580</b>
<b>TOTAL EQUITY</b>	<b>73,037,940</b>	<b>72,366,043</b>	<b>36,122,634</b>



**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
**Rate Setting Statement**  
**For the Year Ended 30 June 2017**

	2016/17 Draft Budget \$	2015/16 Amended Budget \$	2015/16 Adopted Budget \$
<b>Revenue</b>			
Operating Grants, Subsidies, Contributions	736,081	660,935	2,112,096
Fees and Charges	1,050,142	1,010,597	1,010,597
Service Charges	0	0	0
Interest Earnings	131,797	175,077	86,185
Profit on Sale of Assets	0	34,909	0
Other Revenue	173,487	139,792	383,081
	<u>2,091,507</u>	<u>2,021,310</u>	<u>3,591,959</u>
<b>Expenses</b>			
Employee Costs	(2,518,897)	(2,289,398)	(2,482,042)
Materials and Contracts	(1,532,789)	(1,693,123)	(3,256,524)
Utility Charges	(313,668)	(305,026)	(305,026)
Depreciation on Non-Current Assets	(1,378,259)	(1,303,395)	(1,303,395)
Interest Expenses	(121,119)	(135,642)	(157,346)
Insurance Expenses	(208,943)	(201,879)	(243,333)
Loss on Sale of Assets	0	0	(92,630)
Other Expenditure	(150,315)	(145,451)	(147,021)
	<u>(6,223,990)</u>	<u>(6,073,914)</u>	<u>(7,987,317)</u>
<b>Adjustments for Cash Budget Requirements:</b>			
<b>Non-Cash Expenditure and Revenue</b>			
(Profit)/Loss on Asset Disposals	0	(34,909)	92,630
Movement in Accruals and Provisions	0	77,468	231,273
Depreciation on Assets	1,378,259	1,303,395	1,303,395
	<u>1,378,259</u>	<u>1,345,954</u>	<u>1,627,298</u>

**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
**Rate Setting Statement**  
**For the Year Ended 30 June 2017**

	2015/16 Draft Budget \$	2015/16 Amended Budget \$	2015/16 Adopted Budget \$
<b>Capital Expenditure and Revenue</b>			
Purchase Land Held for Resale	0	0	0
Purchase Land and Buildings	(104,641)	(5,095,859)	(5,095,859)
Purchase Infrastructure - Roads	(812,632)	(628,592)	(628,592)
Purchase Infrastructure - Bridges	(42,500)	(41,142)	(41,142)
Purchase Infrastructure - Footpaths	(41,856)	(24,000)	(24,000)
Purchase Infrastructure - Drainage	0	0	0
Purchase Infrastructure - Streetscape	(20,928)	(225,000)	(225,000)
Purchase Waste Infrastructure	(31,000)	(40,000)	(40,000)
Purchase Infrastructure Other	(125,569)	(110,000)	(110,000)
Purchase Plant and Equipment	(238,631)	(387,620)	(167,950)
Purchase Furniture and Equipment	(83,713)	(15,917)	(15,917)
Purchase Strategic Items	(411,635)	(60,000)	0
Grants/Contributions for Develop. of Assets	762,767	1,811,365	1,594,729
Proceeds from Disposal of Assets	384,000	89,500	234,500
Proceeds from Sale of Land Held for Resale	0	0	0
Repayment of Debentures	(301,130)	(327,462)	(327,463)
Proceeds from New Debentures	0	0	0
Transfers to Reserves (Restricted Assets)	(56,109)	(1,638,722)	(41,160)
Transfers from Reserves (Restricted Assets)	0	586,332	584,844
	<u>(1,123,578)</u>	<u>(6,107,117)</u>	<u>(4,303,010)</u>
<b>ADD Estimated Surplus/(Deficit) July 1 B/Fwd</b>	<b>0</b>	<b>4,891,974</b>	<b>3,146,391</b>
<b>LESS Estimated Surplus/(Deficit) June 30 C/Fwd</b>	<b>228,312</b>	<b>0</b>	<b>0</b>
<b>Amount Required to be Raised from Rates</b>	<b><u>(4,106,113)</u></b>	<b><u>(3,921,794)</u></b>	<b><u>(3,924,679)</u></b>

**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
**Statement of Financial Position**  
**For the Year Ended 30 June 2017**

	2016/17 Draft Budget	2015/16 Amended Budget	2015/16 Adopted Budget
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	2,867,033	2,582,612	841,915
Receivables	287,605	287,605	331,524
Inventories	2,045	2,045	2,045
Land Held for Resale	-	-	-
	<u>3,156,683</u>	<u>2,872,262</u>	<u>1,175,484</u>
<b>NON - CURRENT ASSETS</b>			
Receivables	-	-	-
Land Held for Resale	272,538	272,538	-
Property Plant & Equipment Infrastructure	27,329,740	27,022,783	27,259,477
	<u>45,754,659</u>	<u>45,975,273</u>	<u>11,062,964</u>
	<u>73,356,937</u>	<u>73,270,594</u>	<u>38,322,441</u>
<b>TOTAL ASSETS</b>	<u>76,513,620</u>	<u>76,142,856</u>	<u>39,497,925</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	343,179	343,178	-
Borrowings	301,130	327,463	327,463
Provisions	284,978	284,978	226,641
	<u>929,287</u>	<u>955,619</u>	<u>554,104</u>
<b>Non - current Liabilities</b>			
Trade & Other payables	300,000	300,000	300,000
Borrowings	2,204,308	2,479,107	2,479,104
Provisions	42,084	42,087	42,083
	<u>2,546,392</u>	<u>2,821,194</u>	<u>2,821,187</u>
<b>TOTAL LIABILITIES</b>	<u>3,475,680</u>	<u>3,776,813</u>	<u>3,375,291</u>
<b>NET ASSETS</b>	<u>73,037,940</u>	<u>72,366,043</u>	<u>36,122,634</u>
<b>EQUITY</b>			
Retained Earnings	30,240,986	29,560,698	29,954,752
Cash Backed Reserves	2,409,672	2,353,563	828,302
Asset Revaluation Reserve	40,387,282	40,451,782	5,339,580
<b>TOTAL EQUITY</b>	<u>73,037,940</u>	<u>72,366,043</u>	<u>36,122,634</u>



**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
**Notes to and Forming Part of the Budget**  
**For the Year Ended 30 June 2017**

**I. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this budget are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the budget has also 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 Council 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 16 to this budget document.

**(b) 2015/16 Actual Balances**

Balances shown in this budget as 2015/16 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

**(c) Rounding Off Figures**

All figures shown in this budget, other than a rate in the dollar, are rounded to the nearest dollar.

**(d) Rates, Grants, Donations and Other Contributions**

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

**(e) 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.

**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
**Notes to and Forming Part of the Budget**  
**For the Year Ended 30 June 2017**

**I. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(e) Goods and Services Tax (GST) (Continued)**

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.

**(f) Superannuation**

The Council contributes to a number of Superannuation Funds on behalf of employees.

All funds to which the Council contributes are defined contribution plans.

**(g) 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 the statement of financial position.

**(h) 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.

**(i) 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.

**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.



**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
**Notes to and Forming Part of the Budget**  
**For the Year Ended 30 June 2017**

**I. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Land Held for Resale (Continued)***

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.

**(j) Fixed Assets**

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

***Mandatory Requirement to Revalue Non-Current Assets***

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

(a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and

(b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -

(i) that are plant and equipment; and

(ii) that are -

(I) land and buildings; or

(II) infrastructure;

and

(c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

In 2013, Council commenced the process of adopting Fair Value in accordance with the Regulations.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the budget as necessary.

**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
**Notes to and Forming Part of the Budget**  
**For the Year Ended 30 June 2017**

**I. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Fixed Assets (Continued)**

***Land Under Control***

In accordance with Local Government (Financial Management) Regulation 16(a), the Council was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of state or regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

Whilst they were initially recorded at cost (being fair value at the date of acquisition (deemed cost) as per AASB 116) they were revalued along with other items of Land and Buildings at 30 June 2014.

***Initial Recognition and Measurement between Mandatory Revaluation Dates***

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation on the next anniversary date in accordance with the mandatory measurement framework detailed above.

***Revaluation***

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset type are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**

**Notes to and Forming Part of the Budget**  
**For the Year Ended 30 June 2017**

**I. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Fixed Assets (Continued)**

***Transitional Arrangement***

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the ***Initial Recognition*** section as detailed above.

Those assets carried at fair value will be carried in accordance with the ***Revaluation Methodology*** section as detailed above.

***Land Under Roads***

In Western Australia, all land under roads is Crown land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.

***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.



**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
**Notes to and Forming Part of the Budget**  
**For the Year Ended 30 June 2017**

**I. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Fixed Assets (Continued)**

Major depreciation periods are as per Council adopted policy F20 Non Current Asset Capitalisation and Depreciation Control.

**Land and Buildings**

Land	Not depreciated
Buildings	
- External Structure	Not depreciated
- Roof Structure	25 years
- Fitout, including flooring	10 years
- Mechanicals	15 years

**Furniture and Equipment**

Computers	3 years
Communications	5 years
Furniture	10 years
Equipment	5 years

**Plant and Equipment**

Light Plant	5 years
Medium Plant	7 to 10 years
Heavy Plant	10 to 15 years
Minor Plant	7 to 10 years

**Roads**

Sealed and Unsealed Roads - formation	Not depreciated
Sealed Roads - Pavement	100 years
Sealed Roads - Surface	5 to 20 years
Unsealed Roads - Pavement	5 to 10 years

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.

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.

When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

**Capitalisation Threshold**

Expenditure on items of equipment under \$5,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
**Notes to and Forming Part of the Budget**  
**For the Year Ended 30 June 2017**

**I. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Fair Value of Assets and Liabilities**

When performing a revaluation, the Council uses a mix of both independent and management valuations using the following as a guide:

Fair Value is the price that Council 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. 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 (i.e. the market with the greatest volume and level of activity for the asset 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.

***Fair Value Hierarchy***

AASB 13 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.



**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
**Notes to and Forming Part of the Budget**  
**For the Year Ended 30 June 2017**

**I. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Fair Value of Assets and Liabilities (Continued)**

**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 Council 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 Council 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 an asset at its current service capacity.

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 Council 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 and 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.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
**Notes to and Forming Part of the Budget**  
**For the Year Ended 30 June 2017**

**I. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(I) Financial Instruments**

**Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

**Classification and Subsequent Measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

*(i) Financial assets at fair value through profit and loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short term profit taking. Assets in this category are classified as current assets. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.



**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
**Notes to and Forming Part of the Budget**  
**For the Year Ended 30 June 2017**

**I. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(I) Financial Instruments (Continued)**

*(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

*(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Council's management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

*(iv) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available for sale financial assets are classified as non-current.

*(v) Financial liabilities*

Non-derivative financial liabilities (excl. financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in the profit or loss.

**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
**Notes to and Forming Part of the Budget**  
**For the Year Ended 30 June 2017**

**I. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(l) Financial Instruments (Continued)**

***Impairment***

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

***Derecognition***

Financial assets are derecognised where the contractual rights for receipt of cash flows expire or the asset is transferred to another party, whereby the Council no longer has any significant continual involvement in the risks and benefits associated with the asset.

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 the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**(m) Impairment of Assets**

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



**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
**Notes to and Forming Part of the Budget**  
**For the Year Ended 30 June 2017**

**I. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(m) Impairment of Assets (Continued)**

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.

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) whereby any impairment loss of a revaluation decrease in accordance with that other standard.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2016.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on this budget document.

**(n) Trade and Other Payables**

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

**(o) Employee Benefits**

**Short-Term Employee Benefits**

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



**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**

**Notes to and Forming Part of the Budget**  
**For the Year Ended 30 June 2017**

**I. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(o) Employee Benefits (Continued)**

**Other Long-Term Employee Benefits**

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits 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 or 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 re-measurements 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 Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Council 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.

**(p) 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.

**(q) Provisions**

Provisions are recognised when the Council 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.

**(r) 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 Council's operational cycle. In the case of liabilities where the Council 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 Council's intentions to release for sale.

**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
**Notes to and Forming Part of the Budget**  
**For the Year Ended 30 June 2017**

**I. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(s) Comparative Figures**

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

**(t) Budget Comparative Figures**

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

**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
**Notes to and Forming Part of the Budget**  
**For the Year Ended 30 June 2017**

	Note	2016/17 Draft Budget \$	2015/16 Amended Budget \$	2015/16 Approved Budget \$
<b>2. OPERATING REVENUES AND EXPENSES</b>				
<b>(a) Result from Ordinary Activities</b>				
The result from ordinary activities includes:				
(i) Charging as Expenses:				
<b>Auditors Remuneration</b>				
Audit		11,787	11,279	20,000
Other Services		0	0	0
<b>Depreciation</b>				
<b><u>By Class</u></b>				
Land and Buildings		114,745	112,468	368,214
Furniture and Equipment		15,543	15,238	15,238
Plant and Equipment		202,604	198,631	244,641
Roads		775,080	712,071	551,477
Footpaths		21,701	21,276	49,742
Drainage		94,683	92,826	15,169
Parks & Ovals		26,055	25,544	24,046
Other Infrastructure incl. Cemeteries		127,848	125,341	34,868
		<u>1,378,259</u>	<u>1,303,395</u>	<u>1,303,395</u>
<b>Interest Expenses (Finance Costs)</b>				
- Debentures (refer note 5(a))		121,119	135,642	157,346
		<u>121,119</u>	<u>135,642</u>	<u>157,346</u>
(ii) Crediting as Revenues:				
<b>Interest Earnings</b>				
Investments				
- Reserve Funds		46,108	31,228	41,160
- Other Funds		38,992	44,656	26,025
- Other Restricted Funds		30,891	83,387	0
Other Interest Revenue (refer note 13)		15,806	15,806	19,000
		<u>131,797</u>	<u>175,077</u>	<u>86,185</u>

**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
**Notes to and Forming Part of the Budget**  
**For the Year Ended 30 June 2017**

**2. OPERATING REVENUES AND EXPENSES (Continued)**

**(b) Statement of Programme/Activities**

**GENERAL PURPOSE FUNDING**

Rates, general purpose government grants and interest revenue.

**GOVERNANCE**

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.

**LAW, ORDER, PUBLIC SAFETY**

Supervision of various by-laws, fire prevention, emergency services and animal control.

**HEALTH**

Food quality, pest control and financial assistance in the provision of medical and doctor services.

**EDUCATION AND WELFARE**

Operation of day care centre and Retirement Village Units.

**HOUSING**

Provision of staff and residential housing.

**COMMUNITY AMENITIES**

Rubbish collection services, operation of tips, noise control, administration of the town planning scheme, maintenance of cemeteries, maintenance of storm water drainage, environmental services, public conveniences and cemetery operation. Community assistance grants, crime prevention and youth services.

**RECREATION AND CULTURE**

Maintenance of halls, aquatic centres, recreation centres and various reserves; operation of library and community development services.

**TRANSPORT**

Construction and maintenance of streets, roads, bridges; cleaning and lighting of streets, depot maintenance.

**ECONOMIC SERVICES**

The regulation and provision of tourism, area promotion, building control, noxious weeds and vermin control.

**OTHER PROPERTY & SERVICES**

Private works operation, plant repairs, operations and administrative costs.



**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
**Notes to and Forming Part of the Budget**  
**For the Year Ended 30 June 2017**

3. ACQUISITION OF ASSETS	2016/17 Draft Budget \$	2015/16 Amended Budget \$	2015/16 Approved Budget \$
The following assets are budgeted to be acquired during the year:			
<b>By Class</b>			
Land held for resale	0	0	0
Land and Buildings	104,641	5,095,859	5,095,859
Infrastructure Assets - Roads	812,632	628,592	628,592
Infrastructure Assets - Bridges	42,500	41,142	41,142
Infrastructure Assets - Footpaths	41,856	24,000	24,000
Infrastructure Assets - Drainage	0	0	0
Plant & Equipment	238,631	387,620	167,950
Streetscape	20,928	225,000	225,000
Waste Infrastructure	31,000	40,000	40,000
Infrastructure Assets - Other	125,569	110,000	110,000
Furniture & Equipment	83,713	15,917	15,917
Strategic Items	411,635	60,000	0
	1,913,105	6,628,130	6,348,460

To obtain further details of Asset Acquisitions refer to attachment  
- Acquisition of Assets - 2016/17 Budget

**4. DISPOSALS OF ASSETS**

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

**By Class**

	Net Book Value 2016/17 Budget \$	Sale Proceeds 2016/17 Budget \$	** Profit(Loss) 2016/17 Budget \$
Land and Buildings	364,500	300,000	(64,500)
Plant and Equipment	84,000	84,000	0
Furniture and Equipment	0	0	0
Infrastructure Assets - Roads	0	0	0
Infrastructure Assets - Footpaths	0	0	0
Infrastructure Assets - Drainage	0	0	0
Infrastructure Assets - Other	0	0	0
	448,500	384,000	(64,500)

**Summary**

Profit on Asset Disposals  
Loss on Asset Disposals

2016/17 Budget \$
(64,500)
0

\*\* Profit/(loss) Includes Revaluation Reserve Surplus & Deficits



**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**

Notes to and Forming Part of the Budget  
For the Year Ended 30 June 2017

**5. INFORMATION ON BORROWINGS**

**(a) Debenture Repayments**

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

Particulars	Loan No	Principal 1-Jul-16	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
				2016/17 Budget \$	2015/16 Actual \$	2016/17 Budget \$	2015/16 Actual \$	2016/17 Budget \$	2015/16 Actual \$
<b>Governance</b>									
Loan 105 - Administration Centre	L105	1,038,050	0	112,456	108,079	925,594	1,038,050	40,510	44,887
<b>Education &amp; Welfare</b>									
Loan 99 - Aged Care Housing Dev.	L099	0	0	0	0	0	0	0	0
Loan 100 - Child Care Centre	L100	175,577	0	12,997	12,201	162,580	175,577	11,067	11,863
<b>Health</b>									
Loan 83 - Doctor's residence	L083	66,468	0	9,368	8,781	57,101	66,468	4,216	4,729
<b>Housing</b>									
Loan 77 - Johnstone St. - Housing	L077	0	0	0	0	0	0	0	0
Loan 91 - Executive - Housing	L091	0	0	0	39,062	0	0	0	1,864
Loan 94 - Pecan Place - Housing	L094	242,691	0	11,107	10,424	231,584	242,691	15,477	16,161
Loan 97 - Hill Street - Housing	L097	246,122	0	11,264	10,571	234,858	246,122	15,696	16,389
<b>Community Amenities</b>									
Loan 81 - Refuse site	L081	0	0	0	0	0	0	0	0
<b>Recreation &amp; Culture</b>									
Loan 103 - Recreation Centre	L103	51,216	0	51,216	49,015	0	51,216	1,712	3,912
Loan 106 - Recreation Centre	L106	947,746	0	54,025	52,254	893,721	947,746	31,394	33,165
<b>Transport</b>									
Loan 102 - Grader	L102	38,698		38,698	37,074	0	38,698	1,048	2,672
		<b>2,806,569</b>	<b>0</b>	<b>301,130</b>	<b>327,462</b>	<b>2,505,439</b>	<b>2,806,569</b>	<b>121,119</b>	<b>135,641</b>

**SHIRE OF BODDINGTON**

**DRAFT BUDGET 2016-17**

Notes to and Forming Part of the Budget  
For the Year Ended 30 June 2017

**5. INFORMATION ON BORROWINGS (Continued)**

(b) New Debentures - 2016/17

Particulars/Purpose	Estimated Amount Borrowed	Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used Budget	Balance Unspent \$

(c) Unspent Debentures

Council has unspent debenture fund as follows,

Particulars/Purpose	Unspent as at		Used 30 June 16 Budget
	30 June 17 Budget	30 June 16 Projected	
Loan 106 - Recreation Centre	0	0	1,000,000
<b>Total</b>	<b>0</b>	<b>0</b>	<b>1,000,000</b>

(d) Overdraft

Council approved an overdraft facility with a limit of \$0.5 M.

**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
Notes to and Forming Part of the Budget  
For the Year Ended 30 June 2017

	2016/17 Draft Budget \$	2015/16 Actual \$	2015/16 Budget \$
<b>6. RESERVES</b>			
<b>(a) Leave</b>			
Opening Balance	275,115	268,667	268,668
Amount Set Aside / Transfer to Reserve	5,612	6,448	8,060
Amount Used / Transfer from Reserve	0	0	0
	280,727	275,115	276,728
<b>(b) Plant &amp; Vehicle</b>			
Opening Balance	99,127	96,804	159,812
Amount Set Aside / Transfer to Reserve	2,022	2,323	4,794
Amount Used / Transfer from Reserve	0	0	0
	101,149	99,127	164,606
<b>(c) Building</b>			
Opening Balance	183,105	435,305	435,304
Amount Set Aside / Transfer to Reserve	3,735	10,447	13,059
Amount Used / Transfer from Reserve	0	(262,647)	(262,647)
	186,840	183,105	185,716
<b>(d) Local Organisation Assistance Fund</b>			
Opening Balance	29,951	39,015	39,015
Amount Set Aside / Transfer to Reserve	611	936	1,171
Amount Used / Transfer from Reserve	0	(10,000)	0
	30,562	29,951	40,186
<b>(e) Aged Housing</b>			
Opening Balance	22,180	21,660	21,660
Amount Set Aside / Transfer to Reserve	452	520	650
Amount Used / Transfer from Reserve	0	0	0
	22,632	22,180	22,310
<b>(f) Staff Housing</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	0	0	0
<b>(g) Refuse Site</b>			
Opening Balance	37,256	36,383	36,383
Amount Set Aside / Transfer to Reserve	760	873	1,092
Amount Used / Transfer from Reserve	0	0	0
	38,016	37,256	37,475



**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
**Notes to and Forming Part of the Budget**  
**For the Year Ended 30 June 2017**

	2016/17 Draft Budget \$	2015/16 Actual \$	2015/16 Budget \$
<b>6. RESERVES (Continued)</b>			
<b>(h) High School Sharing Resource</b>			
Opening Balance	24,954	24,369	24,369
Amount Set Aside / Transfer to Reserve	509	585	731
Amount Used / Transfer from Reserve	0	0	0
	25,463	24,954	25,100
<b>(i) Loan Repayment</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	0	0	0
<b>(j) River Crossing</b>			
Opening Balance	64,141	62,638	63,962
Amount Set Aside / Transfer to Reserve	1,308	1,503	1,919
Amount Used / Transfer from Reserve	0	0	0
	65,449	64,141	65,881
<b>(k) Recreation Centre</b>			
Opening Balance	0	306,333	312,813
Amount Set Aside / Transfer to Reserve	0	7,352	9,384
Amount Used / Transfer from Reserve	0	(313,685)	(322,197)
	0	0	0
<b>(l) Swimming Pool</b>			
Opening Balance	10,240	10,000	10,000
Amount Set Aside / Transfer to Reserve	10,209	240	300
Amount Used / Transfer from Reserve	0	0	0
	20,449	10,240	10,300
<b>(m) Unspent Loans</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	0	0	0
<b>(n) Prepaid Unconditional Grants</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	0	0	0
<b>(o) Unspent Conditional Grants</b>			
Opening Balance	1,607,495	0	0
Amount Set Aside / Transfer to Reserve	30,891	1,607,495	0
Amount Used / Transfer from Reserve	0	0	0
	1,638,386	1,607,495	0
<b>Total Reserves</b>	2,409,673	2,353,564	828,302

**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
Notes to and Forming Part of the Budget  
For the Year Ended 30 June 2017

	2016/17 Draft Budget \$	2015/16 Actual \$	2015/16 Budget \$
<b>6. RESERVES (Continued)</b>			
	2016/17 Draft Budget	2015/16 Actual	2015/16 Budget
<b>6. Movements to/from Reserves</b>			
<b>Transfers to Reserves</b>			
Leave	5,612	6,448	8,060
Plant & Vehicle	2,022	2,323	4,794
Building	3,735	10,447	13,059
Local Organisation Assistance Fund	611	936	1,171
Aged Housing	452	520	650
Staff Housing	0	0	0
Refuse Site	760	873	1,092
High School Sharing Resource	509	585	731
Loan Repayment	0	0	0
River Crossing	1,308	1,503	1,919
Recreation Centre	0	7,352	9,384
Swimming Pool	10,209	240	300
Unspent Loans	0	0	0
Prepaid Unconditional Grants	0	0	0
Unspent Conditional Grants	30,891	1,607,495	0
	56,109	1,638,722	41,160
<b>Transfers from Reserves</b>			
Leave	0	0	0
Plant & Vehicle	0	0	0
Building	0	(262,647)	(262,647)
Local Organisation Assistance Fund	0	(10,000)	0
Aged Housing	0	0	0
Staff Housing	0	0	0
Refuse Site	0	0	0
High School Sharing Resource	0	0	0
Loan Repayment	0	0	0
River Crossing	0	0	0
Recreation Centre	0	(313,685)	(322,197)
Swimming Pool	0	0	0
Unspent Loans	0	0	0
Prepaid Unconditional Grants	0	0	0
Unspent Conditional Grants	0	0	0
	0	(586,332)	(584,844)
<b>Total Transfer to/(from) Reserves</b>	56,109	1,052,390	(543,684)

**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
**Notes to and Forming Part of the Budget**  
**For the Year Ended 30 June 2017**

**6. RESERVES (Continued)**

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

**Leave**

This reserve is for the cash backed Annual leave entitlements.

**Plant & Vehicle**

This reserve is for the purchase of major plant and equipment.

**Building**

This reserve is for the purchase of buildings.

**Local Organisation Assistance Fund**

This Reserve is for the assistance of local communities in the Shire of Boddington.

**Aged Housing**

This reserve is for the construction and/or capital maintenance of retirement units owned by the Shire.

**Staff Housing**

This reserve is for the construction and/or capital maintenance of staff housing.

**Refuse Site**

This reserve is for the upgrade and rationalisation of Refuse Disposal Facilities within the Shire

**High School Sharing Resource**

This Reserve is for the sharing of resources between the High school and Shire of Boddington.

**Loan Repayment**

This reserve is to provide for loan repayments.

**River Crossing**

This Reserve is for purpose of providing for future capital upgrade of the River crossing.

**Recreation Centre**

This Reserve is for purpose of providing for future capital upgrade of Recreational Hardcourts

**Swimming Pool**

This Reserve is for purpose of providing for future capital upgrade of the Boddington swimming pool.

**Prepaid Unconditional Grants**

To provide a mechanism for identifying prepaid grants where the expenditure associated with be incurred in the next financial year, these mainly consist of prepaid Financial Assistance Grants (FAG) and local roads grants.

**Unspent Conditional Grants**

To provide a mechanism for identifying conditional unspent grants where the expenditure associated will be undertaken in future years be it operating or capital in nature.

**Unspent Loans**

To provide a mechanism for restricting loan proceeds unspent for future expenditures be it of an operating or capital nature, this forms part of restricted funds.



**For the Year Ended 30 June 2017**  
**DRAFT BUDGET 2016-17**  
**Notes to and Forming Part of the Budget**  
**For the Year Ended 30 June 2017**

	2016/17 Draft Budget \$	2015/16 Amended Budget \$	2015/16 Approved Budget \$
<b>7. NET CURRENT ASSETS</b>			
<b>Composition of Estimated Net Current Asset Position</b>			
<b>CURRENT ASSETS</b>			
Cash - Unrestricted	457,360	229,047	(136,387)
Cash - Restricted	2,409,673	2,353,565	828,302
Receivables	287,605	287,605	331,524
Inventories	2,045	2,045	2,045
	<u>3,156,683</u>	<u>2,872,262</u>	<u>1,025,484</u>
<b>LESS: CURRENT LIABILITIES</b>			
Payables and Provisions	<u>(363,582)</u>	<u>(353,042)</u>	<u>(1,020,677)</u>
<b>NET CURRENT ASSET POSITION</b>	2,793,101	2,519,220	4,807
Less: Cash - Restricted	<u>(2,409,673)</u>	<u>(2,353,565)</u>	<u>(828,302)</u>
<b>ESTIMATED SURPLUS/(DEFICIENCY) C/FWD</b>	<u><u>383,428</u></u>	<u><u>165,655</u></u>	<u><u>(823,495)</u></u>

**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**

Notes to and Forming Part of the Budget  
For the Year Ended 30 June 2017

**8. RATING INFORMATION - 2016/17 FINANCIAL YEAR**

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Budgeted Rate Revenue \$	Budgeted Interim Rates \$	Budgeted Back Rates \$	Budgeted Total Revenue \$	2014/15 Budget \$
<b>Differential General Rate</b>								
UV - All other	0.006391	313	160,425,916	877,906	17,058	0	894,964	890,944
GRV - Townsites	0.083150	491	34,928,836	2,863,055	5,686	0	2,868,741	2,921,165
<b>Sub-Totals</b>		<b>804</b>	<b>195,354,752</b>	<b>3,740,961</b>	<b>22,744</b>	<b>0</b>	<b>3,763,705</b>	<b>3,812,109</b>
<b>Minimum</b>								
<b>Minimum Rates</b>								
UV - All other	886.00	252	0	223,272	0	0	223,272	170,520
GRV - Townsites	876.00	136	0	119,136	0	0	119,136	112,050
<b>Sub-Totals</b>		<b>388</b>	<b>0</b>	<b>342,408</b>	<b>0</b>	<b>0</b>	<b>342,408</b>	<b>282,570</b>
Ex Gratia Rates							4,106,113	4,094,679
Discount							0	0
<b>Totals</b>							<b>4,106,113</b>	<b>3,924,679</b>

All land except 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.

The general rates detailed above for the 2016/17 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 payments have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of the Local Government services/facilities.

**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
Notes to and Forming Part of the Budget  
For the Year Ended 30 June 2017

**9. SPECIFIED AREA RATE & SERVICE CHARGES - 2016/17 FINANCIAL YEAR**

The Shire of Boddington did not have any specified area rates or service charges for 2015/16 and does not plan to raise any in 2016/17.

**10. OPERATING GRANTS**

	<b>2016/17</b>	<b>2015/16</b>	<b>2015/16</b>
	<b>Draft</b>	<b>Amended</b>	<b>Approved</b>
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Recurring operating grants</b>			
WAGC - General Purpose Grant	134,928	67,464	99,824
WAGC - Local Roads Grant	198,888	99,444	103,510
Road Safety Alliance	55,550	55,000	55,000
Swimming Pool	3,030	3,000	62,200
Childcare	83,388	82,562	80,562
Rural Living Expo	0	50,000	50,000
MRWA Direct Grants	48,100	42,100	42,100
ESL Grant - Brigades	33,613	33,280	33,280
ESL Grant - SES	29,022	28,735	28,735
Other Grants	353	250	350
<b>Sub - total</b>	<b>586,871</b>	<b>461,835</b>	<b>555,561</b>
<b>Non - recurring operating grants</b>			
WANDRA Disaster funding	0	54,000	54,000
Supertowns - Economic Development			148,985
Supertowns - Economic Development			1,353,550
DFES Bushire Management Planning Co-ordinator	149,210	145,000	0
<b>Sub - total</b>	<b>149,210</b>	<b>199,000</b>	<b>1,556,535</b>
<b>Total Operating Grants</b>	<b>736,081</b>	<b>660,835</b>	<b>2,112,096</b>



**SHIRE OF BODDINGTON**  
**Other Comprehensive Income**  
**Notes to and Forming Part of the Budget**  
**Total Comprehensive Income**

**11. FEES & CHARGES REVENUE**

	<b>2016/17</b>	<b>2015/16</b>	<b>2015/16</b>
	<b>Draft</b>	<b>Amended</b>	<b>Approved</b>
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Statutory fees</b>			
Animal control	14,560	14,000	14000
Building control	15,184	14,600	14600
Planning control	23,920	23,000	23000
<b>Sub-total</b>	<b>53,664</b>	<b>51,600</b>	<b>51,600</b>
<b>User fees</b>			
Administration	38,688	37,200	37,200
Aged Housing	55,304	53,177	53,177
Cemetery	6,240	6,000	6,000
Childcare	270,400	260,000	260,000
Caravan park	144,560	139,000	139,000
Doctor	4,160	4,000	4,000
WA Transport (licencing)	41,808	40,200	40,200
Fire control	1,560	1,500	1,500
Halls & housing	7,540	7,250	7,250
Leases	91,844	99,850	99,850
Library	208	200	200
Other	21,112	20,300	20,300
Rates	13,104	12,600	12,600
Swimming pool	28,080	27,000	27,000
Waste services	269,998	248,920	248,920
Youth	1,872	1,800	1,800
<b>Sub-total</b>	<b>996,478</b>	<b>958,997</b>	<b>958,997</b>
<b>Total Fees &amp; Charges</b>	<b>1,050,142</b>	<b>1,010,597</b>	<b>1,010,597</b>

**12. RATE PAYMENT DISCOUNTS, WAIVERS & CONCESSIONS - 2015/16 FINANCIAL YEAR**

The Shire of Boddington will not be providing a discount for early payment of rates for 2016/17.

**13. INTEREST CHARGES AND INSTALMENTS - 2016/17 FINANCIAL YEAR**

Rates are due and payable on 15 August 2016 or 35 days after the date of service appearing on the rate notice whichever is later.

An interest rate of 11% will be charged on all rate payments which are late. It is estimated this will generate income of \$15,806.

**SHIRE OF BODDINGTON  
DRAFT BUDGET 2016-17  
Notes to and Forming Part of the Budget  
For the Year Ended 30 June 2017**

**Instalment Options**

Instalment options are available to ratepayers for payment of their rates.

Option 1 (Full Payment)

Full amount of rates and charges including arrears to be paid on or before 15 August 2016 or 35 days after the date of service appearing on the rate notice whichever is later.

Option 2 (Two Instalments)

First instalment to be received on or before 15 August 2016 or 35 days after the date of service appearing on the rate notice whichever is later and including all arrears and one half of the current rates and service charges. The second instalment to be made on 15 February 2017 or four months and 35 days from service of rates notice whichever is later.

Option 3 (Four Instalments)

First instalment to be received on or before 15 August 2016 or 35 days after the date of service appearing on the rate notice whichever is later and including all arrears and one quarter of the current rates and service charges. The second, third and fourth instalments are to be made on 5 October 2016, 5 December 2016 and 15 February 2017 or at two month intervals whichever is later.

The revenue from the imposition of the interest and administration charge under this option is estimated at \$16,326 as is dissected as follows:

	<b>2016/17 Budget \$</b>
Charges on Instalment Plan	520
Interest on Instalment Plan	15,806
	16,326
	16,326

**14. COUNCILLORS' REMUNERATION**

	<b>2016/17 Draft Budget \$</b>	<b>2015/16 Actual \$</b>	<b>2015/16 Budget \$</b>
The following fees, expenses and allowances are to be paid to council members and/or the president.			
Meeting Fees incl. President and Deputy President Allowances	52,000	50,000	50,000
Councillor Conferences	12,360	12,000	12,000
Travelling, Childcare and Communication Expenses	7,725	7,500	7,500
	72,085	69,500	69,500
	72,085	69,500	69,500

**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
**Notes to and Forming Part of the Budget**  
**For the Year Ended 30 June 2017**

**15. NOTES TO THE CASH FLOW STATEMENT**

**(a) Reconciliation of Cash**

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

Cash - Unrestricted	457,360	229,047	(136,387)
Cash - Restricted	2,409,673	2,353,565	828,302
	<u>2,867,033</u>	<u>2,582,612</u>	<u>691,915</u>

The following restrictions have been imposed by regulation or other externally imposed requirements:

**Reserves**

Leave	280,727	275,115	276,728
Plant & Vehicle	101,149	99,127	164,606
Building	186,840	183,105	185,716
Local Organisation Assistance Fund	30,562	29,951	40,186
Aged Housing	22,632	22,180	22,310
Staff Housing	0	0	0
Refuse Site	38,016	37,256	37,475
High School Sharing Resource	25,463	24,954	25,100
Loan Repayment	0	0	0
River Crossing	65,449	64,141	65,881
Recreation Centre	0	0	0
Swimming Pool	20,449	10,240	10,300
Unspent Loans	0	0	0
Prepaid Unconditional Grants	0	0	0
Unspent Conditional Grants	1,638,386	1,607,495	0
	<u>2,409,673</u>	<u>2,353,564</u>	<u>828,302</u>

**(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result**

Net Result	736,397	1,680,555	1,124,050
Depreciation	1,378,259	1,303,395	1,303,395
(Profit)/Loss on Sale of Asset	0	(34,909)	92,630
(Increase)/Decrease in Receivables	0	0	0
(Increase)/Decrease in Inventories	0	0	0
Increase/(Decrease) in Payables	0	0	0
Increase/(Decrease) in Employee Provisions	0	0	0
Grants/Contributions for the Development of Assets	(762,767)	(1,811,365)	(1,594,729)
<b>Net Cash from Operating Activities</b>	<u>1,351,890</u>	<u>1,137,676</u>	<u>925,346</u>



**SHIRE OF BODDINGTON**  
**DRAFT BUDGET 2016-17**  
**Notes to and Forming Part of the Budget**  
**For the Year Ended 30 June 2017**

**(c) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

Bank Overdraft limit	500,000	500,000	500,000
Bank Overdraft at Balance Date	0	0	0
Credit Card limit	45,000	45,000	45,000
Credit Card Balance at Balance Date	0	0	0
<b>Total Amount of Credit Available</b>	<u>545,000</u>	<u>545,000</u>	<u>545,000</u>

**Loan Facilities**

Loan Facilities in use at Balance Date	<u>0</u>	<u>0</u>	<u>0</u>
Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>	<u>0</u>

**16. TRUST FUNDS**

Estimated movements in funds held over which the Municipality has no control do not affect the 2016/17 Budget or Annual Financial Statements as they are not included in consolidated accounts.

**17. MAJOR LAND TRANSACTIONS**

It is not anticipated that any major land transactions will occur in 2016/17.

**18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

It is not anticipated that any trading undertakings or major trading undertakings will occur in 2016/17.

