

SHIRE OF BOYUP BROOK
BUDGET
FOR THE YEAR ENDED 30TH JUNE 2009

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Adopted on 17 July 2008

SHIRE OF BOYUP BROOK

INCOME STATEMENT

BY NATURE OR TYPE

FOR THE YEAR ENDED 30TH JUNE 2009

	NOTE	2008/09 Budget \$	2007/08 Actual \$	2007/08 Budget \$
REVENUES FROM ORDINARY ACTIVITIES				
Rates	8	1,698,265	1,593,796	1,603,796
Grants and Subsidies		1,411,121	1,240,833	1,424,548
Contributions Reimbursements and Donations		66,133	24,371	53,121
Service Charges	10	0	0	0
Fees and Charges	11	737,519	668,302	694,469
Interest Earnings	2(a)	122,386	156,526	102,730
Other Revenue		<u>1,000</u>	<u>199,897</u>	<u>34,050</u>
		<u>4,036,424</u>	<u>3,883,725</u>	<u>3,912,714</u>
EXPENSES FROM ORDINARY ACTIVITIES				
Employee Costs		(2,436,638)	(1,747,220)	(1,845,253)
Materials and Contracts		(1,217,528)	(1,637,040)	(1,575,431)
Utilities		(82,350)	(68,910)	(83,670)
Depreciation	2(a)	(1,111,993)	(1,323,807)	(1,111,993)
Interest Expenses	2(a)	(75,184)	(37,291)	(38,466)
Insurance		(128,323)	(77,656)	(81,048)
Other Expenditure		<u>0</u>	<u>(26,962)</u>	<u>(38,603)</u>
		<u>(5,052,016)</u>	<u>(4,918,886)</u>	<u>(4,774,464)</u>
		(1,015,592)	(1,035,161)	(861,750)
Grants and Subsidies - non-operating		145,548	292,428	150,416
Contributions Reimbursements and Donations - non-operating		0	0	0
Profit on Asset Disposals	4	0	250,864	500
Loss on Asset Disposals	4	<u>(12,600)</u>	<u>(22,725)</u>	<u>(57,000)</u>
NET RESULT		<u><u>(882,644)</u></u>	<u><u>(514,594)</u></u>	<u><u>(767,834)</u></u>

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

SHIRE OF BOYUP BROOK

INCOME STATEMENT

BY PROGRAM

FOR THE YEAR ENDED 30TH JUNE 2009

	NOTE	2008/09 Budget \$	2007/08 Actual \$	2007/08 Budget \$
OPERATING REVENUES (Refer Notes 1,2,8 to 13)				
Governance		440	1,591	440
General Purpose Funding		2,640,220	2,527,930	2,474,733
Law, Order, Public Safety		46,900	59,348	59,750
Health		453,499	474,165	453,499
Education and Welfare		6,400	10,134	6,400
Housing		22,192	27,922	23,780
Community Amenities		99,300	94,377	93,300
Recreation and Culture		32,450	60,448	38,450
Transport		644,352	801,913	663,191
Economic Services		73,850	78,643	74,850
Other Property and Services		16,821	39,682	24,321
		<u>4,036,424</u>	<u>4,176,153</u>	<u>3,912,714</u>
OPERATING EXPENSES (Refer Notes 1,2 & 14)				
Governance		(454,475)	(384,349)	(451,894)
General Purpose Funding		(46,501)	(52,718)	(58,285)
Law, Order, Public Safety		(118,371)	(117,065)	(139,553)
Health		(522,837)	(468,329)	(465,601)
Education and Welfare		(60,015)	(46,648)	(56,392)
Housing		(109,062)	(42,022)	(99,800)
Community Amenities		(251,520)	(192,077)	(233,795)
Recreation & Culture		(514,482)	(476,759)	(530,012)
Transport		(2,608,808)	(2,729,432)	(2,426,014)
Economic Services		(275,778)	(217,427)	(254,331)
Other Property and Services		(14,983)	(154,769)	(20,321)
		<u>(4,976,832)</u>	<u>(4,881,595)</u>	<u>(4,735,998)</u>
BORROWING COSTS EXPENSE (Refer Notes 2 & 5)				
Governance		(1,972)	(2,050)	(2,050)
Health		(8,266)	(9,332)	(10,615)
Housing		(46,333)	(6,312)	(6,313)
Community Amenities		(2,049)	(2,158)	(2,158)
Recreation & Culture		(11,151)	(11,496)	(11,495)
Transport		0	(134)	(134)
Economic Services		(5,413)	(5,809)	(5,701)
		<u>(75,184)</u>	<u>(37,291)</u>	<u>(38,466)</u>
GRANTS/CONTRIBUTIONS FOR THE DEVELOPMENT OF ASSETS				
Transport		145,548	0	150,416
		<u>145,548</u>	<u>0</u>	<u>150,416</u>
PROFIT/(LOSS) ON DISPOSAL OF ASSETS (Refer Note 4)				
Governance		0	0	(9,000)
Housing		0	250,864	0
Transport		(12,600)	(22,725)	(47,500)
		<u>(12,600)</u>	<u>228,139</u>	<u>(56,500)</u>
NET RESULT		<u><u>(882,644)</u></u>	<u><u>(514,594)</u></u>	<u><u>(767,834)</u></u>

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

SHIRE OF BOYUP BROOK

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH JUNE 2009

	NOTE	2008/09 Budget \$	2007/08 Actual \$	2007/08 Budget \$
Cash Flows From Operating Activities				
Receipts				
Rates		1,693,063	1,666,739	1,618,796
Grants and Subsidies - operating		1,411,121	1,240,833	1,504,548
Contributions, Reimbursements & Donations		66,133	24,371	53,121
Service Charges		0	0	0
Fees and Charges		737,519	668,302	709,999
Interest Earnings		122,386	156,526	102,730
Goods and Services Tax		0	0	0
Other		1,000	199,897	34,050
		<u>4,031,222</u>	<u>3,956,668</u>	<u>4,023,244</u>
Payments				
Employee Costs		(2,486,638)	(1,777,566)	(2,025,669)
Materials and Contracts		(1,401,317)	(1,915,105)	(1,874,302)
Utilities (gas, electricity, water, etc)		(82,350)	(68,910)	(83,670)
Insurance		(128,323)	(77,656)	(81,048)
Interest		(75,184)	(37,291)	(38,466)
Goods and Services Tax		0	0	0
Other		0	(26,962)	(38,603)
		<u>(4,173,812)</u>	<u>(3,903,490)</u>	<u>(4,141,758)</u>
Net Cash Provided By Operating Activities	15(b)	<u>(142,590)</u>	<u>53,178</u>	<u>(118,514)</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale	3	0	0	0
Payments for Purchase of Property, Plant & Equipment	3	(1,513,500)	(457,914)	(555,500)
Payments for Construction of Infrastructure	3	(165,615)	0	(177,791)
Advances to Community Groups				
Grants/Contributions for the Development of Assets		145,548	292,428	150,416
Proceeds from Sale of Plant & Equipment	4	60,000	355,372	123,000
Proceeds from Advances				
Net Cash Used in Investing Activities		<u>(1,473,567)</u>	<u>189,886</u>	<u>(459,875)</u>
Cash Flows from Financing Activities				
Repayment of Debentures	5	(50,393)	(37,261)	(36,797)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		0	0	0
Proceeds from New Debentures	5	<u>200,000</u>	<u>600,000</u>	<u>45,000</u>
Net Cash Provided By (Used In) Financing Activities		<u>149,607</u>	<u>562,739</u>	<u>8,203</u>
Net Increase (Decrease) in Cash Held		<u>(1,466,550)</u>	<u>805,803</u>	<u>(570,186)</u>
Cash at Beginning of Year		2,333,322	1,527,519	1,350,238
Cash and Cash Equivalents at the End of the Year	15(a)	<u><u>866,772</u></u>	<u><u>2,333,322</u></u>	<u><u>780,052</u></u>

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

**SHIRE OF BOYUP BROOK
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2008/09 Budget \$	2007/08 Actual \$	2007/08 Budget \$
REVENUES	1,2			
Governance		440	1,591	440
General Purpose Funding		941,955	929,164	870,937
Law, Order, Public Safety		46,900	59,348	59,750
Health		453,499	474,165	453,499
Education and Welfare		6,400	10,134	6,400
Housing		22,192	278,786	23,780
Community Amenities		99,300	94,377	93,300
Recreation and Culture		32,450	60,448	38,450
Transport		789,900	801,913	814,107
Economic Services		73,850	78,643	74,850
Other Property and Services		16,821	39,682	24,321
		<u>2,483,707</u>	<u>2,828,251</u>	<u>2,459,834</u>
EXPENSES	1,2			
Governance		(456,447)	(386,399)	(462,944)
General Purpose Funding		(46,501)	(52,718)	(58,285)
Law, Order, Public Safety		(128,371)	(117,065)	(139,553)
Health		(531,103)	(477,661)	(476,216)
Education and Welfare		(60,015)	(46,648)	(56,392)
Housing		(155,395)	(48,334)	(106,113)
Community Amenities		(253,569)	(194,235)	(235,953)
Recreation & Culture		(500,633)	(488,255)	(541,507)
Transport		(2,611,408)	(2,752,291)	(2,474,148)
Economic Services		(281,191)	(223,236)	(260,032)
Other Property and Services		(14,983)	(154,769)	(20,321)
		<u>(5,039,616)</u>	<u>(4,941,611)</u>	<u>(4,831,464)</u>
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
(Profit)/Loss on Asset Disposals	4	12,600	(228,301)	56,500
Depreciation on Assets	2(a)	1,111,993	1,323,808	1,111,993
Capital Expenditure and Revenue				
Purchase Land Held for Resale	3	0	0	0
Purchase Land and Buildings	3	(1,270,000)	(123,365)	(127,000)
Purchase Infrastructure Assets - Roads	3	(154,025)	0	(169,791)
Purchase Infrastructure Assets - Footpaths	3	(11,592)	0	(8,000)
Purchase Plant and Equipment	3	(238,500)	(334,550)	(423,500)
Purchase Furniture and Equipment	3	(5,000)	0	(5,000)
Proceeds from Disposal of Assets	4	60,000	355,372	123,000
Repayment of Debentures	5	(50,393)	(37,261)	(36,797)
Proceeds from New Debentures	5	200,000	600,000	45,000
Self-Supporting Loan Principal Income		0	0	0
Unspent Restricted Grant and Loan Funds		572,392	(572,392)	0
Transfers to Reserves (Restricted Assets)	6	(299,299)	(388,032)	(86,630)
Transfers from Reserves (Restricted Assets)	6	594,957	253,280	300,955
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	334,511	546	(12,896)
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	0	334,511	0
Amount Required to be Raised from Rates	8	<u>(1,698,265)</u>	<u>(1,598,766)</u>	<u>(1,603,796)</u>

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

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this financial report are:

(a) Basis of Accounting

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), other mandatory professional reporting requirements, the Local Government Act 1995 (as amended) and accompanying regulations (as amended). The budget has also been prepared on the accrual basis under the convention of historical cost accounting.

(b) The Local Government Reporting Entity

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

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

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 16 to this budget document.

(c) 2007/08 Actual Balances

Balances shown in this budget as 2007/08 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

(d) Rounding Off Figures

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

(e) 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.

(f) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables are stated inclusive of applicable GST.

(g) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities.

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Trade and Other Receivables

Trade receivables, which generally have 30 - 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectible amounts.

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

(i) Inventories

General

Inventories are valued 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.

Inventories held from trading are classified as current even if not expected to be realised in the next 12 months.

Land Held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale.

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

(j) Fixed Assets

Initial Recognition

All assets are initially recognised at cost. 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 includes the cost of all materials, direct labour and variable and fixed overheads.

Revaluation

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on a basis to reflect the already consumed or expired future economic benefits.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

Land Under Roads

Land under roads is excluded from infrastructure in accordance with the transitional arrangements available under AASB 1045 and in accordance with legislative requirements.

**SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2009**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Buildings	50 to 100 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
clearing and earthworks	not depreciated
construction/road base	40 years
original surfacing and	
major re-surfacing	
- bituminous seals	15 years
- asphalt surfaces	20 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	40 years
gravel sheet	10 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	40 years
Footpaths - concrete	40 years
Water supply piping & drainage systems	75 years

(l) Investments and Other Financial Assets

Classification

Council classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(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. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Investments and Other Financial Assets (Continued)

Classification (Continued)

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when Council's right to receive payments is established. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss- measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Estimation of Fair Value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

(n) Impairment

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

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 "Impairment of Assets" and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

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

At the time of adopting the budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2009.

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

(o) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the municipality has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

(ii) Annual Leave and Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(q) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

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.

(r) Provisions

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Superannuation

The Shire of Boyup Brook contributes to the Local Government Superannuation Scheme and the Occupational Superannuation Fund. Both Funds are defined contribution schemes.

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent a cash refund or a reduction in the future payments is available.

(t) Current and Non-Current Classification

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

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

2. REVENUES AND EXPENSES	2008/09 Budget \$	2007/08 Actual \$	2007/08 Budget \$
(a) Net Result from Ordinary Activities was arrived at after:			
(i) Charging as Expenses:			
Depreciation			
<u>By Program</u>			
Governance	3,000	3,225	3,000
General Purpose Funding	0	0	0
Law, Order, Public Safety	15,000	14,773	15,000
Health	16,500	17,761	16,500
Education and Welfare	8,100	8,737	8,100
Housing	19,100	20,755	19,100
Community Amenities	3,500	8,940	3,500
Recreation and Culture	58,200	62,566	58,200
Transport	755,000	990,750	755,000
Economic Services	7,000	8,022	7,000
Other Property and Services	226,593	188,278	226,593
	<u>1,111,993</u>	<u>1,323,807</u>	<u>1,111,993</u>
<u>By Class</u>			
Land and Buildings	106,993	109,322	106,993
Furniture and Equipment	25,000	23,473	25,000
Plant and Equipment	210,000	249,710	210,000
Roads	750,000	941,028	750,000
Other	20,000	274	20,000
	<u>1,111,993</u>	<u>1,323,807</u>	<u>1,111,993</u>
Borrowing Costs (Interest)			
- Finance Lease Charges	0	0	0
- Debentures (refer note 5(a))	(75,184)	(37,291)	(38,466)
	<u>(75,184)</u>	<u>(37,291)</u>	<u>(38,466)</u>
Rental Charges			
- Operating Leases	0	0	(27,500)
	<u>0</u>	<u>0</u>	<u>(27,500)</u>
(ii) Crediting as Revenues:			
Interest Earnings			
Investments			
- Reserve Funds	56,286	64,056	56,630
- Other Funds	60,000	85,687	40,000
Other Interest Revenue (refer note 13)	6,100	6,783	6,100
	<u>122,386</u>	<u>156,526</u>	<u>102,730</u>

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2009

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

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

Council operations as disclosed in this budget encompass the following service orientated activities/programs:

GOVERNANCE

Members of Council, civic receptions and functions, public relations, Council Elections, general governance of the Shire.

GENERAL PURPOSE FUNDING

Rates, general purpose grants, interest revenue.

LAW, ORDER, PUBLIC SAFETY

Fire prevention and administration, clearing for fire hazards, animal control, dog pound, Local law control, public security, civil emergency services, rangers.

HEALTH

Food control, health inspections and provision of medical services.

EDUCATION AND WELFARE

Telecentre ,Rylington Park, aged and disabled services, senior citizen's services.

HOUSING

Public and staff housing.

COMMUNITY AMENITIES

Rubbish collections, recycling refuse site operations, litter control, public litter bins, abandoned vehicles, town planning control/studies, memorials, public conveniences, cemeteries

RECREATION AND CULTURE

Public halls, swimming pool, civic centres, parks, sports grounds, community recreation programs, libraries, community arts program.

TRANSPORT

Roads, footpaths, rights of way, drainage, road verges, median strips, street lighting, street cleaning, street trees, traffic surveys, traffic management, vehicle licensing.

ECONOMIC SERVICES

Tourism and promotions, Festivals, building control, Caravan Park, Flaxmill camp, economic development

OTHER PROPERTY & SERVICES

Public works overhead, plant/vehicle operations, Private works, administration costs.

**SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2009**

3. ACQUISITION OF ASSETS	2008/09 Budget \$
The following assets are budgeted to be acquired during the year:	
<u>By Program</u>	
Governance	
Admin Office additions to Library	250,000
Sea Container storage for archives	3,500
Housing	
Police Housing - Beatty Street	576,000
Community Amenities	
Waste Transfer Station Improvements	20,000
Recreation and Culture	
Library Furniture & Shelves	5,000
Mayanup Hall	5,000
Hockey Ground Toilets	25,000
Transport	
Road Construction (new work)	142,431
Footpath Construction (new work)	23,184
Septic Pumping Truck	20,000
Ford Courier - Dual Cab	35,000
Two turn Mower	30,000
Vibromax Roller	150,000
Other Property & Services	
CEO House - Knapp Street	394,000
	<u>1,679,115</u>
<u>By Class</u>	
Land Held for Resale	0
Land and Buildings	1,270,000
Infrastructure Assets - Roads	142,431
Infrastructure Assets - Footpaths	23,184
Plant and Equipment	238,500
Furniture and Equipment	5,000
	<u>1,679,115</u>

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

4. DISPOSALS OF ASSETS

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

<u>By Program</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	2008/09 BUDGET \$	2008/09 BUDGET \$	2008/09 BUDGET \$
Housing			
Sale of Lots 354/355 Jayes Rd (Lions Housing Project)	10,000	10,000	0
Transport			
Sale of Ford Courier Dual Cab	24,600	20,000	(4,600)
Sale of Two turn Mower	18,000	10,000	(8,000)
Sale of Vibromax Roller	20,000	20,000	0
	72,600	60,000	(12,600)

<u>By Class</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	2008/09 BUDGET \$	2008/09 BUDGET \$	2008/09 BUDGET \$
Land & Buildings	10,000	10,000	0
Plant & Equipment	62,600	50,000	(12,600)
	72,600	60,000	(12,600)

<u>Summary</u>	2008/09 BUDGET \$
Profit on Asset Disposals	0
Loss on Asset Disposals	(12,600)
	<u>(12,600)</u>

**SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2009**

5. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Loan No	Principal 1-Jul-08	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
				2008/09 Budget	2007/08 Actual	2008/09 Budget	2007/08 Actual	2008/09 Budget	2007/08 Actual
				\$	\$	\$	\$	\$	\$
Governance									
Administration Building - Roof	110	30,881		1,272	1,193	29,609	30,881	1,972	2,050
Administration Building - Add	117	0	200,000	0	0	200,000	0	0	0
Health									
Hospital Upgrade	107	65,601		11,445	10,713	54,156	65,601	4,219	4,951
Housing Medical Practitioner	102	64,160		5,473	5,140	58,687	64,160	4,047	4,381
Housing									
Other Housing - 1 Rogers Ave	115	103,819		3,370	3,180	100,449	103,819	6,128	6,312
Other Housing - Police Beatty St	116	600,000		14,972	0	585,028	600,000	40,205	0
Community Amenities									
Landfill & Transfer Station	112	29,378		1,624	1,515	27,754	29,378	2,049	2,158
Recreation & Culture									
Swimming Pool - Bowl	114	188,772		6,122	5,777	182,650	188,772	11,151	11,496
Bowling Club - artificial turf (*)	118		80,000	0	0	80,000	0	0	0
Economic Services									
Flaxmill Complex Upgrade	106	41,986		3,215	2,996	38,771	41,986	2,958	3,177
Flaxmill Site Water Supply	109	39,135		2,901	2,725	36,234	39,135	2,455	2,632
Transport									
Depot Workshop Upgrade	105	0		0	4,023	0	0	0	134
		1,163,732	280,000	50,394	37,262	1,393,338	1,163,732	75,184	37,291

(*) Self supporting loan financed by payments from third parties.

All other debenture repayments are to be financed by general purpose revenue.

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2009

5. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2008/09

Particulars/Purpose	Amount Borrowed	Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used	Balance Unspent \$
	Budget						Budget	
Administration Building Additions	200,000	TBA	Debenture	20	177,800	7.0	200,000	0
Self Supporting Loan to Bowling Club	80,000	TBA	Debenture	20	73,047 (estimated)	7.0 (estimated)	80,000	0

(c) Unspent Debentures

Council had \$554,152 unspent against loan 116 as at 30 June 2008. This money was borrowed to build two GROH Houses for local Police to reside in. These funds are expected to be utilised in the financial year 2008-2009 resulting in a nil balance unused at 30 June 2009.

(d) Overdraft

Council has not utilised an overdraft facility during the financial year although an overdraft facility of \$50,000 with the Commonwealth Bank of Australia does exist. It is not anticipated that this facility will be required to be utilised during 2008/09.

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

	2008/09 Budget \$	2007/08 Actual \$	2007/08 Budget \$
6. RESERVES			
Cash Backed Reserves			
(a) Plant & Vehicle Reserve			
Opening Balance	5,860	100,734	100,734
Amount Set Aside / Transfer to Reserve	182,207	5,126	6,000
Amount Used / Transfer from Reserve	<u>0</u>	<u>(100,000)</u>	<u>(100,000)</u>
	<u>188,067</u>	<u>5,860</u>	<u>6,734</u>
(b) Leave Reserve			
Opening Balance	33,253	31,576	31,576
Amount Set Aside / Transfer to Reserve	31,729	1,677	31,800
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>64,982</u>	<u>33,253</u>	<u>63,376</u>
(c) Depot Reserve			
Opening Balance	17,932	17,027	17,027
Amount Set Aside / Transfer to Reserve	932	905	1,000
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>18,864</u>	<u>17,932</u>	<u>18,027</u>
(d) Community Housing Reserve			
Opening Balance	20,719	19,481	19,481
Amount Set Aside / Transfer to Reserve	1,077	1,238	1,100
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>21,796</u>	<u>20,719</u>	<u>20,581</u>
(e) Emergency Reserve			
Opening Balance	30,005	28,684	28,684
Amount Set Aside / Transfer to Reserve	1,560	1,321	1,700
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>31,565</u>	<u>30,005</u>	<u>30,384</u>
(f) Insurance Claim Reserve			
Opening Balance	12,856	12,208	12,208
Amount Set Aside / Transfer to Reserve	669	648	750
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>13,525</u>	<u>12,856</u>	<u>12,958</u>
(g) Flax Mill Sheds Reserve			
Opening Balance	24,377	23,147	23,147
Amount Set Aside / Transfer to Reserve	1,268	1,230	1,400
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>25,645</u>	<u>24,377</u>	<u>24,547</u>
(h) Recreation Facilities Reserve			
Opening Balance	45,759	43,450	43,450
Amount Set Aside / Transfer to Reserve	2,379	2,309	2,600
Amount Used / Transfer from Reserve	<u>(25,000)</u>	<u>0</u>	<u>(25,000)</u>
	<u>23,138</u>	<u>45,759</u>	<u>21,050</u>

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

	2008/09 Budget \$	2007/08 Actual \$	2007/08 Budget \$
6. RESERVES (continued)			
Cash Backed Reserves (continued)			
(i) Commercial Reserve			
Opening Balance	294,991	280,108	280,108
Amount Set Aside / Transfer to Reserve	15,340	14,883	16,800
Amount Used / Transfer from Reserve	(80,000)	0	0
	<u>230,331</u>	<u>294,991</u>	<u>296,908</u>
(j) Bush Fire Radios Reserve			
Opening Balance	11,585	11,000	11,000
Amount Set Aside / Transfer to Reserve	602	585	660
Amount Used / Transfer from Reserve	0	0	0
	<u>12,187</u>	<u>11,585</u>	<u>11,660</u>
(k) Rylington Park Reserve			
Opening Balance	15,044	14,285	14,285
Amount Set Aside / Transfer to Reserve	782	759	860
Amount Used / Transfer from Reserve	0	0	0
	<u>15,826</u>	<u>15,044</u>	<u>15,145</u>
(l) Infrastructure Reserve			
Opening Balance	17,117	16,254	16,254
Amount Set Aside / Transfer to Reserve	890	863	980
Amount Used / Transfer from Reserve	0	0	0
	<u>18,007</u>	<u>17,117</u>	<u>17,234</u>
(m) Bridges Reserve			
Opening Balance	10,081	23,815	23,815
Amount Set Aside / Transfer to Reserve	15,524	1,266	1,430
Amount Used / Transfer from Reserve	0	(15,000)	0
	<u>25,605</u>	<u>10,081</u>	<u>25,245</u>
(n) Medical Services Reserve			
Opening Balance	37,058	35,188	35,188
Amount Set Aside / Transfer to Reserve	6,927	1,870	2,110
Amount Used / Transfer from Reserve	0	0	0
	<u>43,985</u>	<u>37,058</u>	<u>37,298</u>
(o) Swimming Pool Reserve			
Opening Balance	5,270	5,004	5,004
Amount Set Aside / Transfer to Reserve	5,274	266	300
Amount Used / Transfer from Reserve	0	0	0
	<u>10,544</u>	<u>5,270</u>	<u>5,304</u>
(p) Boyup Brook Town Hall Reserve			
Opening Balance	5,270	5,004	5,004
Amount Set Aside / Transfer to Reserve	5,274	266	300
Amount Used / Transfer from Reserve	0	0	0
	<u>10,544</u>	<u>5,270</u>	<u>5,304</u>

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

	2008/09 Budget \$	2007/08 Actual \$	2007/08 Budget \$
6. RESERVES (continued)			
Cash Backed Reserves (continued)			
(q) Administration Centre Reserve			
Opening Balance	55,497	52,697	52,697
Amount Set Aside / Transfer to Reserve	2,886	2,800	3,160
Amount Used / Transfer from Reserve	<u>(58,383)</u>	<u>0</u>	<u>(55,857)</u>
	<u>0</u>	<u>55,497</u>	<u>0</u>
(r) Building Maintenance Reserve			
Opening Balance	10,540	10,008	10,008
Amount Set Aside / Transfer to Reserve	1,659	532	600
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>12,199</u>	<u>10,540</u>	<u>10,608</u>
(s) Aged Accommodation Reserve			
Opening Balance	18,975	18,018	18,018
Amount Set Aside / Transfer to Reserve	987	957	1,080
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>-19,098</u>
	<u>19,962</u>	<u>18,975</u>	<u>0</u>
(t) Roads to Recovery Supplementary Reserve			
Opening Balance	109,615	199,989	199,989
Amount Set Aside / Transfer to Reserve	5,700	10,626	12,000
Amount Used / Transfer from Reserve	<u>(115,315)</u>	<u>(101,000)</u>	<u>(101,000)</u>
	<u>0</u>	<u>109,615</u>	<u>110,989</u>
(u) CEO Housing Reserve			
Opening Balance	300,625	0	0
Amount Set Aside / Transfer to Reserve	15,633	337,905	0
Amount Used / Transfer from Reserve	<u>(316,258)</u>	<u>(37,280)</u>	<u>0</u>
	<u>0</u>	<u>300,625</u>	<u>0</u>
Total Cash Backed Reserves	<u><u>786,772</u></u>	<u><u>1,082,429</u></u>	<u><u>733,352</u></u>

All of the above reserve accounts are to be supported by money held in financial institutions.

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

6. RESERVES (Continued)	2008/09 Budget \$	2007/08 Actual \$	2007/08 Budget \$
Summary of Transfers To Cash Backed Reserves			
Transfers to Reserves			
Plant & Vehicle Reserve	182,207	5,126	6,000
Leave Reserve	31,729	1,677	31,800
Depot Reserve	932	905	1,000
Community Housing Reserve	1,077	1,238	1,100
Emergency Reserve	1,560	1,321	1,700
Insurance Claim Reserve	669	648	750
Flax Mill Sheds Reserve	1,268	1,230	1,400
Recreation Facilities Reserve	2,379	2,309	2,600
Commercial Reserve	15,340	14,883	16,800
Bush Fire Radios Reserve	602	585	660
Rylington Park Reserve	782	759	860
Infrastructure Reserve	890	863	980
Bridges Reserve	15,524	1,266	1,430
Medical Services Reserve	6,927	1,870	2,110
Swimming Pool Reserve	5,274	266	300
B Brook Town Hall Reserve	5,274	266	300
Administration Centre Reserve	2,886	2,800	3,160
Building Maintenance Reserve	1,659	532	600
Aged Accommodation Reserve	987	957	1,080
R2R Supplementary Reserve	5,700	10,626	12,000
CEO Housing Reserve	15,633	337,905	0
	<u>299,299</u>	<u>388,032</u>	<u>86,630</u>
Transfers from Reserves			
Plant & Vehicle Reserve	0	(100,000)	(100,000)
Leave Reserve	0	0	0
Depot Reserve	0	0	0
Community Housing Reserve	0	0	0
Emergency Reserve	0	0	0
Insurance Claim Reserve	0	0	0
Flax Mill Sheds Reserve	0	0	0
Recreation Facilities Reserve	(25,000)	0	(25,000)
Commercial Reserve	(80,000)	0	0
Bush Fire Radios Reserve	0	0	0
Rylington Park Reserve	0	0	0
Infrastructure Reserve	0	0	0
Bridges Reserve	0	(15,000)	0
Medical Services Reserve	0	0	0
Swimming Pool Reserve	0	0	0
B Brook Town Hall Reserve	0	0	0
Administration Centre Reserve	(58,383)	0	(55,857)
Building Maintenance Reserve	0	0	0
Aged Accommodation Reserve	0	0	(19,098)
R2R Supplementary Reserve	(115,315)	(101,000)	(101,000)
CEO Housing Reserve	(316,258)	(37,280)	0
	<u>(594,956)</u>	<u>(253,280)</u>	<u>(300,955)</u>
Total Transfer to/(from) Reserves	<u>(295,657)</u>	<u>134,752</u>	<u>(214,325)</u>

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

6. RESERVES (Continued)

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

Plant & Vehicles Reserve

- to be used for the purchase of items of plant including graders, trucks, utes, sedans, rollers etc.

Community Housing Reserve

- to be used for the maintenance of the Homeswest Housing Units in Forrest & Proctor Streets.

Emergency Reserve

- for emergency situations during and outside working hours for example trees on roads, minor flooding, car accidents and supply of services and materials deemed necessary in an emergency.

Insurance Claims Reserve

- this reserve was established following the change to "All Properties Risk Policy" and the acceptance of a \$300 voluntary excess on all claims. Funds to be utilised any year where insurance claims are excessive resulting in substantial increases in operating costs of facilities and/or services.

Flax Mill Sheds Reserve

- to be used to fund future requirements relating to maintenance and upgrade of the large sheds (storage) at the Flaxmill complex.

Recreation Facilities Reserve

- to be used to fund improvements to the Recreation facilities and grounds.

Commercial Reserve

- to be used for future economic development, enhancement and promotion of the district

Bush Fire Radios Reserve

- to be used to fund bush fire radio changeover and future radio requirements and for the maintenance of the bush fire radio tower.

Rylington Park Reserve

- to be used for the development of facilities at Rylington Park

Infrastructure Reserve

- to be used for the development of Infrastructure in the Shire

Roads to Recovery Supplementary Reserve

- to be used for R2R projects in accordance with the supplementary Grant programme by the 30th June 2009

Leave Reserve

- to be used to fund annual / long service / sick leave and redundancy requirements.

Depot Reserve

- to be used to fund future requirements relating to upgrade of Depot facilities.

Bridges Reserve

- to be used to fund future requirements of bridge works.

Medical Services Reserve

- to be used to fund future medical services requirements

Swimming Pool Reserve

- to be used to fund future major improvement/maintenance projects at the swimming pool

Boyup Brook Town Hall Reserve

- to be used to fund future major improvements/maintenance at Town Hall

Administration Centre Reserve

- to be used to fund future major improvements/additions to the administration centre

Building Maintenance Reserve

- to be used to fund future maintenance of Shire owned buildings

Aged Accommodation Reserve

- to be used to fund future requirements of Aged Accommodation

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2009

	2008/09 Budget \$	2007/08 Actual \$
7. NET CURRENT ASSETS		
Composition of Estimated Net Current Asset Position		
 CURRENT ASSETS		
Cash - Unrestricted	80,000	660,261
Cash - Restricted	786,772	1,654,821
Receivables	150,000	142,739
Inventories	<u>20,000</u>	<u>23,188</u>
	<u>1,036,772</u>	<u>2,481,009</u>
 LESS: CURRENT LIABILITIES		
Payables and Provisions	<u>(250,000)</u>	<u>(491,677)</u>
NET CURRENT ASSET POSITION	786,772	1,989,332
Less: Cash - Restricted	<u>(786,772)</u>	<u>(1,654,821)</u>
ESTIMATED SURPLUS/(DEFICIENCY) C/FWD	<u><u>0</u></u>	<u><u>334,511</u></u>

The estimated surplus/(deficiency) c/fwd in the 2007/08 actual column represents the surplus (deficit) brought forward as at 1 July 2008.

The estimated surplus/(deficiency) c/fwd in the 2008/09 budget column represents the surplus (deficit) carried forward as at 30 June 2009.

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2009

8. RATING INFORMATION - 2008/09 FINANCIAL YEAR

<u>RATE TYPE</u>	Rate in \$	Number of Properties	Rateable GRV Value \$	Rateable UV Value \$	2008/09 Budgeted GRV Rates \$	2008/09 Budgeted UV Rates \$	2008/09 Budgeted Total Revenue \$	2007/08 Actual \$
General Rate								
GRV - Residential	0.1386	266	1,525,032		211,369		211,369	204,668
GRV - Commercial	0.1386	28	391,212		54,222		54,222	51,640
GRV - Industrial	0.1386	11	93,184		12,915		12,915	12,828
GRV - Urban Townsites	0.1386	6	32,864		4,555		4,555	0
UV - Rural	0.004414	579		272,673,000		1,203,579	1,203,579	1,154,548
UV - Special Rural	0.004414	94		15,991,000		70,584	70,584	21,485
UV - Urban Townsites	0.004414	0		0		0	0	577
UV - Mining	0.004414	0		0		0	0	0
Sub-Totals		984	2,042,292	288,664,000	283,062	1,274,163	1,557,225	1,445,746
Minimum Rates	Minimum \$							
GRV - Residential	560.00	21	51,528		11,760		11,760	11,025
GRV - Commercial	560.00	2	6,000		1,120		1,120	1,050
GRV - Industrial	560.00	4	11,000		2,240		2,240	1,575
UV - Rural	560.00	149		13,397,940		83,440	83,440	70,350
UV - Special Rural	560.00	2		104,000		1,120	1,120	35,700
UV - Urban Townsites	560.00	47		1,227,500		26,320	26,320	23,100
UV - Mining	560.00	9		185,384		5,040	5,040	5,250
Sub-Totals		234	68,528	14,914,824	15,120	115,920	131,040	148,050
Specified Area Rates (Note 9)							1,688,265	1,593,796
Interim Rating							1,688,265	1,593,796
Totals							10,000	
							1,698,265	1,593,796

All land except exempt land in the Shire of Boyup Brook is rated according to its Gross Rental Value (GRV) in the Boyup Brook townsite and on Unimproved Value in the remainder of the Shire.

The general rates detailed above for the 2008/09 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

9. SPECIFIED AREA RATE - 2008/09 FINANCIAL YEAR

There are no Specified Area Rates for the Shire for the 2008/2009 Financial Year.

10. SERVICE CHARGES - 2008/09 FINANCIAL YEAR

There are no Service Charges for the Shire for the 2008/2009 Financial Year.

11. FEES & CHARGES REVENUE	2008/09 Budget \$	2007/08 Actual \$
Governance	340	973
General Purpose Funding	12,700	4,648
Law, Order, Public Safety	7,700	12,407
Health	453,499	462,518
Education and Welfare	0	1,507
Housing	17,880	28,856
Community Amenities	93,300	27,246
Recreation & Culture	28,850	39,810
Transport	40,000	869
Economic Services	71,250	78,068
Other Property & Services	12,000	11,400
	<u>737,519</u>	<u>668,302</u>

**12. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2008/09 FINANCIAL YEAR**

There are no discounts, incentives, concessions or write-offs for the 2008/2009 Financial Year.

13. INTEREST CHARGES AND INSTALMENTS - 2008/09 FINANCIAL YEAR

An interest rate of 11% will be charged on all rate payments which are late. It is estimated that this will generate income of \$4500. Two separate option plans will be available to ratepayers for the payment of their rates:-

* Option 1 - Payment in Full by a Single Instalment

Full amount of rates and charges including arrears to be paid on or before the 5th September 2008 or 35 days after the date of service appearing on the rate notice whichever is the later.

* Option 2 - Payment by four equal Instalments

First instalment to be received on or before the 5th September 2008 or 35 days after the date of service appearing on the rate notice whichever is the later and including all arrears and a quarter of the current rates. Second, third and fourth instalments to be made at two monthly intervals thereafter.

First Instalment Due Date: 5th September, 2008

Second Instalment Due Date: 7th November, 2008

Third Instalment Due Date: 9th January, 2009

Fourth Instalment Due Date: 6th March, 2009

The cost of the instalment plan will comprise of simple interest of 5.5% p.a. calculated from the date of the first instalment is due, together with an administration fee of \$10.00 for each notice (i.e. \$30.00 for option 2)

The total revenue from the imposition of the interest and administration charge under this option is estimated at \$5600 and is dissected as follows:-

	2008/09 Budget \$
Administration Charges	4,000
Interest Charges	1,600
	<u>5,600</u>

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

14. COUNCILLORS' REMUNERATION	2008/09 Budget \$	2007/08 Actual \$
The following fees, expenses and allowances were paid to council members and/or the president.		
Meeting Fees	50,000	42,275
President's Allowance	5,000	4,450
Deputy President's Allowance	1,250	1,113
Travelling Expenses	8,000	6,472
Telecommunications Allowance	1,500	989
	<u>65,750</u>	<u>55,299</u>

15. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	2008/09 Budget \$	2007/08 Actual \$	2007/08 Budget \$
Cash - Unrestricted	80,000	678,501	46,700
Cash - Restricted	<u>786,772</u>	<u>1,654,821</u>	<u>733,352</u>
	<u>866,772</u>	<u>2,333,322</u>	<u>780,052</u>

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

Police Housing Loan unspent	0	572,392	0
Plant & Vehicle Reserve	188,067	5,860	6,734
Leave Reserve	64,982	33,253	63,376
Depot Reserve	18,865	17,932	18,027
Community Housing Reserve	21,797	20,719	20,581
Emergency Reserve	31,565	30,005	30,384
Insurance Claim Reserve	13,525	12,856	12,958
Flax Mill Sheds Reserve	25,645	24,377	24,547
Recreation Facilities Reserve	23,138	45,759	21,050
Commercial Reserve	230,330	294,991	296,908
Bush Fire Radios Reserve	12,187	11,585	11,660
Rylington Park Reserve	15,826	15,044	15,145
Infrastructure Reserve	18,007	17,117	17,234
Bridges Reserve	25,605	10,081	25,245
Medical Services Reserve	43,985	37,058	37,298
Swimming Pool Reserve	10,544	5,270	5,304
B Brook Town Hall Reserve	10,544	5,270	5,304
Administration Centre Reserve	0	55,497	0
Building Maintenance Reserve	12,199	10,540	10,608
Aged Accommodation Reserve	19,961	18,975	0
R2R Supplementary Reserve	0	109,615	110,989
CEO Housing Reserve	0	300,625	0
	<u>786,772</u>	<u>1,654,821</u>	<u>733,352</u>

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

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

	2008/09 Budget \$	2007/08 Actual \$	2007/08 Budget \$
Net Result	(882,644)	(514,594)	(767,834)
Amortisation	0	0	0
Depreciation	1,111,993	1,323,808	1,111,993
(Profit)/Loss on Sale of Asset	12,600	(228,139)	56,500
(Increase)/Decrease in Receivables	(5,202)	72,943	110,530
(Increase)/Decrease in Inventories	1,129	0	1,129
Increase/(Decrease) in Payables	(184,918)	(278,065)	(360,416)
Increase/(Decrease) in Employee Provisions	(50,000)	(30,347)	(120,000)
Grants/Contributions for the Development of Assets	(145,548)	(292,428)	(150,416)
Net Cash from Operating Activities	<u>(142,590)</u>	<u>53,178</u>	<u>(118,514)</u>

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank Overdraft limit	50,000	50,000	50,000
Bank Overdraft at Balance Date	0	0	0
Credit Card limit	0	0	0
Credit Card Balance at Balance Date	0	0	0
Total Amount of Credit Unused	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

Loan Facilities

Loan Facilities in use at Balance Date	<u>1,313,338</u>	<u>1,163,733</u>	<u>609,107</u>
Unused Loan Facilities at Balance Date	<u>0</u>	<u>572,392</u>	<u>0</u>

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

16. TRUST FUNDS

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

Detail	Balance 01-Jul-08 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-09 \$
Road Upgrades Contributions				
- Mondy	3,200	0	0	3,200
- Mead	13,200	0	(13,200)	0
- Kitzberg - Farleigh Rd	15,301	0	(15,301)	0
Relocated House Bonds	27,000	0	(10,000)	17,000
Shire Housing Rental Bonds	1,293	0	(200)	1,093
Shire Hall Hire Deposit	75	0	0	75
Fruit Fly Baiting Scheme	6,058	0	0	6,058
Shire Kerb Deposits	800	0	(800)	0
Boyup Brook Community Foundation	4,000	0	0	4,000
Interest on Trust Funds	963	100	0	1,063
	<u>71,890</u>	<u>100</u>	<u>(39,501)</u>	<u>32,489</u>

17. MAJOR LAND TRANSACTIONS

It is not anticipated any major land transactions will occur in 2008/09.

18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated any trading undertakings or major trading undertakings will occur in 2008/09.