



Shire of
BODDINGTON

Flowing with Natural Beauty

ANNUAL REPORT
2016-2017



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The Shire of Boddington

Administration Centre
39 Bannister Road
(PO Box 4)
BODDINGTON WA 6390

Tel: 08 9883 4999
Fax: 08 9883 8347
Email: shire@boddington.wa.gov.au
Website: www.boddington.wa.gov.au

Statistics

Population	1844
Distance from Perth	123 km
Number of Elector Properties	1191
Number of Dwellings	803
Area	1,900 sq km
Length of Sealed Roads	105 km (excludes MRWA)
Length of Unsealed Roads	181 km (excludes MRWA)
Rates Levied 2016/17	\$4,083 Million
Total Operating Revenue 2016/17	\$6,127 Million
Total Capital Revenue 2016/17	\$3,269 Million
Council Employees	29 Full Time Equivalent

Facilities

Boddington Early Learning Centre
Boddington Health Centre
Boddington District High School
Community Library
Hospital
Police Station
Swimming Pool
Youth Centre
Recreation Centre
Police Station/Caravan Park Accommodation

Local Events / Tourist Attractions

Lions Rodeo, Arts & Craft Exhibition & Street Parade first weekend in November
Picturesque Hotham River
Caravan Park situated on the scenic Hotham River
World's longest overland cable driven conveyor belt
Community Markets
Australia Day Concert 26 January
Boddington Triathlon
Lion's Weir and Fish Ladder
Bibbulmun Track
Tullis Walk Trail
Hotham Way Tourist Route
Quindanning Picnic Races Easter Saturday
Music Festival
Ranford Pool and River Walk
Fawcett Trail Tourist Route
Field of Quilts

Sporting Groups

Archery
Cricket
Football
Hockey
Netball
Stay on your feet exercise

Badminton
Cycling
Golf
Horse-riding
Rifle Club
Swimming

Basketball
Darts
Hash House Harriers
Lawn Bowls
Soccer
Tennis

Community Groups

Arts Council
Boddington Family Support Group
-Toy Library
Boddington River Action Group
Church Services
Community Club
Friends of the Reserves
Golden Oldies
Ladies Hospital Auxiliary
P & C
RSL
St John Ambulance
Volunteer Fire Brigades:
Boddington
Crossman
Marradong
Quindanning

Boddington Community Resource Centre
Book Club
Community Markets
Community Newsletter
Country Women's Association
Garden Group
Home and Community Care
Lions Club
Playgroup
State Emergency Service
Youth Centre
Hotham Williams Economic Development
Alliance (Marradong Country)

Local Industries

Mining: Bauxite & Gold
Sheep
Cattle
Cereal Crops
Timber: Pine & Blue-gum Plantations



Elected Members

JR (JOHN) ALLERT
Shire President
PH: 9883 8528
MOB: 0427 103 478
EMAIL: john.allert@bigpond.com

Elected to office in 2009
Retiring 2017

M (MARTIN) GLYNN
Deputy Shire President
PH: 9883 8778
MOB: 0411 154 256
EMAIL: councillor.glynn@icloud.com

Elected to office in 2015
Retiring 2019

S (SHARAN) MANEZ
Councillor
MOB: 0439 093 252
EMAIL: sharan.manez@gmail.com

Elected to office in 2015
Retiring 2019

E (ELIZABETH) HOEK
Councillor
PH: 9883 8709
WK: 9883 8246
MOB: 0428 838 709
EMAIL: elizabeth.hoek@bigpond.com

Elected to office in 2015
Retiring 2017

T (TONI) COLLINS
Councillor
PH: 9883 9057
FAX: 9883 9004
MOB: 0428 839 057
EMAIL: tonicollins@westnet.com.au

Elected to office in 2013
Retiring 2017

N (NEVILLE) CRILLY
Councillor
PH: 9883 9041
MOB: 0447 092 743
EMAIL: nevillecrilly@bigpond.com

Elected to office in 2015
Retiring 2017

D (DAVID) SMART
Councillor
MOB: 0427 900 609
EMAIL: smart.david50@gmail.com

Elected to office in 2015
Retiring 2019

President's Report

At this time of year all our hard work is under scrutiny and doesn't always have a pleasant outcome. However, over the last few years, and this financial period in particular, I am delighted to report that our finances are in the best condition for the last four-five years, after each year making solid gains. Our finances and infrastructure program coupled with our Strategic Plans have shown us that we are on the right track to position our Shire as a leader for a small country community. I appreciate that a Shire and its people require more than simply a sound financial basis and good infrastructure; we also need a positive community spirit with an inclusive agenda. I believe we have this in our sporting clubs, social clubs and arts networks. This 2016/17 financial period has delivered or is in the process of delivering the following long-term projects and benefits to the local community:

Major projects for the year included:-

- Recreation centre \$3.9M with \$3.1M in State Government funding, opened during the year.
- Aged care independent living complex a \$2.8M project made possible by State Government funding
- Community hub and visitor centre, including interpretive facility and relocation of library, started this year to be completed in 2017/18
- Water to Ranford project a \$1.25M project made possible Supertowns funding from the State Government
- Roads - \$700k spent, including \$300k on reseals in accordance with Asset preservation and the Long Term Financial Plan (LTFP)
- Replacement of ageing light fleet

Financial position

- Further strengthened with just over \$750k as cash surplus reflected as "unrestricted cash"
- All financial; ratios are in line with Departmental guidelines

It is with great pride and confidence that, on behalf of the seven Councillors, CEO, Executive and staff, that I present to you the 2016/2017 President's Report to the Shire of Boddington's Annual Report and I look forward to seeing the completion of some of the above mentioned projects in next year's Annual Report.

Cr John Allert
President
Shire of Boddington

Chief Executive Officer's Report

2016/17 was certainly a rewarding year. Towards its conclusion, Council committed to and extensive community engagement and consultation. It was keen to establish a benchmark as to community satisfaction with Council's services and facilities. The Shire's Key Performance Indicators have achieved strong results this year. Of the 1038 people survey, 71% rated the Shire 6/10 or above in terms of satisfaction with the services and facilities provided by the Shire of Boddington. The survey met the Auditor General's requirements for statistical reliability, given the number of respondents.

As the Growth Plan was last reviewed in 2013, the time was certainly right for a complete review. A new Strategic Community Plan would need significant input from the local community if the Council was to have any ownership. Council developed a Community Engagement Strategy. The strategy required the appointment of a Community Advisory Group. 14 community representatives were recruited to the project and senior staff and Councillors met with each representative to discuss how they would like to see the community progressed over the next four years. These ideas were loosely costed and the Council has commenced budgeting for those proposals in the 2017/18 budget.

PROJECTS

During the 2016/17 financial year, \$7,583,000 was spent on the capital projects that were undertaken, completed or progressed for completion. The current year expenditures is shown below for the more significant projects:

Project/Activity	Main Items	Status	\$
Retirement Village Stage 2	7 new units and village hub	WIP	\$530,000
Water to Ranford	New water main from banksia Estate to River Rd Ranford	WIP	\$1,021,000
Roads	Reseals & minor construction	COMP	\$690,000
Buildings - Rec Ctr.	Construction of new facility (over 2 years)	COMP	\$3,794,000
Buildings - Other	Purchase land and refurbishments existing buildings	COMP	\$410,000
Buildings - Visitor Ctr.	Refurbishment of existing facility (over 2 years)	WIP	\$200,000
Buildings - Other	Refurbishment Old Police Station	WIP	\$44,000
Buildings - Fire Service	Construction	COMP	25,000
Shire Plant	Plant replacements and New Multi tyred roller	COMP	\$481,000
Plant - Fire Service	Fire tender	COMP	\$126,000
Furniture & Equipment	Computers (Admin) & furniture for Rec Centre	COMP	\$148,000
Swimming Pool	Shade sails	COMP	\$15,000

All the above projects were achieved with the use of grants and no new borrowings were drawn. The exception being the Rec Centre where Council was holding unspent loan funds to complete the project.

CASH POSITION

Council and staff have again showed considerable budget restraint and the cost reduction strategy has improved the Council's cash position by \$751,000 moving into a cash surplus position, whilst simultaneously achieving an acceptable current ratio of 2.05.

ENVIRONMENTAL HEALTH/BUILDING SERVICES

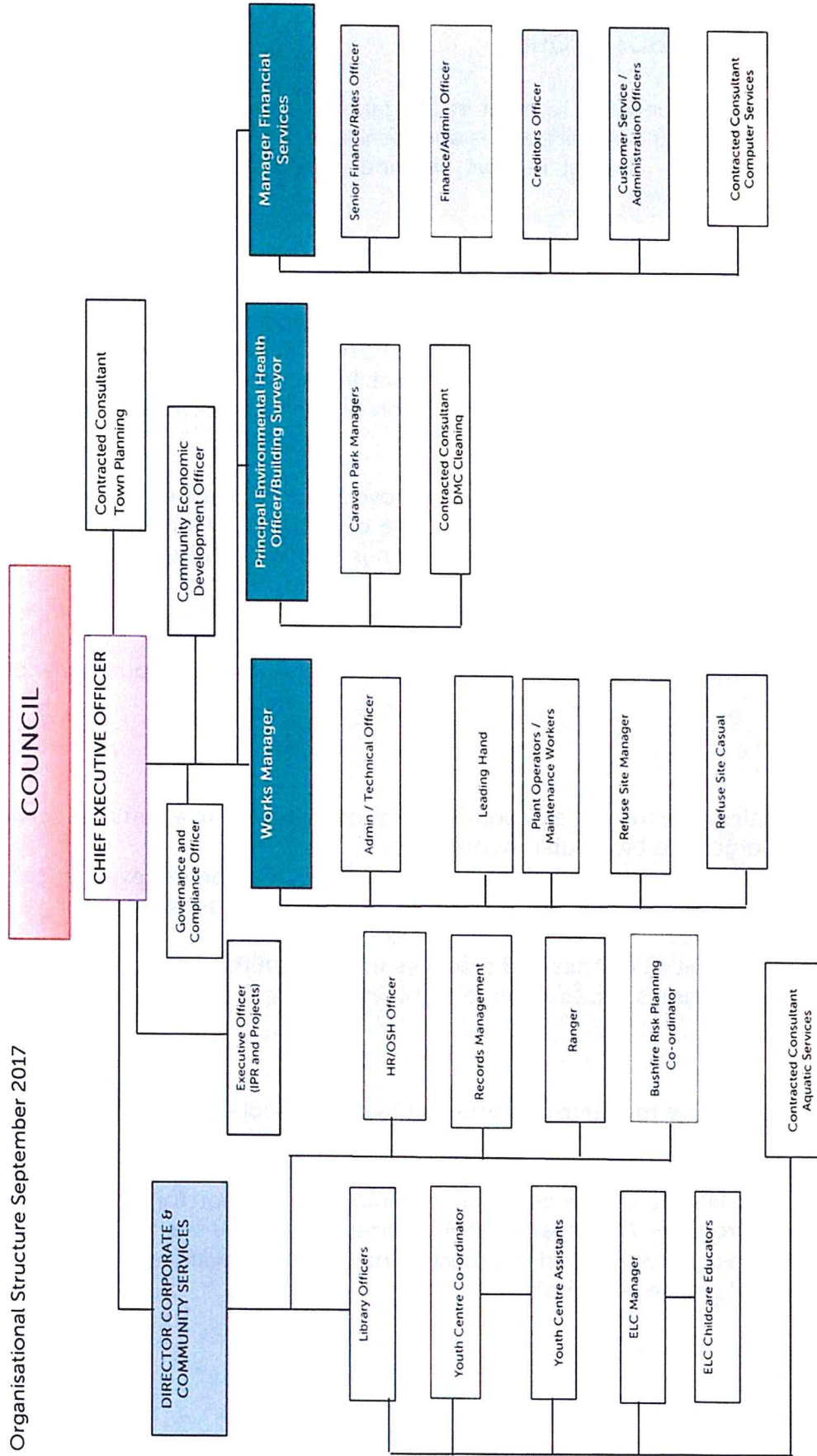
A decrease in the total number of building permits issued by 5% was experienced in 2016/17. The breakup of building permits issued is as follows:

	2016/17	2015/16
Dwellings	5	7
Dwelling Additions	1	4
Sheds / Patios / Pergolas / Garages	34	27
Swimming Pools	1	2
Commercial	4	0
Demolitions	0	1
Other	2	6
Building Approval Cert	2	4
Building Permit Extensions	3	4
Total	52	55

Finally, I must thank the staff and the Councillors for their contribution to the advancement of the Shire and their continued work towards the community's aspirations as outlined in the growth plan. Council's long-term financial plan is now in place as a meaningful and well-considered document.

Chris Littlemore B Comm MBA

Organisational Structure September 2017



Statutory Reports

National Competition Policy

The Shire of Boddington continues to meet its obligations to the competition policy and monitors the introduction of Council policies and local laws, which may be the subject of anti-competitive practices. Annual reviews are undertaken and no complaints were received in the 2015-2016 year.

Disability Access & Inclusion Plan: Revised for 2013-2018

Section 29 of the *Disability Services Act 1993* requires all public authorities to report on the implementation of their Disability Access & Inclusion Plans. Amendments to the Act in 1999 require that any Local Government that has a Disability Access & Inclusion Plan must include in its Annual Report, prepared under Section 5.53 of the *Local Government Act 1995*, a report about the implementation of its Plan.

As a result of the consultation process the following overarching strategies will guide tasks, reflected in the Implementation Plan, that the Shire of Boddington will undertake from 2013-2018 to improve access to its services, buildings and information. The six desired outcomes provide a framework for improving access and inclusion for people with disabilities in the Shire of Boddington.

The Shire of Boddington is committed to achieving the following desired outcomes of its DAIP.

Outcome 1

People with disabilities have the same opportunities as other people to access the services of, and any events organised by, a public authority.

- Council endeavour to be adaptable in responding to the barriers experiences by people with various disabilities, including people with physical, sensory, cognitive and psychiatric disabilities.
- Council ensures that all policies and practices that govern the operation of Council facilities, functions and services are consistent with Council's Policy on access.

Outcome 2

People with disabilities have the same opportunities as other people to access the buildings and other facilities of a public authority.

- Council undertake to incorporate the priorities regarding access for people with disabilities, identified during the consultations, into its submission for its capital works improvement program. Modifications will commence as funds are made available.
- Council undertake to liaise with developers to increase their awareness of the access requirements of people with disabilities.

Outcome 3

People with disabilities receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it.

- Council produce all of its information on Council facilities, functions and services using clear and concise language.
- Council advise the community that, upon request, information about Council function, facilities and services can be made available in alternative formats, such as large print.

Outcome 4

People with disabilities receive the same level and quality of service from the employees of a public authority as other people receive from the employees of that public authority.

- Council undertake to ensure that staff are aware of the key access needs of residents with disabilities and people with disabilities who visit the Local Government area in relation to the provision of all services.
- Where required, Council seek expert advice from the disability field on how to meet the access needs of people with disabilities.

Outcome 5

People with disabilities have the same opportunities as other people to make complaints to a public authority.

- Ensure that grievance mechanisms are accessible for people with disabilities and are acted upon.

Outcome 6

People with disabilities have the same opportunities as other people to participate in any public consultation by a public authority.

- Ensure that people with disabilities are actively consulted about the DAIP and any other significant planning processes.
- Ensure that people with disabilities are aware of and can access other established consultative processes.

Record Keeping

In accordance with the State Records Act 2000, the Shire of Boddington's Record Keeping Plan was reviewed and submitted to the State Archivist in June 2015.

A self- assessment evaluation to determine efficiency and effectiveness of the system was conducted in September 2015 and identified one item requiring attention. This is being addressed. The Shires' current record system is "Keywords for Council".

Record retention and subsequent destruction is completed in accordance with the General Disposal Authority for Local Governments. The Disposal Authority defines minimum periods of retention and provides guidelines for destruction. The CEO signs all disposal requests prior to destruction.

Training in record keeping is completed in line with the plan. Initially introduced by the HR/OSH Officer at the time of inducting new staff, then with either the Records Officer or Executive Officer providing one to one training as required or requested by staff.

The opportunity to raise records matters (along with any other issues) exists at the weekly staff meetings. On occasions staff has used this forum to seek clarification, which is immediately provided to the entire group, by the Records Officer. We have now committed for the Records Officer to undertake refresher training/review with staff biannually. Administration now has 3 fully trained Record-keeping Officers.

Complaints Register

Council maintained a Register of Complaints and Actions. 2 complaints were received for the period 1 July 2016 to 30 June 2017.

The Complaints Register details the date the complaint was made, by whom and the contact details of the complainant.

The complaint is then referred to the relevant officer for action. Once the complaint has been dealt with the response or outcome is provided to the complainant.

Appreciation Register

Council maintained a Register of Appreciation. 5 acknowledgements were received for the period 1 July 2016 to 30 June 2017.

Employee Numbers

The number of full time employees at balance date:

	2017	2016
	29	29



Shire of
BODDINGTON

Flowing with Natural Beauty

FINANCIAL STATEMENTS

2016 - 2017

SHIRE OF BODDINGTON
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

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Principal place of business:
39 Bannister Road
Boddington, WA 6390

SHIRE OF BODDINGTON
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Boddington being the annual financial report and other information for the financial year ended 30 June 2017 are in my opinion properly drawn up to present fairly the financial position of the Shire of Boddington at 30th June 2017 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 27th day of October 2017



Chris Littlemore
Chief Executive Officer

SHIRE OF BODDINGTON
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

STATEMENT BY CHIEF EXECUTIVE OFFICER

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Signed as authorisation of issue on the 27th day of October 2017



Chris Littlemore
Chief Executive Officer

SHIRE OF BODDINGTON
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2017

	NOTE	2017 \$	2017 Budget \$	2016 \$
Revenue				
Rates	22	4,083,127	4,107,173	3,923,101
Operating Grants, Subsidies and Contributions	28	762,839	532,289	710,170
Fees and Charges	27	1,008,454	1,088,775	1,027,092
Interest Earnings	2(a)	119,606	122,279	146,405
Other Revenue	2(a)	136,114	184,184	154,771
		<u>6,110,141</u>	<u>6,034,700</u>	<u>5,961,538</u>
Expenses				
Employee Costs		(2,278,177)	(2,274,229)	(2,239,273)
Materials and Contracts		(1,338,614)	(1,753,871)	(1,434,023)
Utility Charges		(300,879)	(285,226)	(284,082)
Depreciation on Non-Current Assets	2(a)	(1,565,058)	(1,563,113)	(1,500,891)
Interest Expenses	2(a)	(118,596)	(121,119)	(132,980)
Insurance Expenses		(196,068)	(196,397)	(203,941)
Other Expenditure		(157,456)	(163,502)	(160,888)
		<u>(5,954,849)</u>	<u>(6,357,458)</u>	<u>(5,956,079)</u>
		155,292	(322,758)	5,459
Non-Operating Grants, Subsidies and Contributions				
Contributions	28	3,269,917	3,166,217	981,921
Profit on Asset Disposals	20	16,882	0	73,210
(Loss) on Asset Disposals	20	(127,628)	0	(6,689)
		<u>3,159,171</u>	<u>3,166,217</u>	<u>1,048,442</u>
NET RESULT		3,314,464	2,843,459	1,053,903
Other Comprehensive Income				
Changes on Revaluation of Non-Current Assets	12	1,304,468	(114,500)	(165,076)
Total Other Comprehensive Income		<u>1,304,468</u>	<u>(114,500)</u>	<u>(165,076)</u>
Total Comprehensive Income		<u><u>4,618,932</u></u>	<u><u>2,728,959</u></u>	<u><u>888,827</u></u>

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

SHIRE OF BODDINGTON
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2017

	NOTE	2017 \$	2017 Budget \$	2016 \$
Revenue				
Governance		78,896	91,115	78,454
General Purpose Funding		4,725,002	4,561,050	4,175,221
Law, Order, Public Safety		206,104	204,544	269,342
Health		26,390	25,474	23,902
Education and Welfare		438,130	473,751	476,179
Housing		20,664	26,046	17,421
Community Amenities		279,683	284,320	267,465
Recreation and Culture		111,409	109,014	106,603
Transport		118,411	107,100	158,534
Economic Services		69,639	115,553	307,307
Other Property and Services		35,813	36,733	81,111
	2(a)	<u>6,110,141</u>	<u>6,034,700</u>	<u>5,961,539</u>
Expenses				
Governance		40,236	168,669	(59,501)
General Purpose Funding		(25,900)	(25,430)	(10,770)
Law, Order, Public Safety		(558,852)	(583,058)	(439,485)
Health		(258,391)	(260,533)	(262,636)
Education and Welfare		(554,519)	(608,068)	(525,345)
Housing		35,111	31,512	23,014
Community Amenities		(666,369)	(736,340)	(624,059)
Recreation & Culture		(1,253,814)	(1,305,597)	(1,191,871)
Transport		(2,407,383)	(2,454,018)	(2,068,522)
Economic Services		(283,280)	(549,426)	(602,694)
Other Property and Services		96,909	85,950	(61,229)
	2(a)	<u>(5,836,252)</u>	<u>(6,236,339)</u>	<u>(5,823,098)</u>
Financial Costs				
Governance		(39,957)	(40,510)	(45,028)
Education and Welfare		(10,819)	(11,067)	(11,570)
Housing		(35,111)	(35,389)	(38,464)
Recreation & Culture		(31,729)	(33,106)	(35,320)
Transport		(979)	(1,048)	(2,597)
	2(a)	<u>(118,596)</u>	<u>(121,119)</u>	<u>(132,980)</u>
Non-Operating Grants, Subsidies and Contributions				
Law, Order, Public Safety		126,252	126,500	375,479
Education and Welfare		1,670,500	1,670,500	31,527
Recreation & Culture		787,688	642,000	32,000
Transport		605,217	677,217	499,908
Economic Services		80,260	50,000	43,007
	28	<u>3,269,917</u>	<u>3,166,217</u>	<u>981,921</u>
Profit/(Loss) on Disposal of Assets				
Governance		(2,464)	0	0
Law, Order, Public Safety		(9,303)	0	0
Health		(6,394)	0	0
Housing		(89,468)	0	0
Community Amenities		0	0	73,210
Recreation & Culture		0	0	0
Transport		(3,116)	0	(6,689)
Other Property and Services		0	0	0
	20	<u>(110,746)</u>	<u>0</u>	<u>66,521</u>
Net Result		3,314,464	2,843,459	1,053,903
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	1,304,468	(114,500)	(165,076)
Total Other Comprehensive Income		1,304,468	(114,500)	(165,076)
Total Comprehensive Income		4,618,932	2,728,959	888,827

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

SHIRE OF BODDINGTON
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30TH JUNE 2017

	NOTE	2017 \$	2016 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	4,974,732	7,229,521
Trade and Other Receivables	4	338,977	309,629
Inventories	5	2,044	2,044
TOTAL CURRENT ASSETS		<u>5,315,753</u>	<u>7,541,193</u>
NON-CURRENT ASSETS			
Inventories	5	272,538	272,538
Property, Plant and Equipment	6	27,432,220	21,291,196
Infrastructure	7	46,816,094	46,191,095
TOTAL NON-CURRENT ASSETS		<u>74,520,852</u>	<u>67,754,828</u>
TOTAL ASSETS	17	<u>79,836,605</u>	<u>75,296,022</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	503,379	259,841
Current Portion of Long Term Borrowings	9	220,541	301,130
Provisions	10	308,448	314,224
TOTAL CURRENT LIABILITIES		<u>1,032,368</u>	<u>875,195</u>
NON-CURRENT LIABILITIES			
Trade and Other Payables	8	300,000	300,000
Long Term Borrowings	9	2,284,898	2,505,439
Provisions	10	47,369	62,351
TOTAL NON-CURRENT LIABILITIES		<u>2,632,267</u>	<u>2,867,790</u>
TOTAL LIABILITIES		<u>3,664,635</u>	<u>3,742,985</u>
NET ASSETS		<u>76,171,970</u>	<u>71,553,036</u>
EQUITY			
Retained Surplus		30,813,402	24,466,178
Reserves - Cash Backed	11	3,767,393	6,800,153
Revaluation Surplus	12	41,591,174	40,286,706
TOTAL EQUITY		<u>76,171,970</u>	<u>71,553,036</u>

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

SHIRE OF BODDINGTON
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2017

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2015		28,911,255	1,301,173	40,451,782	70,664,210
Comprehensive Income		1,053,903	0	0	1,053,903
Net Result		1,053,903	0	(165,076)	(165,076)
Changes on Revaluation of Non-Current Assets	12	0	0	(165,076)	888,827
Total Comprehensive Income		1,053,903	0	(165,076)	888,827
Transfers from/(to) Reserves		(5,498,980)	5,498,980	0	0
Balance as at 30 June 2016		24,466,178	6,800,153	40,286,706	71,553,036
Comprehensive Income		3,314,464	0	0	3,314,464
Net Result		3,314,464	0	0	0
Changes on Revaluation of Non-Current Assets	12	0	0	1,304,468	1,304,468
Total Comprehensive Income		3,314,464	0	1,304,468	4,618,932
Transfers from/(to) Reserves		3,032,760	(3,032,760)	0	0
Balance as at 30 June 2017		30,813,402	3,767,393	41,591,174	76,171,970

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

**SHIRE OF BODDINGTON
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	2017 \$	2017 Budget \$	2016 \$
Cash Flows From Operating Activities				
Receipts				
Rates		4,104,153	3,814,555	3,874,865
Operating Grants, Subsidies and Contributions		762,839	532,289	710,170
Fees and Charges		1,057,482	1,090,775	1,001,438
Service Charges		0	0	0
Interest Earnings		119,606	122,279	146,405
Goods and Services Tax		0	0	375,612
Other Revenue		136,114	182,184	154,771
		<u>6,180,195</u>	<u>5,742,081</u>	<u>6,263,260</u>
Payments				
Employee Costs		(2,271,642)	(2,244,000)	(2,185,362)
Materials and Contracts		(1,119,909)	(1,753,871)	(1,487,564)
Utility Charges		(300,879)	(285,226)	(284,082)
Interest Expenses		(121,055)	(121,122)	(135,642)
Insurance Expenses		(196,068)	(196,397)	(203,941)
Goods and Services Tax		(99,402)	0	(323,745)
Other Expenditure		(157,456)	(163,502)	(160,888)
		<u>(4,266,411)</u>	<u>(4,764,117)</u>	<u>(4,781,225)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>1,913,784</u>	<u>977,964</u>	<u>1,482,035</u>
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment		(5,839,743)	(7,406,945)	(796,492)
Payments for Construction of Infrastructure		(1,743,645)	(1,130,570)	(966,835)
Non-Operating Grants, Subsidies and Contributions		3,269,917	3,166,217	981,921
Proceeds from Sale of Fixed Assets		446,028	395,000	355,729
Net Cash Provided by (Used in) Investment Activities		<u>(3,867,443)</u>	<u>(4,976,298)</u>	<u>(425,677)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(301,130)	(301,130)	(326,503)
Proceeds from New Debentures		0	0	0
Net Cash Provided By (Used In) Financing Activities		<u>(301,130)</u>	<u>(301,130)</u>	<u>(326,503)</u>
Net Increase (Decrease) in Cash Held		(2,254,789)	(4,299,464)	729,857
Cash at Beginning of Year		7,229,521	7,229,521	6,499,663
Cash and Cash Equivalents at the End of the Year	13(a)	<u><u>4,974,732</u></u>	<u><u>2,930,057</u></u>	<u><u>7,229,521</u></u>

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

**SHIRE OF BODDINGTON
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2017**

NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
Revenue			
Operating Grants, Subsidies & Contributions	762,839	532,289	710,170
Capital Grants/Contributions	3,269,917	3,166,217	981,921
Fees & Charges	1,008,454	1,088,775	1,027,092
Service Charges	0	0	0
Interest Earnings	119,606	122,279	146,405
Profit on Sale of Assets	16,882	0	73,210
Other Revenue	136,114	184,184	81,561
	<u>5,313,812</u>	<u>5,093,744</u>	<u>3,020,359</u>
Expenses			
Employee Costs	(2,278,177)	(2,274,229)	(2,239,273)
Materials and Contracts	(1,338,614)	(1,753,871)	(1,434,023)
Utility Charges	(300,879)	(285,226)	(284,082)
Depreciation on Non-Current Assets	(1,565,058)	(1,563,113)	(1,500,891)
Interest Expenses	(118,596)	(121,119)	(132,980)
Insurance Expenses	(196,068)	(196,397)	(203,941)
Loss on Sale of Assets	(127,628)	0	(6,689)
Other Expenditure	(157,456)	(163,502)	(87,678)
	<u>(6,082,476)</u>	<u>(6,357,457)</u>	<u>(5,889,557)</u>
Net Result Excluding Rates	(768,664)	(1,263,713)	(2,869,198)
Adjustments for Cash Budget Requirements:			
Non-cash Expenditure and Revenue			
(Profit)/Loss on Asset Disposals	20	110,746	0
Movement in Employee Benefit Provisions (Non-current)	10	0	0
Depreciation on Assets	2(a)	1,565,058	1,563,113
Decrease in Revaluation of Assets		0	0
Capital Expenditure and Revenue			
Purchase Land Held for Resale		0	0
Purchase Land and Buildings	6(a)	(5,045,548)	(6,720,940)
Purchase Furniture and Equipment	6(a)	(148,256)	(61,358)
Purchase Plant and Equipment	6(a)	(645,939)	(624,647)
Purchase Other Infrastructure	7(a)	(1,021,255)	(151,419)
Purchase Roads	7(a)	(609,342)	(757,082)
Purchase Footpaths	7(a)	(27,339)	(41,856)
Purchase Drainage	7(a)	(21,581)	0
Purchase Waste site Infrastructure	7(a)	(14,318)	(31,000)
Purchase Caravan Park Infrastructure	7(a)	0	0
Purchase Culverts & Bridges	7(a)	(31,853)	(42,500)
Purchase Foreshore Infrastructure	7(a)	0	0
Purchase Parks and Ovals	7(a)	0	(83,713)
Purchase Public Facilities	7(a)	(17,957)	(23,000)
Advances to Community Groups		0	0
Proceeds from Lease Loan	8	0	0
Proceeds from Disposal of Fixed Assets	20	446,028	395,000
Repayment of Debentures	21(a)	(301,130)	(301,130)
Proceeds from New Debentures	21(a)	0	0
Transfers to Reserves (Restricted Assets)	11	(4,311,195)	(84,385)
Transfers from Reserves (Restricted Assets)	11	7,343,954	4,309,483
Estimated Surplus/(Deficit) July 1 B/Fwd	22(b)	166,976	166,976
Estimated Surplus/(Deficit) June 30 C/Fwd	22(b)	751,517	355,002
Total Amount Raised from General Rate	22(a)	<u>(4,083,127)</u>	<u>(4,107,173)</u>
		<u>(4,083,127)</u>	<u>(4,107,173)</u>
		<u>(4,083,127)</u>	<u>(4,107,173)</u>

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

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments 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 financial report are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the report 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.

Critical Accounting Estimates

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

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

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 financial report.

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 19. to these financial statements.

(b) 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.

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments 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 reported as short term borrowings in current liabilities in the statement of financial position.

(d) **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.

(e) **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 Sale

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.

(f) **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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

In 2013, the Shire 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 financial report as necessary.

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.

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 at 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 are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

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 Shire.

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

- a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

Buildings - external structure	100 years
Buildings - fit out	10 years
Buildings - mechanicals	12 years
Buildings - roof structure	25 years
Furniture and Equipment	1 to 12 years
Plant and Equipment	1 to 15 years

Sealed roads and streets formation	not depreciated
pavement	75 years
seal	10 to 30 years

Gravel roads formation	not depreciated
pavement	6 to 15 years

Footpaths and pathways	30 years
Sewerage pipes	75 years
Water supply piping and drainage systems	75 years

Infrastructure other as categorised below (excluding land and buildings):

Caravan Park	10 to 50 years
Foreshore	15 to 50 years
Parks and ovals	5 to 25 years
Public use facilities	5 to 30 years
Waste site	12 to 25 years
Other infrastructure	3 to 50 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 the statement of comprehensive income in the period in which they arise.

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

Capitalisation Threshold

Expenditure on items of equipment under \$3,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities

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

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

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. 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.

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities (Continued)

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 Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability 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.

(h) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Shire becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Shire commits itself to either the purchase or sale of the asset (i.e. 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 at 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. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. Assets in this category are classified as current assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) 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 Shire 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 non-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 (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

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 will have 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.

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Shire 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.

(i) Impairment of Assets

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

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

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 revalued asset is treated as 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.

(j) Trade and Other Payables

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

(k) Employee Benefits

Short-Term Employee Benefits

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

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

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 remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee Benefits (Continued)

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(l) 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.

(m) Provisions

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

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

(n) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Shire, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

(o) Investment in Associates

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

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

Profits and losses resulting from transactions between the Shire and the associate are eliminated to the extent of the Shire's interest in the associate.

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

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(o) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 16.

(q) 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.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to "those undischarged conditions are disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

(r) Superannuation

The Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

(s) 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.

(t) Rounding Off Figures

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

(u) Comparative Figures

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

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

(v) Budget Comparative Figures

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

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) New Accounting Standards and Interpretations for Application in Future Periods

Title	Applicable ⁽¹⁾
(i) AASB 2014-15 Amendments to Australian Accounting Standards arising from AASB 15	On or after 1 January 2017
(ii) AASB 2015-8 Amendments to Australian Accounting Standards - Effective Date of AASB 15	On or after 1 January 2017
(iii) AASB 2016-1 Amendments to Australian Accounting Standards - Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]	On or after 1 January 2017
(iv) AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107	On or after 1 January 2017
(v) AASB 2016-4 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets for Not-for-Profit Entities	On or after 1 January 2017
(vi) AASB 2016-7 Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities	On or after 1 January 2017
(i) AASB 2017-2 Amendments to Australian Accounting Standards - Further Annual Improvements 2014-16 Cycle	On or after 13 February 2017
(i) AASB 2017-1 Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments	On or after 13 December 2017
(i) AASB 9 Financial Instruments (December 2009)	On or after 1 January 2018
(ii) AASB 15 Revenue from Contracts with Customers	On or after 1 January 2018
(iii) AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	On or after 1 January 2018
(iv) AASB 2014-1 Amendments to Australian Accounting Standards (Part E)	On or after 1 January 2018
(v) AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014), AASB 1057 Application of Australian Accounting Standards	On or after 1 January 2018
(vi) AASB 2016-3 Amendments to Australian Accounting Standards - Clarifications to AASB 15	On or after 1 January 2018

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) New Accounting Standards and Interpretations for Application in Future Periods

(vii) AASB 2016-5 Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions	On or after 1 January 2018
(viii) AASB 2016-6 Amendments to Australian Accounting Standards - Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts	On or after 1 January 2018
(i) AASB 16 Leases	On or after 1 January 2019
(ii) AASB 16 Leases (Appendix D)	On or after 1 January 2019
(iii) AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation	On or after 1 January 2019
(iv) AASB 1058 Income of Not-for-Profit Entities	On or after 1 January 2019

Notes:

(1) Applicable to reporting periods commencing on or after the given date.

(x) Adoption of New and Revised Accounting Standards

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

The Shire of Boddington has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

This year Council has applied AASB124 Related Party Disclosures for the first time. As a result Council has disclosed more information about related parties and transactions with those related parties. This information is presented in note (34).

Other amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial report, but have future commencement dates are not likely to have a material impact on the financial statements.

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES	2017	2016	
	\$	\$	
(a) Net Result			
The Net Result includes:			
(i) Charging as an Expense:			
Auditors Remuneration			
- Audit of the annual financial report	18,295	17,700	
- Financial Management Review/Acquittals & Reg 17 review	13,285	8,900	
- Assistance with financial management and reports	0	0	
Depreciation			
Non-Specialised Buildings	26,514	12,534	
Specialised Buildings	222,522	233,377	
Furniture and Equipment	23,923	20,938	
Plant and Equipment	173,453	199,704	
Roads	832,448	765,621	
Bridges	53,323	45,952	
Footpaths	21,286	21,287	
Drainage	47,124	46,858	
Parks and Ovals	25,548	25,549	
Public Facilities	86,069	80,063	
Caravan Park	11,517	11,518	
Foreshore	12,622	12,623	
Waste	3,748	2,209	
Other infrastructure	24,961	22,658	
	<u>1,565,058</u>	<u>1,500,891</u>	
Interest Expenses (Finance Costs)			
Debentures (refer to Note 21(a))	121,055	135,714	
Accrued interest & other	(2,459)	(2,734)	
	<u>118,596</u>	<u>132,980</u>	
Rental Charges			
- Operating Leases	12,217	16,443	
	<u>12,217</u>	<u>16,443</u>	
(ii) Crediting as Revenue:			
Other Revenue			
Reimbursements and Recoveries	136,114	154,771	
Significant Revenue (Refer Above)	0	0	
	<u>136,114</u>	<u>154,771</u>	
	2017	2017	2016
	Actual	Budget	Actual
	\$	\$	\$
Interest Earnings			
- Reserve Funds	4,918	9,762	16,475
- Other Funds	94,757	92,711	104,308
Other Interest Revenue (refer note 26)	19,931	19,806	25,622
	<u>119,606</u>	<u>122,279</u>	<u>146,405</u>

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

The Shire of Boddington is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

GOVERNANCE

Objective:

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. Includes all costs associated with elected members along with the allocation of expenses for the Chief Executive Officer and staff in the administration of Shire.

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue and expenditure.

LAW, ORDER, PUBLIC SAFETY

Objective:

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

Activities:

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

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

Inspection of food outlets and their control, immunisation services, contracted health surveying, operation of a Health Centre and general public health administration.

EDUCATION AND WELFARE

Objective:

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

Activities:

Operation of Senior Citizens centre and Independent Care Units. Assistance to playgroups and other voluntary services.

HOUSING

Objective:

To provide and maintain non administrative staff and rental housing

Activities:

Provision and maintenance of non-administrative staff and rental housing.

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

Rubbish collection services, operation of rubbish disposal sites, administration of the Town Planning Scheme, maintenance of cemeteries and public conveniences.

RECREATION AND CULTURE

Objective:

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

Activities:

Maintenance of the Town Hall, Swimming Pool, Recreation reserve and associated facilities. Library operations and general maintenance of all parks and reserves.

TRANSPORT

Objective:

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

Activities:

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning and lighting of the streets, and depot maintenance.

ECONOMIC SERVICES

Objective:

To help promote the Shire and its economic wellbeing.

Activities:

Tourism and area promotion including the maintenance and operation of a caravan park.

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control council's overheads operating accounts.

Activities:

Private works operation, plant repair and operation costs and engineering operation costs.

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions		Opening Balance ⁽¹⁾ 01/07/15	Received ⁽²⁾ 2015/16	Expended ⁽³⁾ 2015/16	Closing Balance ⁽¹⁾ 30/06/16	Received 2016/17	Interest 2016/17	Expended ⁽³⁾ 2016/17	Closing Balance 30/06/17
Grant/Contribution		\$	\$	\$	\$	\$	\$	\$	\$
CLGF - Asset Management Plan Funding	Governance	1,382	0	0	1,382	0	0	0	1,382
Financial Assistance Grant	Governance	0	0	0	0	74,586	0	0	74,586
Grants Commission - Roads	Transport	0	0	0	0	111,520	0	0	111,520
Bushfire Risk Management Planning BRMP)	Law, Order, Public Safety	0	154,749	(59,945)	94,804	69,884	0	(163,755)	933
BFB ESL Operating Grant	Law, Order, Public Safety	0	11,766	0	11,766	71,797	0	(64,243)	19,320
Drainage Contributions	Transport	4,000	0	0	4,000	0	0	0	4,000
Golden Opportunity	Economic Services	5,199	0	0	5,199	0	0	0	5,199
Hotham CLC Brag Project	Economic Services	2,810	0	0	2,810	0	0	0	2,810
Hotham Landcare Grant	Economic Services	9,160	0	(9,160)	0	0	0	0	0
Mistletoe View Road Update	Transport	9,091	0	(9,091)	0	0	0	0	0
New Youth Centre Project	Recreation & Culture	29,701	31,527	(61,228)	0	0	0	0	0
New Youth Centre Project - BHP Contribution	Recreation & Culture	0	0	0	0	0	0	0	0
Office of Crime Prevention	Law, Order, Public Safety	227	0	0	227	0	0	0	227
Office Shared Services Asset Management	Governance	47,960	0	0	47,960	0	0	0	47,960
Office Shared Services Financial Planning	Governance	25,000	0	0	25,000	0	0	0	25,000
Office Shared Services Strategic Planning	Governance	2,207	0	0	2,207	0	0	0	2,207
Recreation Centre	Recreation & Culture	2,561,140	48,558	(156,610)	2,453,088	633,248	20,245	(3,106,581)	0
Roads to Recovery	Transport	0	0	0	0	302,582	0	(297,874)	4,708
Road Safety Alliance	Transport	159,576	55,000	(32,240)	182,336	63,990	0	(106,128)	140,198
Regional Roads Group	Transport	0	0	0	0	231,000	0	(223,143)	7,857
Independent Living	Health	0	0	0	0	1,670,500	0	(530,619)	1,139,881
South West Wheat belt Primary Health Service	Community Amenities	140	0	0	140	0	0	0	140
Super towns Funding Water to Ranford	Economic Services	1,276,604	26,019	(40,350)	1,262,273	0	15,652	(1,021,255)	256,670
Super towns Economic Development	Economic Services	155,115	1,630	(80,101)	76,644	0	663	(77,307)	0
Mainstreet "Ken Austic Square Grant"	Economic Services	0	0	0	0	71,635	0	0	71,635
Thank a Volunteer	Recreation & Culture	0	880	(880)	0	1,000	0	(1,000)	0
Kidsport	Recreation & Culture	0	0	0	0	10,000	0	(7,420)	2,580
Visitors Centre	Recreation & Culture	50,000	10,000	(17,658)	42,342	80,260	0	(122,602)	0
Walking Trails - Peel Devt. Commission	Economic Services	0	13,232	(950)	13,232	182	0	0	13,414
Youth Centre Expo	Transport	0	1,000	0	50	0	0	0	50
Argill Ply Ltd - water	Recreation & Culture	150,000	0	0	150,000	0	0	(150,000)	0
Total	Governance	4,489,312	354,361	(468,213)	4,375,460	3,392,184	36,560	(5,871,927)	1,932,277

Notes:

(1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

(2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

(3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	Note	2017 \$	2016 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		1,207,339	429,368
Restricted		3,767,393	6,800,153
		<u>4,974,732</u>	<u>7,229,521</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave Reserve	11	277,596	272,153
Plant Reserve	11	350,021	98,060
Building Reserve	11	381,515	272,586
Local Organisation Assistance Fund Reserve	11	30,112	29,522
Refuse Site Reserve	11	37,592	36,855
Aged Housing Reserve	11	313,080	306,941
Boddington High School Resource Sharing Reserve	11	25,179	24,685
Swimming Pool Reserve	11	10,333	10,130
River Crossing Reserve	11	64,720	63,451
Recreation Centre Reserve	11	0	310,309
Public Open Space Reserve	11	122,441	0
Car Park Reserve	11	0	0
Unspent Grants	2(c)	1,932,277	4,375,460
Unspent Loans	21(c)	222,526	1,000,000
		<u>3,767,393</u>	<u>6,800,153</u>
4. TRADE AND OTHER RECEIVABLES			
Current			
Rates Outstanding		164,609	185,634
Sundry Debtors		65,055	126,128
GST Receivable		98,357	(1,045)
Accrued interest receivable		3,415	5,609
Prepaid Expenses		10,680	9,465
Fuel Tax Credit		7,268	0
Provision for doubtful debt		(10,407)	(16,162)
		<u>338,977</u>	<u>309,629</u>
Non-Current			
Rates Outstanding - Pensioners		0	0
		<u>0</u>	<u>0</u>
5. INVENTORIES			
Current			
Fuel and Materials		2,044	2,044
		<u>2,044</u>	<u>2,044</u>
Non-Current			
Land Held for Resale - Cost			
Cost of Acquisition		0	0
Development Costs		272,538	272,538
		<u>272,538</u>	<u>272,538</u>

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
(a) Land and Buildings		
Land		
Freehold Land at:		
- Independent Valuation	3,051,500	3,492,000
- Additions after valuation (Cost)	331,710	0
	3,383,210	3,492,000
Land Vested In and Under the Control of Council at:		
- Independent Valuation	157,617	98,120
- Additions after valuation (Cost)	0	0
	157,617	98,120
Total Land	3,540,827	3,590,120
Non-Specialised Buildings at:		
- Independent Valuation	1,355,000	2,280,000
- Additions after valuation (Cost)	0	44,134
Less: Accumulated Depreciation	0	(67,684)
	1,355,000	2,256,450
Specialised Buildings at:		
- Independent Valuation	15,146,477	12,527,000
- Additions after valuation (Cost)	0	1,246,859
Less: Accumulated Depreciation	0	(749,588)
	15,146,477	13,024,271
Works in Progress Buildings at:		
- Independent Valuation	0	0
- Additions after valuation (Cost)	4,750,011	158,925
Less: Accumulated Depreciation	(1,039)	0
	4,748,972	158,925
Total Buildings	21,250,450	15,439,645
Total Land and Buildings	24,791,277	19,029,765
Furniture and Equipment at:		
- Management Valuation	152,201	152,201
- Additions after valuation (Cost)	199,201	51,842
Less Accumulated Depreciation	(162,832)	(139,043)
	188,570	65,000
Plant and Equipment at:		
- Management Valuation	1,951,808	2,445,503
- Additions after valuation (Cost)	1,082,450	436,511
Less Accumulated Depreciation	(581,886)	(685,583)
	2,452,372	2,196,432
TOTAL PROPERTY, PLANT AND EQUIPMENT	27,432,220	21,291,196

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year	Transfers	Additions	(Disposals)	Revaluation Increments/ (Decrements) Transferred to Revaluation	Revaluation (Losses)/Reversals through to Profit or Loss	Depreciation on disposals	Depreciation (Expense)	Carrying Amount at the End of Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land and Buildings									
Freehold Land	2,722,000	(1,709,500)	331,710	0	(372,000)	0	0	0	972,210
	<u>3,590,120</u>	<u>0</u>	<u>331,710</u>	<u>(100,000)</u>	<u>59,497</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,540,827</u>
Freehold Land	770,000	1,709,500	0	(100,000)	31,500	0	0	0	2,411,000
Land Vested In and Under the Control of Council	98,120	0	0	0	59,497	0	0	0	157,617
Total Land	2,256,450	(552,176)	15,634	(250,000)	(99,239)	10,532	(26,200)	0	1,355,000
Non-Specialised Buildings	13,006,613	569,833	107,118	0	1,684,710	0	(221,797)	0	15,146,477
Specialised Buildings	176,582	(17,657)	4,591,087	0	0	0	(1,039)	0	4,748,972
Work In Progress	<u>15,439,645</u>	<u>(0)</u>	<u>4,713,838</u>	<u>(250,000)</u>	<u>1,585,471</u>	<u>0</u>	<u>10,532</u>	<u>(249,037)</u>	<u>21,250,450</u>
Total Land and Buildings	19,029,765	(0)	5,045,548	(350,000)	1,304,468	10,532	(249,037)	(249,037)	24,791,277
Furniture and Equipment	65,000	0	148,256	(897)	0	135	(23,923)	0	188,570
Total Furniture and Equipment	65,000	0	148,256	(897)	0	135	(23,923)	0	188,570
Plant and Equipment	497,793	1,010,675	168,877	(247,272)	0	277,151	(168,900)	0	1,538,324
Plant and Equipment	1,698,638	(1,010,675)	477,062	(246,423)	0	0	(4,554)	0	914,048
	<u>2,196,431</u>	<u>0</u>	<u>645,939</u>	<u>(493,695)</u>	<u>0</u>	<u>277,151</u>	<u>(173,454)</u>	<u>0</u>	<u>2,452,372</u>
Total Property, Plant and Equipment	21,291,196	(0)	5,839,743	(844,592)	1,304,468	287,818	(446,414)	(446,414)	27,432,220

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of last valuation	Inputs used
Land and buildings					
Feehold land	2	Market approach using recent observable market data for similar properties	Independent Valuer	June 2017	Price per sq. mtr./market borrowing rate
Land vested under the control of Council	2	Market approach using recent observable market data for similar properties	Independent Valuer	June 2017	Price per sq. mtr./market borrowing rate
Non specialised buildings	2	Market approach using recent observable market data for similar properties	Independent Valuer	June 2017	Price per sq. mtr./market borrowing rate
Specialised buildings	2	Market approach using recent observable market data for similar properties	Independent Valuer	June 2017	Price per sq. mtr./market borrowing rate
Furniture and Equipment	3	Cost approach using recent observable market data/specific quotes	Management valuation	June 2016	Current condition/residual values
Plant and Equipment	3	Cost approach using recent observable market data/specific quotes	Management valuation	June 2016	Current condition/residual values

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

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

The fair value of property, plant and equipment is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires property, plant and equipment to be shown at fair value.

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
7 (a). INFRASTRUCTURE		
Roads		
- Additions after Valuation - Cost	1,358,876	749,534
- Independent valuation	39,852,743	39,852,743
Less Accumulated Depreciation	- 1,598,069	- 765,621
	<u>39,613,550</u>	<u>39,836,656</u>
Bridges and Culverts		
- Additions after Valuation - Cost	44,679	12,826
- Independent valuation	1,358,231	1,358,231
Less Accumulated Depreciation	- 99,275	- 45,952
	<u>1,303,635</u>	<u>1,325,104</u>
Footpaths		
- Additions after Valuation - Cost	27,339	-
- Independent valuation	792,981	792,981
Less Accumulated Depreciation	- 42,573	- 21,287
	<u>777,747</u>	<u>771,694</u>
Drainage		
- Additions after Valuation - Cost	21,581	-
- Independent valuation	1,124,142	1,124,142
Less Accumulated Depreciation	- 93,982	- 46,858
	<u>1,051,741</u>	<u>1,077,284</u>
Parks and Ovals		
- Additions after Valuation - Cost	-	4,845
- Independent valuation	497,600	497,600
Less Accumulated Depreciation	- 51,097	- 25,549
	<u>446,503</u>	<u>476,896</u>
Public Facilities		
- Additions after Valuation - Cost	45,108	22,306
- Independent valuation	1,749,900	1,749,900
Less Accumulated Depreciation	- 166,132	- 80,063
	<u>1,628,876</u>	<u>1,692,143</u>
Other Infrastructure		
- Additions after Valuation - Cost	110,384	110,384
- Independent valuation	347,000	347,000
Less Accumulated Depreciation	- 47,619	- 22,658
	<u>409,765</u>	<u>434,726</u>
Foreshore Infrastructure		
- Additions after Valuation - Cost	-	-
- Independent valuation	230,000	230,000
Less Accumulated Depreciation	- 25,245	- 12,623
	<u>204,755</u>	<u>217,378</u>
Caravan Park Infrastructure		
- Additions after Valuation - Cost	-	-
- Independent valuation	271,000	271,000
Less Accumulated Depreciation	- 23,035	- 11,518
	<u>247,965</u>	<u>259,483</u>
Waste Site Infrastructure		
- Additions after Valuation - Cost	81,258	66,940
- Independent valuation	35,000	35,000
Less Accumulated Depreciation	- 5,957	- 2,209
	<u>110,301</u>	<u>99,731</u>
Works in Progress - water assets		
- Additions after Valuation - Cost	1,021,255	-
- Independent valuation	-	-
Less Accumulated Depreciation	-	-
	<u>1,021,255</u>	<u>-</u>
TOTAL INFRASTRUCTURE	<u><u>46,816,094</u></u>	<u><u>46,191,095</u></u>

SHIRE OF BODDINGTON
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2017

7. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Balance as at the Beginning of the Year	Transfers	Additions	(Disposals)	Revaluation Increments/ (Decrements) Transferred to Revaluation	Revaluation (Losses)/Reversals through to Profit or Loss	Impairment (Losses)/ Reversals	Depreciation (Expense)	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$	
Roads	39,836,656	0	609,342	0	0	0	0	(832,448)	39,613,550
Footpaths	771,694	0	27,339	0	0	0	0	(21,286)	777,747
Drainage, K & C	1,077,284	0	21,581	0	0	0	0	(47,124)	1,051,741
Bridges and culverts	1,325,104	0	31,853	0	0	0	0	(53,323)	1,303,634
Parks and ovals	476,896	(4,845)	0	0	0	0	0	(25,548)	446,503
Other infrastructure	434,726	0	0	0	0	0	0	(24,961)	409,765
Public facilities	1,692,143	4,845	17,957	0	0	0	0	(86,069)	1,628,876
Foreshore	217,378	0	0	0	0	0	0	(12,622)	204,756
Waste site	99,731	0	14,318	0	0	0	0	(3,748)	110,301
Works in Progress	0	0	1,021,255	0	0	0	0	0	1,021,255
Caravan park	259,483	0	0	0	0	0	0	(11,517)	247,966
Total	46,191,095	0	1,743,645	0	0	0	0	(1,118,646)	46,816,094

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

7. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of last valuation	Inputs used
Roads	3	Cost approach using depreciated replacement cost	Independent Valuer	June 2015	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs.
Footpaths	3	Cost approach using depreciated replacement cost	Independent Valuer	June 2015	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs.
Drainage	3	Cost approach using depreciated replacement cost	Independent Valuer	June 2015	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs.
Bridges and culverts	3	Cost approach using depreciated replacement cost	Independent Valuer	June 2015	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs.
Parks and ovals	3	Cost approach using depreciated replacement cost	Independent Valuer	June 2015	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs.
Other infrastructure	3	Cost approach using depreciated replacement cost	Independent Valuer	June 2015	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs.
Public facilities	3	Cost approach using depreciated replacement cost	Independent Valuer	June 2015	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs.
Foreshore	3	Cost approach using depreciated replacement cost	Independent Valuer	June 2015	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs.
Waste site	3	Cost approach using depreciated replacement cost	Independent Valuer	June 2015	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs.
Caravan Park	3	Cost approach using depreciated replacement cost	Independent Valuer	June 2015	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs.

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

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of infrastructure using level 3 inputs.

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	276,700	152,998
Accrued Interest on Debentures	18,611	21,071
Accrued Salaries and Wages	86,958	59,669
ATO Liabilities	88,622	0
FBT Creditor	6,542	5,358
Supertowns Funding	0	0
Recreation Centre funding	0	0
Rates Excess	25,945	20,745
	<u>503,379</u>	<u>259,841</u>
Non-Current		
Retirement Village - Lease Loan	300,000	300,000
	<u>300,000</u>	<u>300,000</u>

9. LONG-TERM BORROWINGS

Current		
Secured by Floating Charge		
Debentures	220,541	301,130
	<u>220,541</u>	<u>301,130</u>
Non-Current		
Secured by Floating Charge		
Debentures	2,284,898	2,505,439
	<u>2,284,898</u>	<u>2,505,439</u>

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2016			
Current provisions	177,069	137,156	314,225
Non-current provisions	-	62,351	62,351
	<u>177,069</u>	<u>199,507</u>	<u>376,576</u>
Additional provision	679	1,403	724
Amounts used	-	21,483	21,483
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	-	-	-
Balance at 30 June 2017	<u>(679)</u>	<u>(20,080)</u>	<u>(20,759)</u>
Used amount reserved	0	0	0
Balance at 30 June 2017	<u>176,390</u>	<u>179,427</u>	<u>355,817</u>
Comprises			
Current	176,390	132,058	308,448
Non-current	0	47,369	47,369
	<u>176,390</u>	<u>179,427</u>	<u>355,817</u>

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017 \$	2017 Budget \$	2016 \$
11. RESERVES - CASH BACKED			
(a) Leave Reserve			
Opening Balance	272,153	272,153	268,667
Amount Set Aside / Transfer to Reserve	5,443	5,443	3,487
Amount Used / Transfer from Reserve	0	0	0
	<u>277,596</u>	<u>277,596</u>	<u>272,153</u>
(b) Plant Reserve			
Opening Balance	98,060	98,060	96,804
Amount Set Aside / Transfer to Reserve	251,961	1,961	1,256
Amount Used / Transfer from Reserve	0	0	0
	<u>350,021</u>	<u>100,021</u>	<u>98,060</u>
(c) Building Reserve			
Opening Balance	272,586	272,586	435,305
Amount Set Aside / Transfer to Reserve	386,967	5,452	5,650
Amount Used / Transfer from Reserve	(278,038)	(278,038)	(168,368)
	<u>381,515</u>	<u>0</u>	<u>272,586</u>
(d) Local Organisation Assistance Reserve			
Opening Balance	29,522	29,522	39,015
Amount Set Aside / Transfer to Reserve	590	590	506
Amount Used / Transfer from Reserve	0	0	(10,000)
	<u>30,112</u>	<u>30,112</u>	<u>29,522</u>
(e) Refuse Site Reserve			
Opening Balance	36,855	36,855	36,383
Amount Set Aside / Transfer to Reserve	737	737	472
Amount Used / Transfer from Reserve	0	0	0
	<u>37,592</u>	<u>37,592</u>	<u>36,855</u>
(f) Aged Housing Reserve			
Opening Balance	306,941	306,941	21,660
Amount Set Aside / Transfer to Reserve	6,139	6,139	285,281
Amount Used / Transfer from Reserve	0	0	0
	<u>313,080</u>	<u>313,080</u>	<u>306,941</u>
(g) High School Resource Sharing Reserve			
Opening Balance	24,685	24,685	24,369
Amount Set Aside / Transfer to Reserve	494	494	316
Amount Used / Transfer from Reserve	0	0	0
	<u>25,179</u>	<u>25,179</u>	<u>24,685</u>
(h) Swimming Pool Reserve			
Opening Balance	10,130	10,130	10,000
Amount Set Aside / Transfer to Reserve	203	203	130
Amount Used / Transfer from Reserve	0	0	0
	<u>10,333</u>	<u>10,333</u>	<u>10,130</u>

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017 \$	2017 Budget \$	2016 \$
11. RESERVES - CASH BACKED			
(i) River Crossing Reserve			
Opening Balance	63,451	63,451	62,638
Amount Set Aside / Transfer to Reserve	1,269	1,269	813
Amount Used / Transfer from Reserve	0	0	0
	<u>64,720</u>	<u>64,720</u>	<u>63,451</u>
(j) Recreation Reserve			
Opening Balance	310,309	310,309	306,333
Amount Set Aside / Transfer to Reserve	6,206	6,206	3,976
Amount Used / Transfer from Reserve	(316,515)	0	0
	<u>0</u>	<u>316,515</u>	<u>310,309</u>
(k) Unspent Loans Reserve			
Opening Balance	1,000,000	1,000,000	0
Amount Set Aside / Transfer to Reserve	222,526	0	1,000,000
Amount Used / Transfer from Reserve	(1,000,000)	(1,000,000)	0
	<u>222,526</u>	<u>0</u>	<u>1,000,000</u>
(l) Prepaid Conditional Grants Reserve			
Opening Balance	25,000	25,000	0
Amount Set Aside / Transfer to Reserve	186,106	0	25,000
Amount Used / Transfer from Reserve	0	(11,766)	0
	<u>211,106</u>	<u>13,234</u>	<u>25,000</u>
(m) Unspent Conditional Grants Reserve			
Opening Balance	4,350,460	4,350,460	0
Amount Set Aside / Transfer to Reserve	3,120,112	55,891	4,350,460
Amount Used / Transfer from Reserve	(5,749,401)	(3,019,678)	0
	<u>1,721,171</u>	<u>1,386,673</u>	<u>4,350,460</u>
(n) Public Open Space Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	122,441	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>122,441</u>	<u>0</u>	<u>0</u>
(o) Car Park Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL RESERVES	<u><u>3,767,393</u></u>	<u><u>2,575,055</u></u>	<u><u>6,800,153</u></u>
Total Opening Balance	6,800,153	6,800,153	1,301,174
Total Amount Set Aside / Transfer to Reserve	4,311,194	84,385	5,677,347
Total Amount Used / Transfer from Reserve	(7,343,954)	(4,309,482)	(178,368)
TOTAL RESERVES	<u><u>3,767,393</u></u>	<u><u>2,575,055</u></u>	<u><u>6,800,153</u></u>

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 to this financial report.

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

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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- (a) Leave Reserve
- to be used to fund annual and long service leave requirements.
- (b) Plant Reserve
- to be used to purchase new or second-hand plant and equipment.
- (c) Building Reserve
- to be used for the construction of buildings.
- (d) Local Organisation Assistance Reserve
- to be used for the funding of local organisations projects as per Council policy.
- (e) Refuse Site Reserve
- to be used for the establishment and operation of the refuse site. All surplus income over expenditure for Sanitation at the end of each financial year is transferred to this reserve.
- (f) Aged Housing Reserve
- to be used for future aged housing developments.
- (g) High School Resource Sharing Reserve
- to be used for the ongoing maintenance and reconstruction of the resources shared.
Council has entered a resource sharing agreement with the Education Department in relation to the usage of Shire recreational facilities by the Boddington District High School (BDHS).
The agreement entails the transfer of a depreciation based calculation to reserve each year.
- (h) Swimming Pool Reserve
- this Reserve was established to assist in funding the ongoing upgrading and maintaining of the swimming pool.
- (i) River Crossing Reserve
- this Reserve accumulates funds to allow the ongoing upgrading and refurbishment of river crossings as decided by Council.
- (j) Recreation Reserve
- to be used to assist in funding the building of a new Recreation Centre in the future.
- (k) Unspent Loans Reserve
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.
- (l) Prepaid Unconditional Grants Reserve
To provide a mechanism for identifying prepaid grants where the expenditure associated will be incurred in the next financial year, these mainly consist of prepaid Financial Assistance Grants (FAG) and local road grants.
- (m) Unspent Conditional Grants Reserve
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.
- (n) Public Open Space Reserve
This reserve is for the upgrade and rationalisation of Public Open Space and parklands within the Shire.
- (o) Car Park Reserve
This reserve is for the construction of car parks at Shire buildings, parks and ovals.

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

12. REVALUATION SURPLUS	2017	2016
	\$	\$
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
(a) Land		
Opening Balance	2,552,128	2,552,128
Revaluation Increment	0	0
Revaluation Decrement	(281,003)	0
	<u>2,271,125</u>	<u>2,552,128</u>
(b) Buildings		
Opening Balance	2,241,180	2,241,180
Revaluation Increment	1,684,710	0
Revaluation Decrement	(99,239)	0
	<u>3,826,651</u>	<u>2,241,180</u>
(c) Plant & Equipment		
Opening Balance	381,196	546,272
Revaluation Increment	0	0
Revaluation Decrement	0	(165,076)
	<u>381,196</u>	<u>381,196</u>
(d) Road Infrastructure		
Opening Balance	32,194,337	32,194,337
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>32,194,337</u>	<u>32,194,337</u>
(e) Footpaths		
Opening Balance	318,470	318,470
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>318,470</u>	<u>318,470</u>
(f) Drainage		
Opening Balance	113,658	113,658
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>113,658</u>	<u>113,658</u>
(g) Bridges & Culverts		
Opening Balance	701,068	701,068
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>701,068</u>	<u>701,068</u>
(h) Parks & Ovals		
Opening Balance	229,919	229,919
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>229,919</u>	<u>229,919</u>

SHIRE OF BODDINGTON
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2017

12. REVALUATION SURPLUS	2017	2016
	\$	\$
(i) Public Facilities		
Opening Balance	1,108,330	1,108,330
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>1,108,330</u>	<u>1,108,330</u>
(j) Other Infrastructure		
Opening Balance	99,226	99,226
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>99,226</u>	<u>99,226</u>
(k) Foreshore Infrastructure		
Opening Balance	160,709	160,709
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>160,709</u>	<u>160,709</u>
(l) Waste site Infrastructure		
Opening Balance	31,790	31,790
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>31,790</u>	<u>31,790</u>
(m) Caravan Park Infrastructure		
Opening Balance	154,695	154,695
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>154,695</u>	<u>154,695</u>
TOTAL ASSET REVALUATION SURPLUS	<u><u>41,591,174</u></u>	<u><u>40,286,706</u></u>

SHIRE OF BODDINGTON
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13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	2017 \$	2017 Budget \$	2016 \$
Cash and Cash Equivalents	<u>4,974,732</u>	<u>2,930,057</u>	<u>7,229,521</u>

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

Net Result	3,314,464	2,843,460	1,053,903
Non-cash flows in Net Result:			
Depreciation	1,565,058	1,563,113	1,500,891
(Profit)/Loss on Sale of Asset	110,746	0	(66,521)
Changes in Assets and Liabilities:			
(Increase)/Decrease in Receivables	(29,349)	0	(22,024)
(Increase)/Decrease in Inventories	0	0	1
Increase/(Decrease) in Payables	243,536	(262,392)	(51,805)
Increase/(Decrease) in Employee Provisions	(20,758)	0	49,514
Grants Contributions for the Development of Assets	<u>(3,269,917)</u>	<u>(3,166,217)</u>	<u>(981,921)</u>
Net Cash from Operating Activities	<u>1,913,784</u>	<u>977,964</u>	<u>1,482,035</u>

	2017 \$		2016 \$
(c) Undrawn Borrowing Facilities			
Credit Standby Arrangements			
Bank Overdraft limit	750,000	500,000	750,000
Bank Overdraft at Balance Date	0	0	0
Credit Card limit	20,000	55,000	50,000
Credit Card Balance at Balance Date	0	0	0
Total Amount of Credit Unused	<u>770,000</u>	<u>555,000</u>	<u>800,000</u>
Loan Facilities			
Loan Facilities - Current	220,541	220,541	301,130
Loan Facilities - Non-Current	2,284,898	2,284,898	2,505,439
Total Facilities in Use at Balance Date	<u>2,505,439</u>	<u>2,505,439</u>	<u>2,806,569</u>
Unused Loan Facilities at Balance Date	<u>222,526</u>	<u>0</u>	<u>1,000,000</u>

SHIRE OF BODDINGTON
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FOR THE YEAR ENDED 30TH JUNE 2017

14. CONTINGENT LIABILITIES

There were no contingent liabilities at 30th June 2017.

15. CAPITAL AND LEASING COMMITMENTS	2017	2016
	\$	\$
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	7,180	7,707
- later than one year but not later than five years	157	8,737
- later than five years	0	0
	<u>7,337</u>	<u>16,443</u>

(b) Capital Expenditure Commitments

The Shire had the following capital commitments at the end of the current reporting period.

- Building construction	2,332,926	3,770,535
- Other infrastructure	117,455	0
Total	<u>2,450,381</u>	<u>3,770,535</u>
Payable:		
- not later than one year	2,450,381	3,770,535

The Shire had \$2,332,926 committed towards the Independent Living complex and \$117,455 towards the Water to Ranford project.

16. JOINT VENTURE ARRANGEMENTS

The Shire is not involved in any joint venture arrangements.

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2017	2016
	\$	\$
Governance	12,723,439	7,693,681
General Purpose Funding	0	0
Law, Order, Public Safety	2,187,913	1,869,644
Health	3,379,441	3,421,622
Education and Welfare	2,868,278	2,881,776
Housing	2,556,481	2,563,130
Community Amenities	3,081,058	2,803,702
Recreation and Culture	6,709,478	6,893,803
Transport	44,993,086	45,272,624
Economic Services	1,225,372	1,191,979
Other Property and Services	112,059	704,062
	<u>79,836,605</u>	<u>75,296,022</u>

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18. FINANCIAL RATIOS	2017	2016	2015
Current Ratio	2.05	1.23	(0.0020)
Asset Sustainability Ratio	1.00	0.86	0.77
Debt Service Cover Ratio	4.09	3.69	3.23
Operating Surplus Ratio	0.01	0.01	0.19
Own Source Revenue Coverage Ratio	0.88	0.89	0.80

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset Sustainability Ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
Debt Service Cover Ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

Notes:

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information after Note 33 of this document.

The 2016/17 ratios disclosed above are distorted by the early receipt of half of the allocation of the 2017/18 Financial Assistance Grant on 30 June 2017.

The early payment of the grant increased operating revenue in 2016/17 and will decrease operating revenue in 2017/18 by \$186,000.

SHIRE OF BODDINGTON
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19. TRUST FUNDS

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

	Balance 1-Jul-16 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-17 \$
Bonds - Sub-divisions & Buildings	13,067	2,090	9,070	24,227
Bonds - Standpipes	1,920	0	0	1,920
Bonds - Other	7,831	5,684	(6,360)	7,155
Bonds - Crossover	21,800	0	(5,300)	16,500
Bonds - IC Units	736	0	0	736
Bonds - Kerb Deposits	25,000	2,288	0	27,288
Boddington Development Group	502	0	0	502
Refuse Site Keys	200	0	0	200
Public Open Space	122,441	0	(122,441)	(0)
BCTIF Levy	0	7,226	(6,944)	281
BRB Levy	370	12,690	(12,772)	288
	<u>193,867</u>	<u>29,977</u>	<u>(144,747)</u>	<u>79,097</u>

20. DISPOSALS OF ASSETS - 2016/17 FINANCIAL YEAR

The following assets were disposed of during the year with the impact reflected in the Comprehensive Income Statement.

	Net Book Value		Sale Price		Profit (Loss)		
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	
Governance							
Office Shredder	763	0	897	0	135	0	
Toyota Corolla	18,053	15,000	15,455	15,000	(2,598)	0	
General Purpose Funding							
Law, Order, Public Safety							
Toyota Landcruiser (DFES)	10,000	0	0	0	(10,000)	0	
Ford Ranger Utility 2015	22,485	15,000	23,182	15,000	697	0	
Community Amenities							
Education and Welfare							
Health							
Housing							
25 Johnston Street	339,468	0	250,000	0	(89,468)	0	
Holden Commodore Sedan 2013	14,259	0	10,815	0	(3,444)	0	
Holden Commodore Sports wagon 2014	15,677	11,000	12,727	11,000	(2,950)	0	
Community Amenities							
Recreation and Culture							
Tractor	0	10,000	0	10,000	0	0	
Transport							
Road Roller Pneumatic Tyre	42,000	40,000	35,000	40,000	(7,000)	0	
Holden Ute Single Cab	21,767	13,000	14,091	13,000	(7,676)	0	
Ford Ranger Utility	13,735	12,000	15,909	12,000	2,174	0	
Ford Ranger Dual Cab Utility	16,929	14,000	30,455	14,000	13,526	0	
Holden Captiva	15,628	14,500	11,136	14,500	(4,491)	0	
Toyota Hi Lux King Cab Utility 2015	26,013	12,000	26,364	12,000	351	0	
Miscellaneous Plant	0	3,000	0	3,000	0	0	
Economic Services							
General Purpose Funding							
TOTAL	556,776	159,500	446,030	159,500	(110,746)	0	
					Profit	16,882	0
					Loss	(127,628)	0
						<u>(110,746)</u>	<u>0</u>

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1 July 2016 \$	New Loans \$	Principal Repayments		Principal 30-Jun-17		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance	1,038,050	0	112,456	112,456	925,594	925,594	40,510	40,510
Loan 105 Administration Centre								
Health	66,468	0	9,368	9,368	57,100	57,100	4,151	4,216
Loan 83 Doctors Residence								
Education and Welfare	0	0	0	0	0	0	-	0
Loan 99 Retirement Village								
Loan 100 Childcare Centre	175,577	0	12,997	12,997	162,580	162,580	11,067	11,067
Housing								
Loan 91 46 Johnstone Street	0	0	0	0	0	0	-	0
Loan 94 3 Pecan Street	242,691	0	11,107	11,107	231,584	231,584	15,477	15,477
Loan 97 34 Hill Street	246,122	0	11,264	11,264	234,858	234,858	15,696	15,696
Community Amenities						0		
Recreation and Culture								
Loan 103 Recreation Centre	51,216	0	51,216	51,216	0	0	1,712	1,712
Loan 106 Recreation Centre	947,746	0	54,025	54,025	893,721	893,721	31,394	31,394
Transport								
Loan 102 Grader	38,699	0	38,699	38,699	0	0	1,048	1,048
Economic Services								
Other Property and Services								
	2,806,569	0	301,130	301,130	2,505,437	2,505,437	121,055	121,119

(*) Self supporting loan financed by payments from third parties.
All loan repayments were financed by general purpose revenue.

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

21. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2016/17

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used	
	Actual \$	Budget \$						Actual \$	Budget \$
	0	0				0		0	0
	0	0				0		0	0

The Shire did not take up any new debentures during the year ended 30 June 2017.

(c) Unspent Debentures

The Shire had \$222,526 unspent debentures as at 30 June 2017.

(d) Overdraft

Council has established an overdraft facility of \$750,000 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2016 was \$Nil and 30 June 2017 was \$Nil.

SHIRE OF BODDINGTON
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2017

22. RATING INFORMATION - 2016/17 FINANCIAL YEAR

(a) Rates	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$	
RATE TYPE												
General Rate												
GRV· Urban	0.083150	493	34,432,412	2,863,055	3,223	0	2,866,278	2,863,055	6,746	0	2,869,80	
GRV· Vacant												
UV· Rural & Mining	0.006391	310	137,366,023	877,907	(3,465)	0	874,442	877,906	17,058	0	894,96	
Unimproved Value Valuations												
UV - Rural												
UV - Rural & Mining												
Sub-Totals		803	171,798,435	3,740,962	(242)	0	3,740,720	3,740,961	23,804	0	3,764,765	
Minimum Payment												
GRV· Urban	876	136	577,958	119,136	0	0	119,136	119,136	0	0	119,136	
GRV· Vacant												
UV· Rural & Mining	886	252	22,446,781	223,272	0	0	223,272	223,272	0	0	223,272	
Sub-Totals		388	23,024,739	342,408	0	0	342,408	342,408	0	0	342,408	
Ex-Gratia Rates												
Discounts (refer note 25.)												
Total Amount Raised From General Rate		1,191	194,823,174	4,083,370	(242)	0	4,083,127	4,083,369	23,804	0	4,107,17	

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

22. RATING INFORMATION - 2016/17 FINANCIAL YEAR (Continued)

(b) Information on Surplus/(Deficit) Brought Forward/Carried Forward.

	2017 (30 June 2017 Carried Forward) \$	2016 (1 July 2016 Brought Forward) \$	2016 (30 June 2016 Carried Forward) \$
Surplus/(Deficit)	<u>751,517</u>	<u>166,976</u>	<u>166,976</u>
<u>Comprises:</u>			
Cash and Cash Equivalents			
Unrestricted	1,207,339	429,368	429,368
Restricted	3,767,393	6,800,153	6,800,153
Receivables			
Rates Outstanding	164,609	185,634	185,634
Sundry Debtors	65,328	119,431	119,431
GST Receivable	98,357	(1,045)	(1,045)
Accrued interest receivable	3,415	5,609	5,609
Fuel Tax Credit	7,268	0	0
Inventories			
Fuel and Materials	2,044	2,044	2,044
<u>Less:</u>			
Trade and other Payables			
Sundry Creditors	(276,700)	(152,998)	(152,998)
Accrued Interest on Debentures	(18,611)	(21,071)	(21,071)
Accrued Salaries and Wages	(86,958)	(59,669)	(59,669)
ATO Liabilities	(88,622)	0	0
FBT Creditor	(6,542)	(5,358)	(5,358)
Excess Rates	(25,945)	(20,745)	(20,745)
Current portion of Long Term Borrowings			
Secured by Floating Charge debentures	(220,541)	(301,130)	(301,130)
Provisions			
Provision for Annual Leave	(176,390)	(177,069)	(177,069)
Provision for Long Service Leave	(117,076)	(137,156)	(137,156)
<u>Net Current Assets</u>	<u>4,298,369</u>	<u>6,665,998</u>	<u>6,665,998</u>
Less:			
Reserves - Restricted Cash	(3,767,393)	(6,800,153)	(6,800,153)
Secured by floating charge	220,541	301,130	301,130
Adjusted Net Current Assets - Surplus/(Deficit)	<u>751,517</u>	<u>166,976</u>	<u>166,976</u>

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

23. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR

Council did not levy specified area rates for the 2016/17 financial year.

24. SERVICE CHARGES - 2016/17 FINANCIAL YEAR

Council did not levy any service charges for the 2016/17 financial year.

25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS - 2016/17 FINANCIAL YEAR

No discount was offered in respect of rates in the 2016/17 financial year.

26. INTEREST CHARGES AND INSTALMENTS - 2016/17 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%	N/A	14,931	14,806
Interest on Instalments Plan	5.50%	N/A	5,000	5,000
Charges on Instalment Plan		8.50	5,761	5,816
Pensioner Deferred Rate Interest				
			25,692	25,622

Ratepayers had the option of paying rates in four equal instalments, due on 15th August 2016, 5th October 2016, 5th December 2016 and 15th February 2017. Administration charges and interest applied for the final three instalments.

27. FEES & CHARGES	2017 \$	2016 \$
Governance	40,070	45,511
General Purpose Funding	15,030	14,257
Law, Order, Public Safety	32,474	33,060
Health	25,310	21,275
Education and Welfare	336,060	371,374
Housing	2,125	2,250
Community Amenities	278,341	267,465
Recreation and Culture	60,334	54,891
Transport	321	792
Economic Services	200,836	205,899
Other Property and Services	17,550	10,318
	<u>1,008,454</u>	<u>1,027,092</u>

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

28. GRANT REVENUE

Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:

	2017	2016
By Nature or Type:	\$	\$
Operating Grants, Subsidies and Contributions	762,839	710,170
Non-Operating Grants, Subsidies and Contributions	3,269,917	981,921
	<u>4,032,756</u>	<u>1,692,090</u>
By Program:		
Governance	0	0
General Purpose Funding	529,844	167,007
Law, Order, Public Safety	267,932	602,135
Health	0	1,587
Education and Welfare	1,765,819	128,532
Housing	0	0
Community Amenities	0	0
Recreation and Culture	816,888	33,880
Transport	723,307	650,732
Economic Services	(71,034)	108,217
Other Property and Services	0	0
	<u>4,032,756</u>	<u>1,692,090</u>

29. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date.

<u>29</u>	<u>29</u>
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30. ELECTED MEMBERS REMUNERATION

(a) The following fees, expenses and allowances were paid to council members and/or the president.

	2017	Budget	2016
	\$	\$	\$
Meeting Fees	41,890	42,000	37,550
President's Allowance	8,000	8,000	8,000
Deputy President's Allowance	2,060	2,000	2,060
Travelling Expenses	2,503	4,120	2,236
Telecommunications Allowance	3,601	3,605	3,255
	<u>58,054</u>	<u>59,725</u>	<u>53,101</u>

(b) **KEY MANAGEMENT REMUNERATION**

Bands	Number
\$120,000 - \$129,999	1
\$130,000 - \$139,999	1
\$140,000 - \$149,999	1
\$170,000 - \$179,999	1
\$190,000 - \$199,999	1

Disclosure in respect of key personnel in table above includes salary, superannuation, allowances and FBT.

31. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during the 2016/17 financial year.

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2016/17 financial year.

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

33. FINANCIAL RISK MANAGEMENT

The Shire's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The Shire's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Shire.

The Shire does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council.

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2017	2016	2017	2016
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	4,974,732	7,229,521	4,974,732	7,229,521
Receivables	338,977	309,629	349,384	325,791
	<u>5,313,709</u>	<u>7,539,150</u>	<u>5,324,116</u>	<u>7,555,312</u>
Financial Liabilities				
Payables	803,379	559,841	803,379	559,841
Borrowings	2,505,437	2,806,569	2,505,437	2,806,569
	<u>3,308,816</u>	<u>3,366,410</u>	<u>3,308,816</u>	<u>3,366,410</u>

Fair value is determined as follows :

- Cash and Cash Equivalents, Receivables, Payables - estimated to the carrying value which approximates net market value.
- Borrowings - estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.
- Financial Assets at Fair Value through profit and loss, Available for Sale Financial Assets - based on quoted market prices at the reporting date or independent valuation.

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Financial assets at fair value through profit and loss

Available-for-sale financial assets

Held-to-maturity investments

The Shire's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

The major risk associated with investments is price risk - the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns.

Another risk associated with cash is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to the Shire.

The Shire manages these risks by diversifying its portfolio and only investing in investments authorised by *Local Government (Financial Management) Regulation 19C*. Council also seeks advice from independent advisers (where considered necessary) before placing any cash and investments.

	2017	2016
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	49,747	72,295
- Statement of Comprehensive Income	49,747	72,295

Notes:

⁽¹⁾ Sensitivity percentages based on management's expectation of future possible market movements.

SHIRE OF BODDINGTON
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2017

33. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

The Shire's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the Shire to recover these debts as as a secured charge over the land – that is, the land can be sold to recover the debt. The Shire is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

The Shire makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the The Shire's credit risk at balance date was:

	2017	2016
Percentage of Rates and Annual Charges		
- Current (this year)	36%	0%
- Overdue	64%	100%
Percentage of Other Receivables		
- Current	74%	76%
- Overdue	26%	24%

SHIRE OF BODDINGTON
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2017

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
 Borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required.

The contractual undiscounted cash flows of the Shire's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	<u>2017</u>	<u>2016</u>			
	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
Payables	503,379	300,000	0	803,379	803,379
Borrowings	220,541	1,205,086	1,079,810	2,505,437	2,505,437
	<u>723,920</u>	<u>1,505,086</u>	<u>1,079,810</u>	<u>3,308,816</u>	<u>3,308,816</u>
Payables	259,841	300,000	0	559,841	559,841
Borrowings	301,130	1,205,086	1,300,353	2,806,569	2,806,569
	<u>560,971</u>	<u>1,505,086</u>	<u>1,300,353</u>	<u>3,366,410</u>	<u>3,366,410</u>

SHIRE OF BODDINGTON
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2017

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
 Borrowings (Continued)

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

The following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
<u>Year Ended 30 June 2017</u>								
Borrowings								
Fixed Rate Debentures	0	0	0	0	12,942	2,492,495	2,505,437	4.45%
Weighted Average Effective Interest Rate					6.57%	4.40%		
<u>Year Ended 30 June 2016</u>								
Borrowings								
Fixed Rate Debentures	89,914	0	0	0	0	2,716,655	2,806,569	4.46%
Weighted Average Effective Interest Rate	4.44%					4.49%		

SHIRE OF BODDINGTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

34. RELATED PARTIES DISCLOSURE

(a) Subsidiaries (i.e. Entities and Operations controlled by Council)

Council has no interest in any Subsidiaries.

(b) Associates

Council has no interest in any Associates.

© Joint Ventures

Council has not interest in any Joint Ventures.

(d) Key Management Personnel

Transactions with Key Management Personnel

Key management personnel include the Councillors, Chief Executive and other members of the senior management team.

Related parties include Council's key management personnel (KMP), their close family members, and any entities that they or any of their close family members control or jointly control.

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with Council (such as payment of rates, use of Council facilities, etc).

The compensation paid to Key Management Personnel comprises:

2017

Short-Term Employee Benefits	723,692
Post-Employment Benefits	118,956
Long-Term Benefits	119,214
Termination Benefits	-
Total	961,863

(e) Transactions with Related Parties

Council has assessed the materiality of disclosure of transactions with related parties on the following criteria:

- 1) The potential effect of the relationship on the financial statements;
- 2) Whether the transaction occurred as:
 - a) part of a public service provider relationship with a taxpayer on terms no different to that of a transaction with the general public or
 - b) part of an ordinary operational transaction within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that is reasonable to expect the Council would have adopted with the party at arm's length in the same circumstances.

During the financial year 2016-2017 the Shire President was paid an amount of \$12,996 as rental of his property for staff housing.

Council has determined that no other material transactions with related parties have occurred during the financial year 2016-2017.

SHIRE OF BUDDINGTON
 SUPPLEMENTARY RATIO INFORMATION
 FOR THE YEAR ENDED 30TH JUNE 2017

RATIO INFORMATION

The following information relates to those ratios which only require attestation they have been checked and are supported by verifiable information. It does not form part of the audited financial report

	2017	2016	2015
Asset Consumption Ratio	0.789	0.677	0.685
Asset Renewal Funding Ratio	N/A	N/A	N/A

The above ratios are calculated as follows:

Asset Consumption Ratio	$\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$
Asset Renewal Funding Ratio	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

N/A - The information to prepare the above ratios is not available.



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INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE SHIRE OF BODDINGTON

Opinion

We have audited the accompanying financial report of the Shire of Boddington which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity, the rate setting statement, and the statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, and the Chief Executive Officer's statement.

In our opinion, the accompanying financial report of the Shire of Boddington:

- (i) gives a true and fair view, in all material respects, of the financial position of the Shire of Boddington as at 30 June 2017, and of its financial performance and its cash flows for the year then ended;
- (ii) complies with Australian Accounting Standards; and
- (iii) is prepared in accordance with the requirements of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996.

Report on Other Legal and Regulatory Requirements

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- (i) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire of Boddington;
- (ii) There are no other matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law noted during the course of our audit;
- (iii) The asset consumption ratio included in the annual financial report is supported by verifiable information and reasonable assumptions;
- (iv) The asset renewal funding ratio is not included in the annual financial report, as required by Local Government (Financial Management) Regulations 1996 section 50(1)(c);
- (v) All necessary information and explanations were obtained by us; and
- (vi) All audit procedures were satisfactorily completed during our audit.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the ethical requirements the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Accounting Standards, the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the company to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibility for the audit of the financial report is located at the Auditing and Assurance Standard Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our audit report.

AMD Chartered Accountants



MARIA CAVALLO
Director

28-30 Wellington Street, Bunbury, Western Australia

Dated this 27th day of October 2017