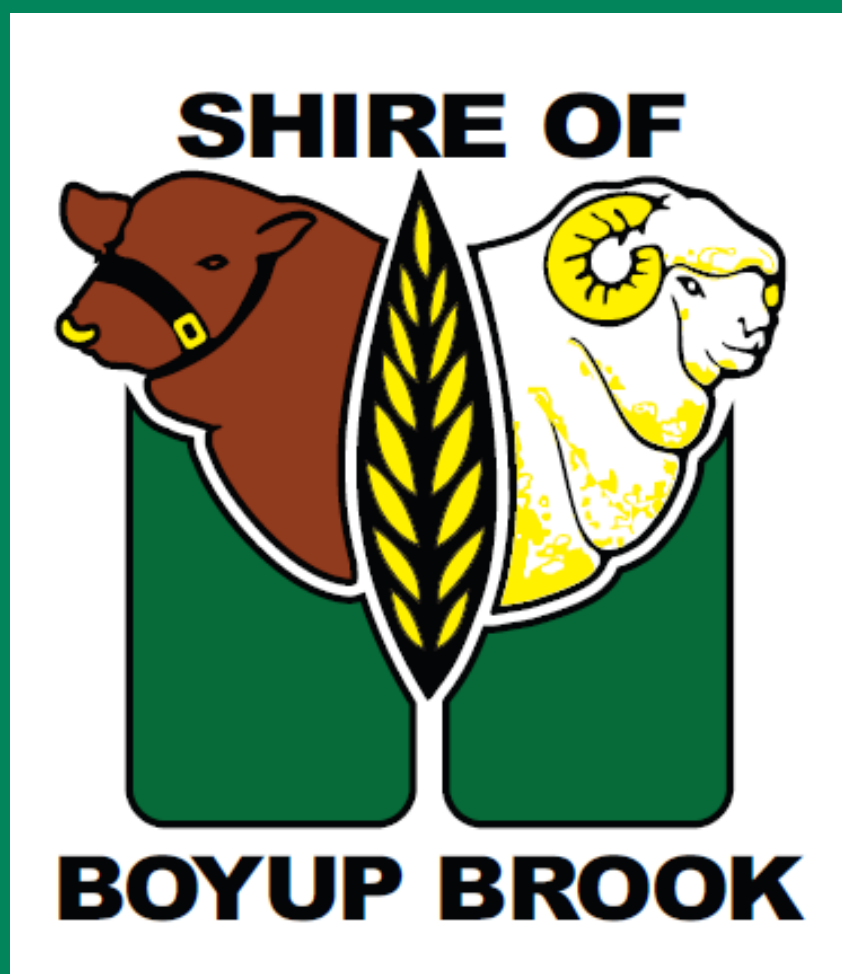

Annual Report & Annual Financial Report

for the year ending 30 June 2021



Our Vision

Growing Our Community Together

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APPENDIX

Annual Report for the Year Ended 30 June 2021
Financial Report for the year ended 30 June 2021
Independent Auditor's Report

STATEMENT OF COMPLIANCE

For the year ended 30 June 2021

Residents and rate payers of the Shire of Boyup Brook,

In accordance with section 5.53 of the Local Government Act 1995, I hereby submit for your information, the Annual Report for the Shire of Boyup Brook for the financial year ended 30 June 2021.

The Annual Report has been prepared in accordance with the provisions of the Local Government Act 1995 and Local Government (Administration) Regulations 1996.



Dale Putland
Chief Executive Officer

INTRODUCTION

The Shire of Boyup Brook is pleased to present the Annual Report for the 2020/2021 financial year.

The Annual Report is designed to encourage an understanding of Council's aims, objectives and activities to provide a better environment for residents to live and work in.

The Shire of Boyup Brook is located in the South West regional development area of the State and is 270 kms from the Perth CBD. The Shire adjoins the local government districts of Collie, West Arthur, Kojonup, Cranbrook, Manjimup, Bridgetown-Greenbushes, and Donnybrook-Balingup. The Shire's population is 1,780 (ABS) and the municipal district covers an area of 2,838 sq kms.

Agriculture continues to be the major component of Boyup Brook's economy. The main components are livestock which includes sheep and cattle and cropping which includes canola, barley, oats and lupins.



Photo of the Rylington Park Farm

Authority and Legislation

The Shire of Boyup Brook is a statutory organisation responsible to the Minister for Local Government; Culture and the Arts. The Shire of Boyup Brook operates under the provision of the Local Government Act 1995 (as amended).

Shire President's Report



We acknowledge and pay our respects to the traditional custodians of the land on which we meet and work.

Annual Report 2020/2021

I take great pleasure in presenting the 2020/2021 Annual Report of the Shire of Boyup Brook.

The Annual Report provides an overview of the Shire's activities during the year.

Election

An Extraordinary Election was held on Saturday, 17 October 2020 to fill vacancies in the Scotts Brook and Dinninup wards. Cr Steele Alexander was elected for the Dinninup ward and Cr Darren King was elected for the Scotts Brook Ward.

Cr Thomas Oversby

Tom served on Council from 2009 and retired in 2021.

I would like to thank Tom for dedicating 11 years on Council and wish him all the best on his well earned retirement.

Local Roads and Community Infrastructure (LRCI)

The Shire of Boyup Brook is excited to announce it has received \$457,531 in funding to deliver 5 projects for the community as part of the Australian Government's 'Local Roads and Community Infrastructure Program' (LRCI Program).

The purpose of the LRCI Program is to support jobs and help local economies bounce back from the effects of the COVID-19 pandemic.

Round 1 projects that were completed include:

- Boyup Brook Cranbrook Shoulder upgrades.
- Additional street parking on Forrest Street.
- Flax Mill Park upgrades to ablution blocks, automatic reticulation system for the Caravan Park and upgraded lighting.
- Tourism Centre upgrades to toilet septic system, addressing the rising damp.

Round 2 projects include more upgrades to the Flax Mill - a bigger camp kitchen, lighting for the Flax Mill model and re-sheeting the main shed.

Under Round 2, the Swimming Pool received upgrades including additional shade, a gym, new floor coverings, inclusive access and a chlorine safety system.

Mitigation Activity Funding

Bushfire Mitigation Activity Funding (MAF) from DFES has allowed the Shire of Boyup Brook to engage a MAF Officer (in conjunction with neighbouring local governments) working with our local Bushfire X-Ray team to improve utilisation of our MAF funds and achieve better fire mitigation outcomes for the community.

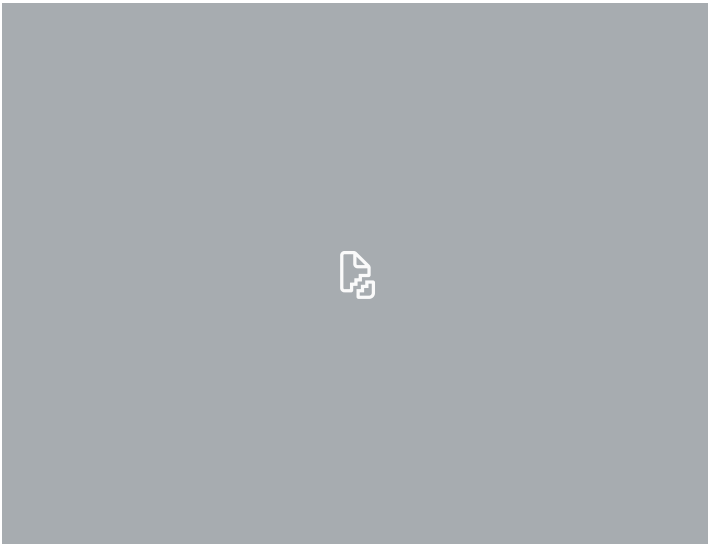
Library

At the Ordinary Council meeting held on 29 April 2021, Council accepted the proposal from the Boyup Brook Community Resource Centre to relocate the library to their premises and allocate \$20,000 in the 2021/2022 and ongoing budgets to fund the transfer of the Boyup Brook library services to the Boyup Brook Community Resource Centre.

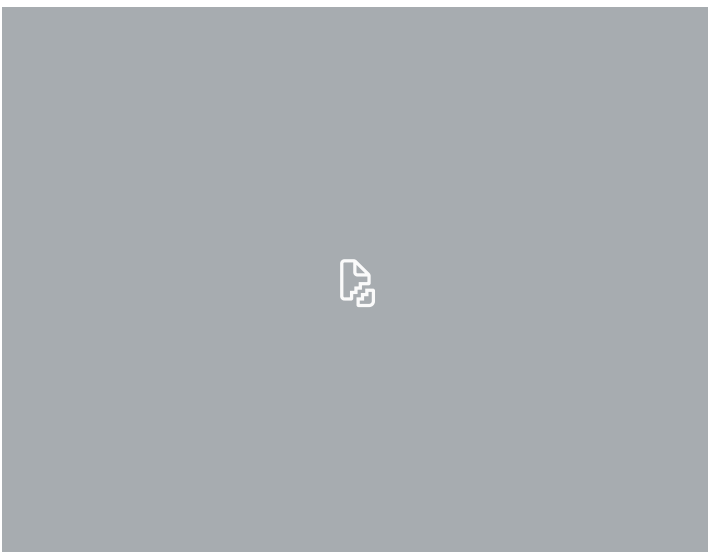
Round 1 projects



Flax Mill ablutions & laundry



Football oval lights



Football oval lights

Elected Members

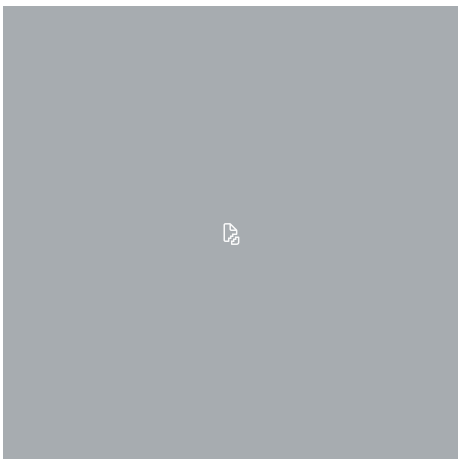
The President and Elected Members are elected by the local community to represent interests and needs of the community.

Elected Members provide community leadership and guidance and facilitate communication between the community and the Council.

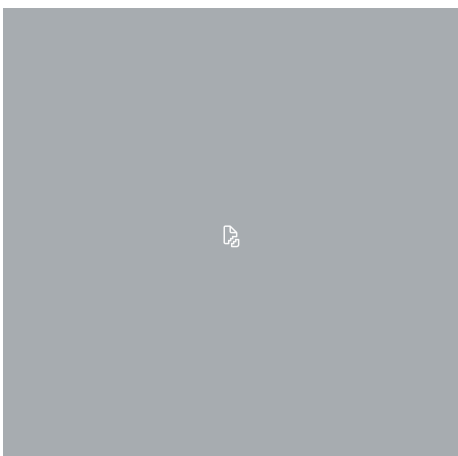
Elected Members play a very important policy-making role, requiring the identification of community needs, setting objectives to meet those needs, establishing priorities between competing demands and allocated resources.

The role of the Shire President and the Elected Members is specified within the Local Government Act 1995.

The Shire of Boyup Brook comprises of four Wards as follows: Benjinup to the North West (two representatives); Boyup Brook Townsite (three representatives); Dinninup to the North East (two representatives); and Scotts Brook to the South (two representatives). At the commencement of a term of Council, Council elects the Shire President and Deputy President. As at 30 June 2021, Council's structure is as follows:



Shire President
Richard Walker
Benjinup Ward
Term Expires: 2025



Deputy Shire President
Cr Helen O'Connell
Scotts Brook Ward
Term Expires: 2025

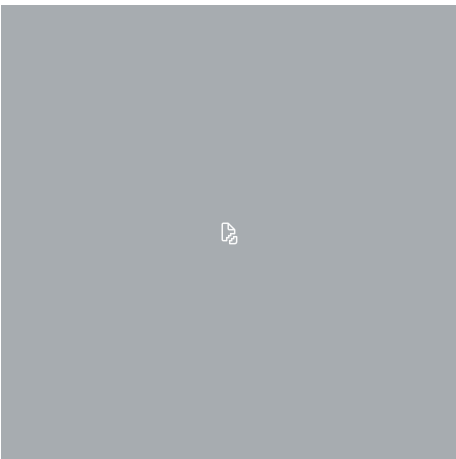
Elected Members cont...



Cr Sarah Alexander

Boyup Brook Ward

Term Expires: 2025



Cr Steele Alexander

Dinninup Ward

Term Expires: 2023



Cr Philippe Kaltenrieder

Boyup Brook Ward

Term Expires: 2025



Cr Darren King

Scotts Brook Ward

Term Expires: 2023



Cr Thomas Oversby

Benjinup Ward

Retired in 2021



Cr Kevin Moir

Benjinup Ward

Term Expires: 2023



Cr Adrian Price

Boyup Brook Ward

Term Expires: 2023



Cr Elizabeth Rear

Dinninup

Resigned in 2020

Chief Executive Officer's Report



Australia Day



Winners of the 2021 Australia Day Awards were:

- Lyn Willett - Citizen of the Year
- Angela Hales - Kevin Henderson Memorial Award.

Australia Day 2021 presents us with a welcome opportunity to reflect on our recent challenges, respect those who put others before themselves and celebrate our nation's resilience and unity.

Congratulations to Carolyn Mader who made her pledge to become an Australian Citizen at the Australia Day breakfast.

Successful Grants

In addition to the LRCI funding, the Shire of Boyup Brook was successful in receiving several smaller grants including:

- A grant of \$20,000 to help the Shire deliver Australia Day 2021 event in a COVID safe environment, while supporting local communities and industries.

- Grant funding towards 'International Volunteer Day.'

Community Groups and Volunteers were invited to the Boyup Brook Swimming Pool to celebrate International Volunteers Day.

- A grant of \$7,662.00 was approved by the Department of Communities towards the maintenance works.
- Funding went towards 'International Day of People with a Disability'.
- Funding went towards the Community Recovery Christmas Celebrations held in Sandakan Park on 4th December 2020, an event that encouraged and embraced all people within the Shire of Boyup Brook to come together.

In conclusion my special thanks go to the staff and Councillors for their assistance, guidance and co-operation during the period of this report.

It is a privilege to present the Shire of Boyup Brook's Annual Report for 2020/2021. The report outlines the key milestones and achievements of the Shire for the last 12 months.

Development/Subdivision

In this financial year, the Shire of Boyup Brook approved 4 Subdivision Applicants, 12 Development Applications and 69 Building Applications.

Ward Boundary Review

The Shire of Boyup Brook conducted a review of its Wards and Council Representation and invited public participation in this review process.

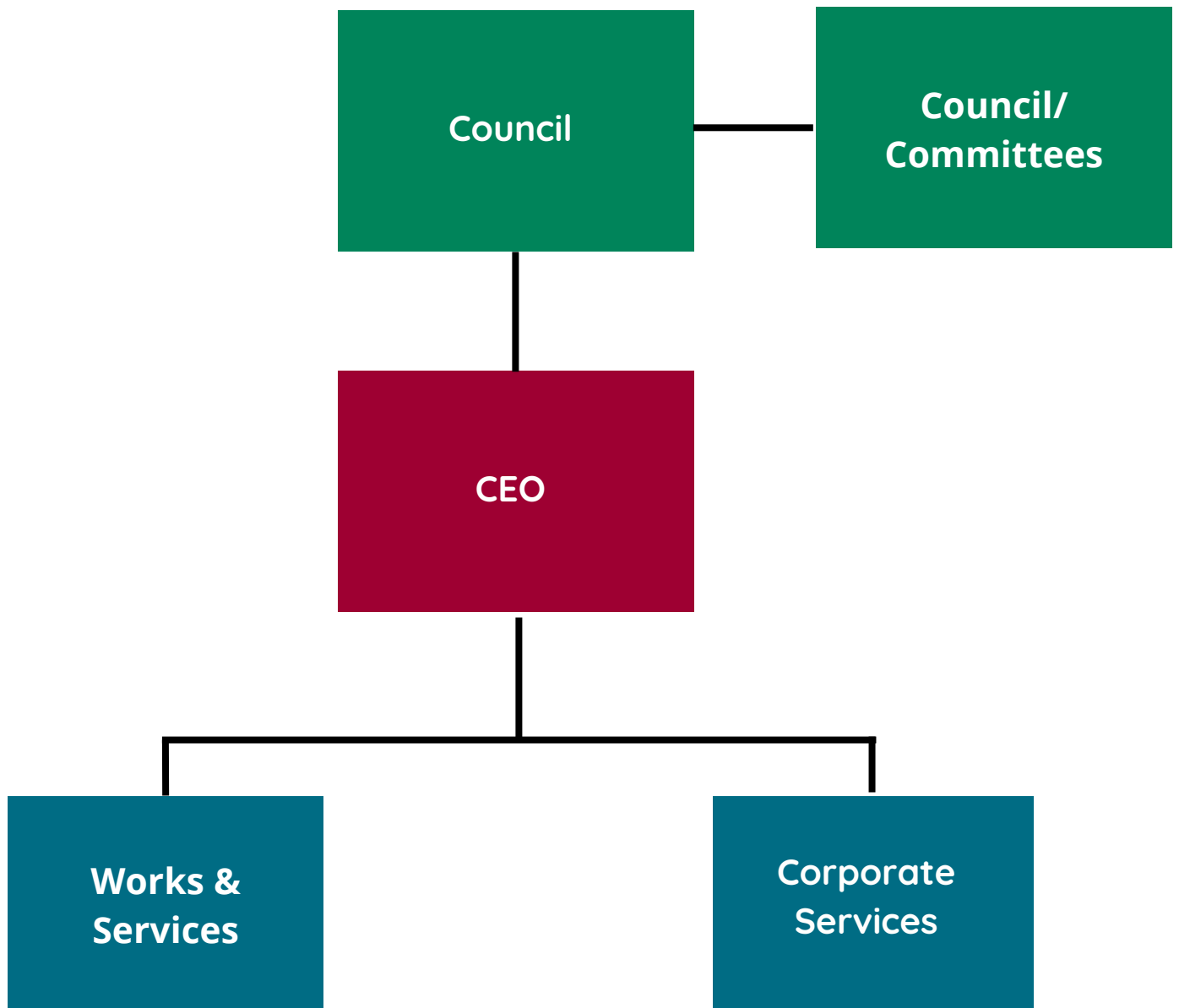
It was decided at an Ordinary Council meeting held on 25 March 2021 that Council retain the current number of Wards, being the Benjinup Ward, Dinninup Ward, Scotts Brook Ward and Boyup Brook Ward and retain the current representation with 9 Councillors.

Operational Structure

Organisational structure as at 30 June 2021

Chief Executive Officer:
Manager Works & Services:
Manager Corporate Services/Acting Deputy CEO

Dale Putland
Wayne Butler
Carolyn Mallett



History

Prior to European settlement, Aboriginal people of the Bibbulmun tribe inhabited the Boyup Brook Shire. Boyup Brook got its name from the Aboriginal word “Booyup”, which means “Place of Big Stones” or “Place of Big Smoke”. Either one fits as Booyup is the name of the big pool on the brook a few kilometres from the townsite. This pool is surrounded by a thick stand of grass trees and the smoke from these when burnt would create a “Big Smoke”. The Big Stones” would refer to the large granite outcrops which are common in the area. The town was established where the brook runs into the river.

The discovery of the area by Europeans is credited to the explorer Augustus Gregory, Assistant Surveyor, who in 1845 conducted a survey mission, travelling from the upper reaches of the Blackwood River, where the Arthur and Beaufort Rivers converged, and followed the river for 171 kilometres. He carved his initials and the date on a large Jarrah Tree. The tree is now dead, but his marks are still on the stump, which has now been covered for preservation.

The first European settlers arrived in 1854, when a Commodore Scott and his wife took up a 12,000 acre lease. The first enterprise was dairying and the family produced butter and cheese which was transported to Albany. Later, wool production took over as the main source of income.

In 1861, James George Lee Steere, his wife Caroline and a Mr J Monger took up a 100,000 acre grazing lease. Ten years later, in 1871 came William Forrest, brother of Lord Forrest.

By 1882 there were nineteen families here and in 1900 a school was built - the beginning of a town. In 1909 the railway from Donnybrook was completed as far as Boyup Brook and in 1911 was extended towards Kojonup. The early settlers etched out a living by kangaroo hunting, and timber cutting. Although sandalwood mainly grew in the Kojonup/Williams area, many of the early pioneers were involved in the industry as well as carting the product by horse and dray to Bunbury, as the old sandalwood track went through the McAlinden area.

Boyup Brook was declared a town site on February 9, 1900 and a school was constructed in the same year. After the railway from Donnybrook was extended to reach Boyup Brook town site in 1909, Boyup Brook became the commercial and administrative centre for the district.

Mr. P.D. Forrest was a local pioneer in the development of Western Australia’s subterranean clover industry, developing “Dwalganup” clover and clover harvesting machinery between 1910 and the Second World War.

A number of timber mills began operating in the district prior to the Second World War with large timber mills at Boyup Brook (closed 1982) and Wilga, and smaller ones in the out lying districts.

The cultivation and processing of flax was also carried out in Boyup Brook. During World War II, the flax was required for war materials such as tarpaulins, webbing and parachute harnesses. The Flax Mill, which was opened in 1941, was the only mill to continue to operate after the war, closing in 1965.

Statistics



| | |
|----------------------|---------------------------|
| • Area | 2827 sq kms |
| • Position | 269km south east of Perth |
| • Founded | 1896 |
| • Region | South West |
| • Population | 1702 (ABS) |
| • Sealed Urban Roads | 15.21 kms |
| • Sealed Rural Roads | 184.09 kms |
| • Gravel Rural Roads | 841.45 kms |
| • Average Rainfall | 600mm |
| • Average Temp (Max) | 38 degrees |
| • Average Temp (Min) | 5 degrees |

The Shire includes the following townsites and localities:

| | |
|-------------|--------------|
| Benjinup | Mayanup |
| Boyup Brook | McAlinden |
| Chowerup | Mickalarup |
| Dinninup | Nollajup |
| Dwalganup | Scotts Brook |
| Kenninup | Tonebridge |
| Kulikup | |

Tourism/Events

Citizenship Ceremonies

The Shire of Boyup Brook conducts Citizenship ceremonies to approved applicants when required and is normally held before an ordinary meeting of Council or on Australia Day. Application forms for citizenship are available from Post Offices and the Ministry of Immigration and Multicultural Affairs.



Significant Local Events

- Sandakan Memorial Service
- Australia Day
- Anzac Service held at the War Memorial
- Blackwood Marathon is held in October each year
- Community Christmas Celebrations

Tourist Attractions

- The Dinninup Show is held on Melbourne Cup day, (First Tuesday of November), every year
- Harvey Dickson's Country Music Centre
- Boyup Brook Country Music Club
- Boyup Brook Visitor Centre
- Blackwood River

Ambulance Cover for Boyup Brook Residents

Have you ever wondered who pays for your Ambulance Cover? The Shire of Boyup Brook has and continues to pay St John Ambulance Boyup Brook Sub Centre to cover all PERMANENT RESIDENTS of Boyup Brook for 000 EMERGENCY CALLS. For further enquiries contact the office on Thursdays. Email: boyupbrook@stjohnwa.com.au or phone: 9765 2155.



Art and Culture

Boyup Brook has a diverse and colourful arts and cultural community which buzz with creative energy.

Visit the "Explore" page on the Shire website or The Boyup Brook Tourism Association website (www.boyupbrooktourism.com.au) or <https://visitbunburygeographe.com.au/destinations/boyup-brook/> to find out more about what to do and see in town.

Walk on the Wildside

Walk on The Wildside is held annually in early October, showcasing all things arty, handmade, quirky and collectible in Boyup Brook.

Take a guided wildflower walk in celebration of spring, biodiversity, our landscapes, flora and fauna.

Explore our streets with hidden treasures around each corner. Statues that follow you, sculptures and murals.

Delight in the passion and patience of miniatures, quilts and fine art.

Take a walk back in time through the Boyup Brook District Pioneer Museum, Boyup Brook Classic Cars, sewing machines and the scale models of the Flax Mill and Railway Station.

Sobrane Simcock painted this field bin which the community use for celebrated functions.

Sobrane grew up in Boyup Brook, has a Gallery in Broome where she is based and spends most of her time travelling and painting.



Strategic Community Plan

Our Strategic Community Plan (SCP) is a Council visionary document for the next 10 years, based on community input and our research (Community Plan) to ensure our future is sustainable. Whilst it is recognized that not all outcomes can be delivered immediately, the plan will guide our decisions over the next 10 years.

The Corporate Business Plan identifies what we will achieve in the shorter term and the steps we will take to reach our long-term vision and will enable us and the community to review and monitor our progress towards achieving our aspirations.

Implementing this plan will demand that the Shire not only continues to deliver community outcomes and represent the community but recognizes that we can't deliver alone. We will work in partnership with other Shires, State and Federal Governments and the private sector to advocate the delivery of outcomes in our plan.

The Shire of Boyup Brook's Strategic Community Plan 2017-27 set out the vision, aspirations, and objectives of this community so as to guide the work of the Council, and to define Council's role in 'Growing Our Community Together'.

The Boyup Brook community's vision is for our Shire to be a place:

- For people, with a sense of community, one that is active, vibrant, engaged and connected;
- that is safe and secure;
- that nurtures its youth and aging population, and retains its health and medical services; and
- that grows and has employment opportunities, through commercial diversity based on our comparative advantage.

This will be achieved through Council exercising its leadership and influence, and through Council collaboration, partnerships and empowerment, facilitation, coordination, and regulation.

Given that the Boyup Brook community is a growing and changing one, the Shire Council has determined to align the way it works so as to respond to the changing needs of our community. The Strategic Community Plan has a strong focus on building closer collaboration and stronger partnerships with community services (e.g. not-for-profit clubs and associations) organisations, our neighbouring local governments and industry agencies, and the State Government.

Our strategic community plan identifies five outcome areas to focus (focal areas) the energy and expertise of Councillors and Shire employees to achieve the following:

Social

That our people will have a 'sense of community'.

Natural Environment

That our natural environment will be 'preserved and sustained'.

Economic Development

That 'business and employment opportunities will be maximised'.

Governance

That 'local leadership will be strengthened.'

Built Environment

The Shire will focus on enhancing the town through improved streetscaping and infrastructure.

Record Keeping Plan (State Records Act 2000)

The State Records Act 2000 (the Records Act) provides for the keeping of State records and related items, and Section 19 of the Records Act requires each government agency/authority to have a Record Keeping Plan (RKP) that has been approved by the State Records Commission.

The RKP dictates which records are created by an organisation, how they are stored and maintained, and whether they are ultimately destroyed. The RKP is the primary means of providing evidence of compliance with the Records Act and that best practices have been implemented throughout the organisation. In accordance with Section 17 of the Records Act, the Shire of Boyup Brook and all its employees are legally required to comply with the contents of the plan.

The State Records Office (SRO) requires organisations to update their plans every five (5) years, and the Shire of Boyup Brook's RKP was reviewed during 2014-15 and 2016-2017 and subsequently approved and validated by the SRO in September 2016. The next review of the Shire's RKP is due by August 2021.

Freedom of Information Statement

In accordance with Section 96 (1) of the Freedom of Information Act 1992, residents have the right to access records (which are not otherwise exempt) held by State and Local Government Agencies. Applications may be made to the Shire to access such information upon payment of a standard fee. In the financial year ending 2020/2021 the Shire received two applications.

Complaints Register – Elected Members

Section 5.121 of the Local Government Act 1995 requires Annual Reports to contain details of entries made in the Complaints Register regarding complaints made about elected members.

There was no complaints lodged under section 5.121(9) in the 2020/2021 financial year.

Employee Remuneration

Employee Remuneration Section 5.53(2)(g) of the Local Government Act 1995 requires the Annual Report to contain details of the number of employees of the Shire entitled to an annual salary of \$100,000 or more and within each \$10,000 band over \$100,000. The following salaries include wages, superannuation, personal benefit value of vehicle, and other allowances:

\$140,000 – \$150,000 – 2 persons
\$240,000 – \$250,000 - 1 person
\$460,000 – \$470,000 – 1 person

Council and Committee Meetings

Public Agenda Briefing forum for 2020/2021

The public agenda briefing forum is open to the public and the briefing agenda can be accessed on the shire website.

Ordinary Council Meeting

At an Ordinary Council meeting held on 29 October 2020, Council adopted the 2021 meeting to be held the last Thursday of the month and the open Agenda briefing be held 1 week before Council meetings.

The Council and Committee meetings are open to the public and there is public question time at the beginning of both Council and Committee meetings at which time the general public may ask questions on any Local Government matter.

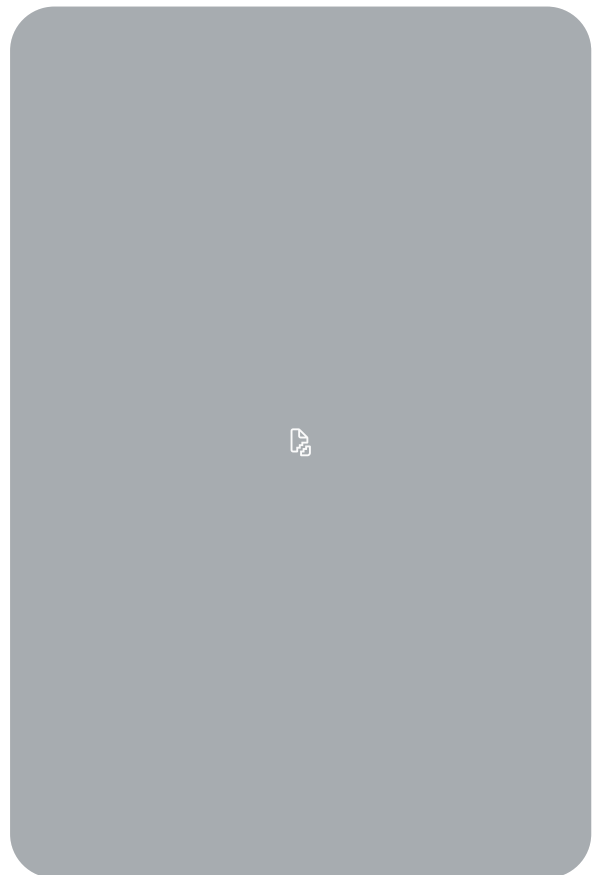
Meeting dates and times are subject to change and if this does occur, notice of such changes are advertised as per the requirements of the *Local Government Act 1995*.

Ordinary Council Meeting

16 July 2020
27 August 2020
24 September 2020
29 October 2020
26 November 2020
17 December 2020
25 February 2021
25 March 2021
29 April 2021
27 May 2021
24 June 2021

Special Council Meeting

1 July 2020 x 2
7 July 2020
30 July 2020
31 August 2020
14 January 2021
30 March 2021



Cont....

Councillor Attendance at Meetings - 1 July 2020 to 20 June 2021

| Councillor | Ordinary & Special Council Meetings During Term | No. Attended |
|--|---|--------------|
| Cr Richard Walker (Shire President) | 18 | 18 |
| Cr Helen O'Connell (Deputy Shire President) | 18 | 18 |
| Cr Sarah Alexander | 18 | 18 |
| Cr Steele Alexander (Elected in October 2020) | 15 | 15 |
| Cr Philippe Kaltenrieder | 18 | 18 |
| Cr Tom Oversby (Retired in February 2021) | 10 | 8 |
| Cr Adrian Price | 18 | 18 |
| Cr Darren King (Elected in October 2020) | 15 | 15 |
| Cr Kevin Moir | 18 | 15 |
| Cr E Rear (Resigned 8 July 2020) | 3 | 3 |

Committee Meetings

Committees

A local government may establish Committees pursuant to Section 5.8 of the Local Government Act 1995 to directly assist the Council in a function, project or issue(s).

In 2020/2021 six (6) Advisory Committees functioned, these being:

- Audit and Finance Committee
- Annual Awards Committee
- Bush Fire Advisory Committee
- Community Grants Committee
- Local Emergency Management Committee
- Rylington Park Transitional Committee

Audit and Finance Committee

To Provide guidance and assistance to the local government in carrying out-

- Its functions under Part 6 of the Local Government Act 1995 (Financial Management); and
- Its functions relating to other audits and other matters related to financial management; and
- The local government's functions in relation to audits carried out under Part 7 of the Local Government Act 1995 (Audit).

To review a report given to it by the CEO under regulation 17(3) of the Local Government (Audit) Regulations 1996 (CEO to review certain systems and procedures), and to-

- report to Council the results of that review; and
- give a copy of the CEO's report to Council.

To monitor and advise the CEO when the CEO is carrying out functions in relation to a review-

- of systems and procedures in relation to risk management, internal control and legislative compliance in accordance with regulation 17(1) of the Local Government (Audit) Regulations 1996; and
- of the local governments financial management systems in accordance with the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c).

To support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government.

To oversee the implementation of any action that the local government -

- is required to take by section 7.12A(3) of the Act (Audit report); and
- has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a) of the Act; and
- has accepted it should be taken following receipt of a report of a review conducted under regulation 17(1) of the Local Government (Audit) Regulations; and
- has accepted it should be taken following receipt of a report of a review conducted under the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c).

Annual Award Committee

Each year the Shire coordinates the Australia Day Community Citizen of the Year Awards to recognise the significant and positive contributions of individuals and groups within the Boyup Brook community.

Under Section 44(2)(a) of the Act, Council delegates its authority to determine the recipients of the Australia Day Awards under the following categories:

- Citizen of the Year;
- Kevin Henderson Memorial Award;
- Young Achiever of the Year; and
- Sports Person of the Year.

Bush Fire Advisory Committee

To provide advice to Council in regard to all matters relating to bush fire control, prevention and management including recommendations on the annual firebreak requirements, capital (equipment) purchase, review of firefighting/prevention practices, firefighting training, etc.

Community Grants Committee

Each year Council calls for community grants. The Community Grants Committee was formed to assess applications and make recommendations. The final decision will be made by Council at budget adoption time.

Local Emergency Management Committee

The Shire of Boyup Brook Local Emergency Management Committee (LEMC) is established under the WA Emergency Management Act 2005, to prepare and manage local community emergencies.

The LEMC consists of representatives from essential services including the Shire of Boyup Brook, Boyup Brook Police, Bush Fire Control Officer including the X-Ray team, Department of Fire and Emergency Service (DFES), WA Country Health, Saint John Ambulance, Department of Communities, Water Corporation and other government agencies.

The Committee meets on a regular basis to plan strategies to prevent emergencies occurring and to be prepared when they do occur. Part of the preparation is the holding of emergency exercises to test the efficiency of the operational procedures of agencies responding to an emergency and to make improvements where necessary.

The LEMC has a proactive approach to emergency management that is abbreviated to PPRR – Prevention, Preparedness, Response and Recovery.

Rylington Park Transitional Committee

Council established a Rylington Park Transitional Committee to manage the transition of Rylington Park operations from the Rylington Park Management Committee Inc. to management of the facility by the Shire.

Elector Meetings

In accordance with Section 5.27 of the Local Government Act 1995, an Annual General Meeting of Electors is to be held once every financial year. The Act and associated legislation prescribe the matters that are to be discussed.

Special Electors Meetings can also be held upon petition from electors in accordance with the Local Government Act. An Electors' Special Meeting can be requested for any purpose, provided the issues to be considered are within the local government's power to deal with.

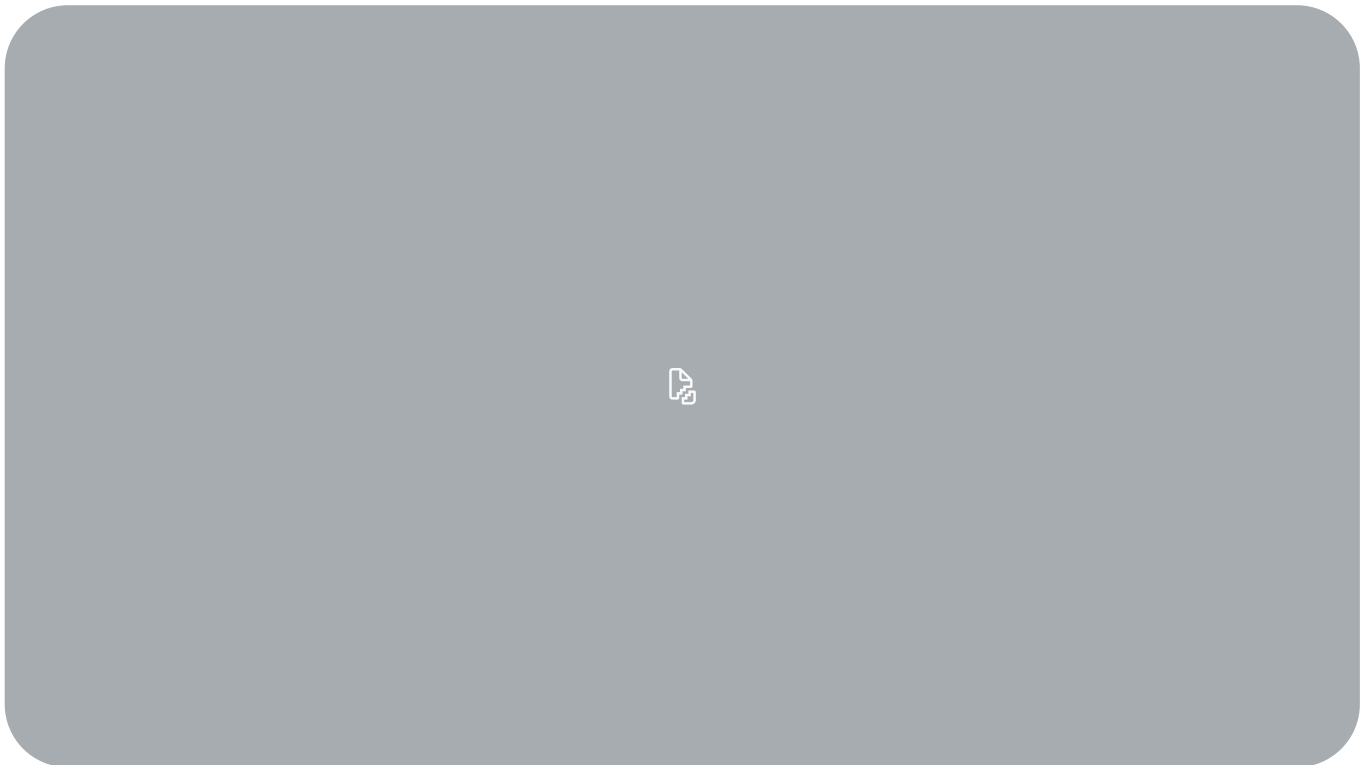


Photo of the Blackwood River

Community Grants



In 2020/21 the Shire of Boyup Brook supported a significant level of financial assistance to the community, being the sum of \$65,505.53.

| Community Group | Description | Donation |
|---|-------------------------------|-------------|
| Blackwood Basin Group Inc | Biosecurity Services | \$7818.00 |
| Blackwood Valley Wine Industry Assoc | Sponsorship | \$750.00 |
| Boyup Brook Community Resource Centre | Photography Competition | \$181.82 |
| Boyup Brook Community Resource Centre | Art Boards Upgrade | \$861.21 |
| Boyup Brook Districts Pioneer Museum | Assistance with running costs | \$5000.00 |
| Boyup Brook Family Playgroup | Rylington Park Sponsorship | \$1000.00 |
| Boyup Brook Tourism Assoc | Street Banners | \$1639.50 |
| Boyup Brook Tourism Assoc | MOU | \$25,000.00 |
| CoMHAT | Mental Health Week | \$4,800.00 |
| Country Music Club of WA | Support for the festival | \$15,000.00 |
| South West Group Of Affiliated Agricultural Assoc | Display at Perth Royal Show | \$250.00 |
| Tan & Vic's Lawn & Garden Care | Croquet Club Court upgrade | \$1,505.00 |
| Tonebridge Country Club | Operating Costs | \$1000.00 |
| Wilga Progress Association | Support Event | \$700.00 |

Town Hall

At the Ordinary Council meeting held on 24 June 2021, Council resolved to waive fees and charges for community organisations, non-for-profit community groups, businesses and Sporting and Recreation bodies for the use of the Town Hall.



Fire & Emergency Mitigation



The annual bushfire prevention inspection program for the district commenced in early December 2020 and concluded in late February 2021. The Shire conducted property inspections in local townsites and Special Rural areas, and an aerial inspection of the larger farming areas.

The Local Emergency Management Committee (LEMC) met regularly to achieve its statutory responsibilities, work towards a safer Boyup Brook Shire and to maintain roles and responsibilities as part of normal business. The LEMC worked at keeping local plans up-to-date and to ensure adequate training and exercise of local arrangements was available for a multi-agency response.

The Shire's Volunteer Bush Fire Brigades responded to numerous fire incidents over the fire season. The volunteers' dedication to the community continues to be of an exemplary standard.

Bushfire Risk Management Planning

A Bushfire Risk Planning Coordinator was engaged by the Shire to develop a Bushfire Risk Management Plan. The Plan identifies assets at risk from bushfire and prioritises treatment. A Treatment Schedule sets out a broad, coordinated, multi-agency program to address identified risks. This role is funded by the Department of Fire and Emergency Services and is shared between the Shires of Boyup Brook, Bridgetown-Greenbushes, Donnybrook-Balingup and Nannup.

The majority of the Boyup Brook Shire has been mapped and Risk Assessed by the Bushfire Risk Planning Coordinator and detailed mitigation plans have been developed and scheduled for maintenance throughout the year.

Public and Environmental Health



Only four months prior to this reporting period, the WA State Government had declared a State of Emergency in response to the Pandemic caused by COVID – 19. A staged defence to slow the spread was quickly introduced by the State Government and by May 2020 it looked like things were getting back to normal.

In July 2020 WA tightened borders with Victoria and then NSW in light of a second wave. Our local community was relatively safe with only a handful of community cases in the state.

During this time the Public Health Officer worked closely with WAPOL to educate the community about the mandates and restrictions based on State Government Directives, these included the 4 square metre rule, later relaxed to 2 square meters, Hygiene Officer training for food handlers, CV Safety Plans for all public facilities, CV Event Plans for events and QR codes for contact tracing.

Boyup Brook businesses and not-for-profit groups were compliant with the requirements, although there was a degree of complacency from individuals. Assistance to complete safety plans and obtain QR codes was provided for many groups who struggled with the “online” and “app” methodology.

The Shire generated a list of local vulnerable persons and offered support through the provision of essential items as required.

The requirement for a high standard of cleaning within the food business industry led to a reduced frequency of food borne illness reports for the year, with only one being reported during that period.

The Public Health Officer was kept informed and up to date by attendance at numerous webinars and training sessions related to the pandemic, delivered by various key bodies such as the Western Australian Department of Health, WALGA, LGIS, and the Department of Local Government. This was supported by weekly updates from the Environmental Health Directorate and State Health Incident Management Team.

While the pandemic dominated the public health space, traditional activities were maintained with the assessment of 21 septic tank applications, public building inspections, monthly swimming pool water testing, and event plan reviews. Participation in the “Play it Food Safe”, campaign for households ran over four months and was promoted through the monthly newsletter and facebook to all residents.

Work towards finalising local Public Health Plans was put on hold by the WA Department of Health in light of the direct involvement of Public Health Officers who were dealing with higher priority issues around the pandemic.

Occupational Health and Safety (Work Health and Safety)



In November 2020 the Governor of Western Australia assented to the new Work Health and Safety Act 2020. However, the WHS Act will not commence until the WHS regulations are finalised, which is expected to occur in 2021. It provides a framework to protect the health, safety and welfare of workers, which includes volunteers in all WA workplaces.

While the regulations are being developed workplace participants will have time to become familiar with the provisions of the WHS Act. Part 16 of the WHS Act provides transitional periods for matters ranging from the terms of health and safety representatives (HSRs), to manufacture and imports.

LGIS commenced providing training sessions to managers, staff and bush fire members to introduce the pertinent changes to the legislation.

There were no safety incidents that were notifiable to WorkSafe Wa, and no Improvement Notices were received from WorkSafe WA.

In preparation for the changing legislation the Shire of Boyup Brook implemented some site specific COV-19 protocols to protect staff, these included the installation of perspex screen barriers for the customer service officers, automatic hand sanitizer dispensers in public halls and work areas, ongoing review of COVID Safety Plans for all workplaces and public buildings.

In 2020/21 a variety of training and development programs were held for employees. These programs comprise a combination of online training, virtual and face-to-face programs. The corporate training included but not limited to:

- General Occupational Health and Safety
- Safety Leadership, Emergency Preparedness
- First Aid, & CPR
- Manual Handling – induction training online
- Infection Control training – induction online
- Aboriginal and Torres Strait Islander Cultural Awareness online

Disability Access and Inclusion

With the assistance of commonwealth grants, local infrastructure improvements completed during the 2020/2021 year provided opportunities to bring buildings into compliance with AS1428 – Design for Access and Mobility, in relation to orientation of people with vision impairment. Upgrades to ablutions signage included tactile signs and ground surface indicators as well as improved automatic sensing lighting at public facilities.

State grants also contributed to the ability of the Shire to make the Australia Day Awards and Christmas celebration more accessible to people with a disability by offering a bus and priority parking.

As required by the Disability Services Act 1993 (WA), an annual report was submitted on time to the Department of Communities showing progress across the planned strategies.

Works Program

Parks and Gardens Capital Renewal:

There were no capital renewal projects completed in Parks & Gardens.

Road Projects and Car Parks:

The following road projects were undertaken and completed:

- Regional Road Group Funding:
Winnejup Road - Widening and sealing
Boyup Brook - Cranbrook Road: Widening, sealing and corner reconstruction
- Roads to Recovery Funding:
Kulikup Road South: Gravel re-sheeting
Beatty Street - sealing the road
Terry Road - gravel re-sheeting and works on dangerous bend.
- The following Roads to Recovery funded project was deferred to the 21/22 financial year:
Boyup-Brook Arthur Road.

Bridge Maintenance:

Level 1 bridge inspections were completed for 21 bridges.

As a result, preventative maintenance works were completed by Main Roads and contractors on the following bridges:

- Bridge 0743, Boyup Brook - Arthur Road.
- Bridge 3306, Jayes Road. (included emergency repairs resulting in the bridge being closed for several months)
- Bridge 3307, McAlinden Road.
- Bridge 3311, Dwalganup Road.
- Bridge 4872, McAlinden Road.

Waste:

- A new pit was dug at the landfill site.
- Lions Club at the Transfer station fenced off.
- Transportable was installed for the attendants office.

New Plant Purchases:

1. Three mowers for Parks and Gardens
2. Two utes for Parks/Gardens and Roads

Works Program

Forrest St disabled carparking



Cranbrook Road shoulder works



Forrest Street carpark



Shire Contact Information



55 Abel Street, Boyup Brook WA 6244
PO Box 2, Boyup Brook WA 6244



Ph: 9765 1200



Email: shire@boyupbrook.wa.gov.au



Opening hours: Monday - Friday
8.30am - 4.30pm



www.boyupbrook.wa.gov.au



Annual Financial Report for the Year Ended 30 June 2021

2020 – 2021 Financial Statements

The Shire of Boyup Brook's Annual Financial Statements and the (independent) auditor's report of Office of the Auditor General are included in the attached documents.



SHIRE OF BOYUP BROOK
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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COMMUNITY VISION

A place for people, with a sense of community, one that is active, vibrant, engaged and connected.

A place that is safe and secure.

A place that nurtures its youth and aging population; and retains its health and medical services.

A place that grows and has employment opportunities, through commercial diversity, which is based on our competitive advantage

Principal place of business:
55 Abel Street
BOYUP BROOK WA 6244

**SHIRE OF BOYUP BROOK
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Boyup Brook for the financial year ended 30 June 2021 is based on proper accounts and records to present fairly the financial position of the Shire of Boyup Brook at 30 June 2021 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 2nd day of September 2022



Chief Executive Officer

DALE PUTLAND

Name of Chief Executive Officer

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

| | NOTE | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|---|-------|----------------------|----------------------|----------------------|
| Revenue | | | | |
| Rates | 24(a) | 2,977,389 | 3,007,292 | 3,002,704 |
| Operating grants, subsidies and contributions | 2(a) | 1,937,011 | 1,125,550 | 1,704,170 |
| Fees and charges | 2(a) | 1,808,312 | 1,518,125 | 1,400,337 |
| Interest earnings | 2(a) | 32,364 | 45,205 | 73,779 |
| Other revenue | 2(a) | 963,409 | 503,190 | 1,656,581 |
| | | 7,718,485 | 6,199,362 | 7,837,571 |
| Expenses | | | | |
| Employee costs | | (3,352,845) | (2,875,038) | (3,177,630) |
| Materials and contracts | | (1,188,352) | (2,544,200) | (1,182,652) |
| Utility charges | | (191,781) | (228,519) | (213,746) |
| Depreciation on non-current assets | 12(b) | (3,504,032) | (3,592,229) | (3,378,804) |
| Interest expenses | 2(b) | (73,914) | (21,754) | (23,288) |
| Insurance expenses | | (203,291) | (165,432) | (190,867) |
| Other expenditure | | (163,538) | (251,606) | (276,762) |
| | | (8,677,753) | (9,678,778) | (8,443,749) |
| | | (959,268) | (3,479,416) | (606,178) |
| Non-operating grants, subsidies and contributions | 2(a) | 2,231,363 | 2,661,821 | 659,311 |
| Profit on asset disposals | 12(a) | 75,543 | 0 | 0 |
| (Loss) on asset disposals | 12(a) | (50,590) | 0 | (156,782) |
| Fair value adjustments to financial assets at fair value through profit or loss | | 2,586 | 0 | 1,153 |
| | | 2,258,902 | 2,661,821 | 503,682 |
| Net result for the period | | 1,299,634 | (817,595) | (102,496) |
| Total other comprehensive income for the period | | 0 | 0 | 0 |
| Total comprehensive income for the period | | 1,299,634 | (817,595) | (102,496) |

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

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

| | NOTE | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|---|-------|----------------------|----------------------|----------------------|
| Revenue | | | | |
| Governance | 2(a) | 23,600 | 0 | 0 |
| General purpose funding | | 4,644,902 | 3,742,447 | 4,491,069 |
| Law, order, public safety | | 136,120 | 271,834 | 152,095 |
| Health | | 1,144,671 | 907,844 | 789,345 |
| Education and welfare | | 165,665 | 125,000 | 150,750 |
| Housing | | 74,012 | 89,601 | 84,313 |
| Community amenities | | 227,835 | 207,766 | 216,470 |
| Recreation and culture | | 46,974 | 41,441 | 41,580 |
| Transport | | 192,847 | 191,890 | 189,903 |
| Economic services | | 118,312 | 110,530 | 119,282 |
| Other property and services | | 943,547 | 511,009 | 1,602,764 |
| | | 7,718,485 | 6,199,362 | 7,837,571 |
| Expenses | | | | |
| Governance | 2(b) | (341,346) | (379,473) | (325,345) |
| General purpose funding | | (103,392) | (139,443) | (137,865) |
| Law, order, public safety | | (364,450) | (508,331) | (413,680) |
| Health | | (1,358,379) | (1,249,020) | (1,178,152) |
| Education and welfare | | (244,672) | (226,309) | (248,451) |
| Housing | | (135,264) | (140,757) | (123,595) |
| Community amenities | | (409,491) | (348,711) | (349,707) |
| Recreation and culture | | (1,066,280) | (1,162,098) | (1,128,605) |
| Transport | | (3,687,844) | (4,312,005) | (3,743,786) |
| Economic services | | (315,552) | (657,873) | (441,717) |
| Other property and services | | (577,169) | (533,004) | (329,558) |
| | | (8,603,839) | (9,657,024) | (8,420,461) |
| Finance Costs | | | | |
| Education and welfare | 2(b) | (66,781) | (14,218) | (14,870) |
| Housing | | (2,552) | (2,670) | (2,939) |
| Community amenities | | 0 | 0 | (183) |
| Recreation and culture | | (4,581) | (4,866) | (5,296) |
| | | (73,914) | (21,754) | (23,288) |
| | | (959,268) | (3,479,416) | (606,178) |
| Non-operating grants, subsidies and contributions | 2(a) | 2,231,363 | 2,661,821 | 659,311 |
| Profit on disposal of assets | 12(a) | 75,543 | 0 | 0 |
| (Loss) on disposal of assets | 12(a) | (50,590) | 0 | (156,782) |
| Fair value adjustments to financial assets at fair value through profit or loss | | 2,586 | 0 | 1,153 |
| | | 2,258,902 | 2,661,821 | 503,682 |
| Net result for the period | | 1,299,634 | (817,595) | (102,496) |
| Total other comprehensive income for the period | | 0 | 0 | 0 |
| Total comprehensive income for the period | | 1,299,634 | (817,595) | (102,496) |

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



SHIRE OF BOYUP BROOK
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

| | NOTE | 2021 \$ | 2020 \$ |
|--------------------------------------|-------|--------------------|--------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 3 | 5,369,634 | 4,492,792 |
| Trade and other receivables | 6 | 595,777 | 504,357 |
| Inventories | 7 | 94,263 | 22,760 |
| Biological assets | 8 | 608,422 | 480,894 |
| Other assets | 9 | 28,294 | 23,077 |
| TOTAL CURRENT ASSETS | | 6,696,390 | 5,523,880 |
| NON-CURRENT ASSETS | | | |
| Trade and other receivables | 6 | 23,574 | 15,358 |
| Other financial assets | 5(a) | 73,807 | 71,221 |
| Property, plant and equipment | 10(a) | 15,165,268 | 15,551,355 |
| Infrastructure | 11(a) | 109,791,500 | 109,937,492 |
| TOTAL NON-CURRENT ASSETS | | 125,054,149 | 125,575,426 |
| TOTAL ASSETS | | 131,750,539 | 131,099,306 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 14 | 461,329 | 579,982 |
| Other liabilities | 15 | 685,660 | 822,137 |
| Borrowings | 16(a) | 20,178 | 36,157 |
| Employee related provisions | 17(a) | 338,207 | 413,664 |
| TOTAL CURRENT LIABILITIES | | 1,505,374 | 1,851,940 |
| NON-CURRENT LIABILITIES | | | |
| Borrowings | 16(a) | 93,502 | 397,010 |
| Employee related provisions | 17(a) | 16,850 | 15,177 |
| TOTAL NON-CURRENT LIABILITIES | | 110,352 | 412,187 |
| TOTAL LIABILITIES | | 1,615,726 | 2,264,127 |
| NET ASSETS | | 130,134,813 | 128,835,179 |
| EQUITY | | | |
| Retained surplus | | 59,469,830 | 57,972,427 |
| Reserves - cash backed | 4 | 2,389,329 | 2,587,098 |
| Revaluation surplus | 13 | 68,275,654 | 68,275,654 |
| TOTAL EQUITY | | 130,134,813 | 128,835,179 |

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

SHIRE OF BOYUP BROOK
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

| | NOTE | RETAINED SURPLUS \$ | RESERVES CASH BACKED \$ | REVALUATION SURPLUS \$ | TOTAL EQUITY \$ |
|-----------------------------------|------|---------------------------|----------------------------------|------------------------------|-----------------------|
| Balance as at 1 July 2019 | | 57,744,242 | 2,917,779 | 68,275,654 | 128,937,675 |
| Comprehensive income | | | | | |
| Net result for the period | | (102,496) | 0 | 0 | (102,496) |
| Other comprehensive income | 13 | 0 | 0 | 0 | 0 |
| Total comprehensive income | | (102,496) | 0 | 0 | (102,496) |
| Transfers from reserves | 4 | 1,012,330 | (1,012,330) | 0 | 0 |
| Transfers to reserves | 4 | (681,649) | 681,649 | 0 | 0 |
| Balance as at 30 June 2020 | | 57,972,427 | 2,587,098 | 68,275,654 | 128,835,179 |
| Comprehensive income | | | | | |
| Net result for the period | | 1,299,634 | 0 | 0 | 1,299,634 |
| Other comprehensive income | 13 | 0 | 0 | 0 | 0 |
| Total comprehensive income | | 1,299,634 | 0 | 0 | 1,299,634 |
| Transfers from reserves | 4 | 354,161 | (354,161) | 0 | 0 |
| Transfers to reserves | 4 | (156,392) | 156,392 | 0 | 0 |
| Balance as at 30 June 2021 | | 59,469,830 | 2,389,329 | 68,275,654 | 130,134,813 |

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

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

| | NOTE | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|---|-------|----------------------|----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts | | | | |
| Rates | | 2,916,452 | 3,007,292 | 2,917,692 |
| Operating grants, subsidies and contributions | | 1,889,464 | 450,956 | 1,750,975 |
| Fees and charges | | 1,803,024 | 1,518,125 | 1,405,625 |
| Interest received | | 32,364 | 45,205 | 74,310 |
| Goods and services tax received | | 425,693 | 0 | 149,119 |
| Other revenue | | 962,732 | 503,190 | 949,802 |
| | | 8,029,729 | 5,524,768 | 7,247,523 |
| Payments | | | | |
| Employee costs | | (3,506,718) | (2,832,008) | (3,416,903) |
| Materials and contracts | | (1,411,004) | (2,544,200) | (1,012,867) |
| Utility charges | | (191,781) | (228,519) | (213,746) |
| Interest expenses | | (73,914) | (21,754) | (23,983) |
| Insurance paid | | (203,291) | (165,432) | (192,945) |
| Goods and services tax paid | | (400,725) | 0 | (200,000) |
| Other expenditure | | (166,258) | (251,606) | (265,837) |
| | | (5,953,691) | (6,043,519) | (5,326,281) |
| Net cash provided by (used in) operating activities | 18 | 2,076,038 | (518,751) | 1,921,242 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Payments for purchase of property, plant & equipment | 10(a) | (416,661) | (537,039) | (962,625) |
| Payments for construction of infrastructure | 11(a) | (2,723,066) | (3,488,384) | (1,524,156) |
| Non-operating grants, subsidies and contributions | | 2,067,291 | 2,661,821 | 1,426,149 |
| Proceeds from sale of property, plant & equipment | 12(a) | 192,727 | 127,714 | 309,596 |
| Net cash provided by (used in) investment activities | | (879,709) | (1,235,888) | (751,036) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Repayment of borrowings | 16(b) | (319,487) | (36,157) | (39,432) |
| Net cash provided by (used in) financing activities | | (319,487) | (36,157) | (39,432) |
| Net increase (decrease) in cash held | | 876,842 | (1,790,796) | 1,130,774 |
| Cash at beginning of year | | 4,492,792 | 3,852,438 | 3,362,018 |
| Cash and cash equivalents at the end of the year | 18 | 5,369,634 | 2,061,642 | 4,492,792 |

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

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

| | NOTE | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|---|--------|----------------------|----------------------|----------------------|
| OPERATING ACTIVITIES | | | | |
| Net current assets at start of financial year - surplus/(deficit) | 25 (b) | 1,012,961 | 1,135,201 | 384,703 |
| | | 1,012,961 | 1,135,201 | 384,703 |
| Revenue from operating activities (excluding rates) | | | | |
| Governance | | 23,600 | 0 | 0 |
| General purpose funding | | 1,668,768 | 736,410 | 1,489,620 |
| Law, order, public safety | | 136,120 | 271,834 | 152,095 |
| Health | | 1,144,671 | 907,844 | 789,345 |
| Education and welfare | | 165,665 | 125,000 | 150,750 |
| Housing | | 139,679 | 89,601 | 84,313 |
| Community amenities | | 227,835 | 207,766 | 216,470 |
| Recreation and culture | | 46,974 | 41,441 | 41,580 |
| Transport | | 202,723 | 191,890 | 189,903 |
| Economic services | | 118,312 | 110,530 | 119,282 |
| Other property and services | | 946,133 | 511,009 | 1,603,917 |
| | | 4,820,480 | 3,193,325 | 4,837,275 |
| Expenditure from operating activities | | | | |
| Governance | | (341,346) | (379,473) | (325,345) |
| General purpose funding | | (103,392) | (139,443) | (137,865) |
| Law, order, public safety | | (364,450) | (508,331) | (413,680) |
| Health | | (1,358,379) | (1,249,020) | (1,178,152) |
| Education and welfare | | (311,453) | (240,527) | (263,321) |
| Housing | | (183,041) | (143,427) | (126,534) |
| Community amenities | | (409,491) | (348,711) | (349,890) |
| Recreation and culture | | (1,070,861) | (1,166,964) | (1,133,901) |
| Transport | | (3,693,209) | (4,312,005) | (3,894,818) |
| Economic services | | (315,552) | (657,873) | (441,717) |
| Other property and services | | (577,169) | (533,004) | (335,308) |
| | | (8,728,343) | (9,678,778) | (8,600,531) |
| Non-cash amounts excluded from operating activities | 25(a) | 3,004,582 | 3,635,260 | 2,616,690 |
| Amount attributable to operating activities | | 109,680 | (1,714,992) | (761,863) |
| INVESTING ACTIVITIES | | | | |
| Non-operating grants, subsidies and contributions | 2(a) | 2,231,363 | 2,661,821 | 659,311 |
| Proceeds from disposal of assets | 12(a) | 192,727 | 127,714 | 309,596 |
| Purchase of property, plant and equipment | 10(a) | (416,661) | (537,039) | (962,625) |
| Purchase and construction of infrastructure | 11(a) | (2,723,066) | (3,488,384) | (1,524,156) |
| Amount attributable to investing activities | | (715,637) | (1,235,888) | (1,517,874) |
| FINANCING ACTIVITIES | | | | |
| Repayment of borrowings | 16(b) | (319,487) | (36,157) | (39,432) |
| Transfers to reserves (restricted assets) | 4 | (156,392) | (19,000) | (681,649) |
| Transfers from reserves (restricted assets) | 4 | 354,161 | 0 | 1,012,330 |
| Amount attributable to financing activities | | (121,718) | (55,157) | 291,249 |
| Surplus/(deficit) before imposition of general rates | | (727,675) | (3,006,037) | (1,988,488) |
| Total amount raised from general rates | 24(a) | 2,976,134 | 3,006,037 | 3,001,449 |
| Surplus/(deficit) after imposition of general rates | 25(b) | 2,248,459 | 0 | 1,012,961 |

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

SHIRE OF BOYUP BROOK
INDEX OF NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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1. 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) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

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

THE LOCAL GOVERNMENT REPORTING ENTITY
All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

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 29 to these financial statements.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

During the current year, the Shire adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

These were:

- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of Materiality*

The impact of adoption of these standards is described at Note 28.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

The following new accounting standards will have application to local government in future years:

- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

It is not expected these standards will have an impact on the financial report.

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 balances, transactions and disclosures impacted by accounting estimates are as follows:

- Employee Expenses
- Other Financial Assets
- Property, Plant and Equipment
- Infrastructure
- Borrowing Liabilities
- Provisions

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES

(a) Grant revenue

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

| | 2021 Actual | 2021 Budget | 2020 Actual |
|--|------------------------|------------------------|------------------------|
| | \$ | \$ | \$ |
| Operating grants, subsidies and contributions | | | |
| Governance | 23,600 | 0 | 0 |
| General purpose funding | 1,620,882 | 673,620 | 1,389,830 |
| Law, order, public safety | 128,499 | 265,654 | 143,647 |
| Health | 0 | 0 | 589 |
| Housing | 0 | 235 | 0 |
| Recreation and culture | 0 | 500 | 0 |
| Transport | 164,030 | 160,040 | 160,104 |
| Economic services | 0 | 8,425 | 10,000 |
| Other property and services | 0 | 17,076 | 0 |
| | 1,937,011 | 1,125,550 | 1,704,170 |
| Non-operating grants, subsidies and contributions | | | |
| Law, order, public safety | 0 | 31,700 | 0 |
| Recreation and culture | 4,000 | 0 | 21,750 |
| Transport | 2,227,363 | 2,630,121 | 637,561 |
| | 2,231,363 | 2,661,821 | 659,311 |
| Total grants, subsidies and contributions | 4,168,374 | 3,787,371 | 2,363,481 |
| Fees and charges | | | |
| General purpose funding | 14,268 | 16,330 | 24,757 |
| Law, order, public safety | 7,621 | 6,180 | 8,448 |
| Health | 1,144,671 | 907,844 | 788,756 |
| Education and welfare | 165,665 | 125,000 | 141,881 |
| Housing | 72,996 | 89,366 | 84,079 |
| Community amenities | 222,445 | 204,004 | 204,141 |
| Recreation and culture | 46,227 | 40,941 | 41,081 |
| Transport | 1,353 | 3,050 | 3,201 |
| Economic services | 104,687 | 102,105 | 95,369 |
| Other property and services | 28,379 | 23,305 | 8,624 |
| | 1,808,312 | 1,518,125 | 1,400,337 |

There were no changes to the amounts of fees or charges detailed in the original budget.

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature.

Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

Fees and Charges

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

**Contracts with customers and transfers
for recognisable non-financial assets**

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:

| | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|---|----------------------|----------------------|----------------------|
| Operating grants, subsidies and contributions | 316,129 | 450,794 | 0 |
| Fees and charges | 1,752,718 | 1,490,477 | 1,400,337 |
| Other revenue | 914,651 | 476,954 | 1,593,923 |
| Non-operating grants, subsidies and contributions | 2,231,363 | 2,661,821 | 659,311 |
| | 5,214,861 | 5,080,046 | 3,653,571 |

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:

| | | | |
|---|-----------|-----------|-----------|
| Revenue from contracts with customers included as a contract liability at the start of the period | 822,137 | 0 | 54,926 |
| Revenue from contracts with customers recognised during the year | 2,161,361 | 2,418,225 | 2,939,334 |
| Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year | 2,231,363 | 2,661,821 | 659,311 |
| | 5,214,861 | 5,080,046 | 3,653,571 |

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

| | | | |
|---|-----------|--|-----------|
| Trade and other receivables from contracts with customers | 188,414 | | 110,552 |
| Contract liabilities from contracts with customers | (685,660) | | (822,137) |

Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met.

Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less.

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

Performance obligations in relation to contract liabilities from transfers for recognisable non financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:

General rates

Statutory permits and licences

Fines

Other revenue

Reimbursements and recoveries

Rylington Park Agricultural Operations contribution

Other

Interest earnings

Interest on reserve funds

Rates instalment and penalty interest (refer Note 24(b))

Other interest earnings

| | 2021 Actual | 2021 Budget | 2020 Actual |
|--|----------------|----------------|----------------|
| | \$ | \$ | \$ |
| General rates | 2,976,134 | 3,006,037 | 3,001,449 |
| Statutory permits and licences | 54,486 | 26,778 | 0 |
| Fines | 1,108 | 870 | 0 |
| | 3,031,728 | 3,033,685 | 3,001,449 |
| Other revenue | | | |
| Reimbursements and recoveries | 48,758 | 26,236 | 62,658 |
| Rylington Park Agricultural Operations contribution | 0 | 0 | 1,372,913 |
| Other | 914,651 | 476,954 | 221,010 |
| | 963,409 | 503,190 | 1,656,581 |
| Interest earnings | | | |
| Interest on reserve funds | 3,824 | 19,000 | 20,094 |
| Rates instalment and penalty interest (refer Note 24(b)) | 25,590 | 24,215 | 39,214 |
| Other interest earnings | 2,950 | 1,990 | 14,471 |
| | 32,364 | 45,205 | 73,779 |

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Other services

Interest expenses (finance costs)

Borrowings

| Note | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|-------|----------------------|----------------------|----------------------|
| | 30,000 | 22,500 | 22,750 |
| | 0 | 1,600 | 0 |
| | 30,000 | 24,100 | 22,750 |
| 16(b) | 73,914 | 21,754 | 23,288 |
| | 73,914 | 21,754 | 23,288 |

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

| Revenue Category | Nature of goods and services | When obligations typically satisfied | Payment terms | Returns/Refunds/Warranties | Determination of transaction price | Allocating transaction price | Measuring obligations for returns | Timing of revenue recognition |
|---|---|--------------------------------------|--|---|--|--|---|--|
| Rates | General Rates | Over time | Payment dates adopted by Council during the year | None | Adopted by council annually | When taxable event occurs | Not applicable | When rates notice is issued |
| Specified area rates | Rates charge for specific defined purpose | Over time | Payment dates adopted by Council during the year | Refund in event monies are unspent | Adopted by council annually | When taxable event occurs | Not applicable | When rates notice is issued |
| Service charges | Charge for specific service | Over time | Payment dates adopted by Council during the year | Refund in event monies are unspent | Adopted by council annually | When taxable event occurs | Not applicable | When rates notice is issued |
| Grant contracts with customers | Community events, minor facilities, research, design, planning evaluation and services | Over time | Fixed terms transfer of funds based on agreed milestones and reporting | Contract obligation if project not complete | Set by mutual agreement with the customer | Based on the progress of works to match performance obligations | Returns limited to repayment of transaction price of terms breached | Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared |
| Grants, subsidies or contributions for the construction of non-financial assets | Construction or acquisition of recognisable non-financial assets to be controlled by the local government | Over time | Fixed terms transfer of funds based on agreed milestones and reporting | Contract obligation if project not complete | Set by mutual agreement with the customer | Based on the progress of works to match performance obligations | Returns limited to repayment of transaction price of terms breached | Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared |
| Grants with no contract commitments | General appropriations and contributions with no reciprocal commitment | No obligations | Not applicable | Not applicable | Cash received | On receipt of funds | Not applicable | When assets are controlled |
| Fees and charges | Building services, caravan and camping services, cemetery services, childcare services, library services, medical services, property rental and hire, private works, refuse and recycling services, swimming pool entry, planning, development, animal management, or a service having the same nature as a licence regardless of naming. | Single point in time | Full payment prior to issue | None | Adopted by Council annually or Set by State legislation or limited by legislation to the cost of provision | Applied fully based on timing of provision/entry, or based on timing of issue of the associated rights | Not applicable | Output method based on provision of service or completion of works, or on payment and issue of the licence, registration or approval |
| Commissions | Commissions on licencing and ticket sales | Over time | Payment in full on sale | None | Set by mutual agreement with the customer | On receipt of funds | Not applicable | When assets are controlled |
| Reimbursements | Insurance claims and reimbursable expenses | Single point in time | Payment in arrears for claimable event | None | Set by mutual agreement | When claim is agreed or expense is incurred | Not applicable | When claim is agreed or when expense is incurred |
| Other revenue | Sheep and wool sales, shearing school income at Rylington Park | Over time | Payment in arrears | None | Set by mutual agreement with the customer | On receipt of funds | Not applicable | When assets are controlled |

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

3. CASH AND CASH EQUIVALENTS

| NOTE | 2021 | 2020 |
|--|------------------|------------------|
| | \$ | \$ |
| Cash at bank and on hand | 5,369,634 | 4,492,792 |
| Total cash and cash equivalents | 5,369,634 | 4,492,792 |
| Restrictions | | |
| The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used: | | |
| - Cash and cash equivalents | 3,119,040 | 3,820,151 |
| | 3,119,040 | 3,820,151 |

The restricted assets are a result of the following specific purposes to which the assets may be used:

| | | | |
|--|-------|------------------|------------------|
| Reserves - cash backed | 4 | 2,389,329 | 2,587,098 |
| Contract liabilities from contracts with customers | 15 | 685,660 | 822,137 |
| Bonds and deposits | 14 | 44,051 | 57,127 |
| Unspent loans | 16(d) | 0 | 353,789 |
| Total restricted assets | | 3,119,040 | 3,820,151 |

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Restricted assets

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

4. RESERVES - CASH BACKED

| | 2021 Actual Opening Balance | 2021 Actual Transfer to | 2021 Actual Transfer (from) | 2021 Actual Closing Balance | 2021 Budget Opening Balance | 2021 Budget Transfer to | 2021 Budget Transfer (from) | 2021 Budget Closing Balance | 2020 Actual Opening Balance | 2020 Actual Transfer to | 2020 Actual Transfer (from) | 2020 Actual Closing Balance |
|--|--------------------------------------|-------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------|--------------------------------------|--------------------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| (a) Reserves cash backed - Leave Reserve | 122 | 1 | 0 | 123 | 121 | 1 | 0 | 122 | 120 | 2 | 0 | 122 |
| (b) Reserves cash backed - Plant Reserve | 148,275 | 1,686 | 0 | 149,961 | 148,325 | 1,464 | 0 | 149,789 | 325,626 | 2,649 | (180,000) | 148,275 |
| (c) Reserves cash backed - Building Reserve | 705,999 | 8,026 | 0 | 714,025 | 706,235 | 6,970 | 0 | 713,205 | 699,515 | 6,484 | 0 | 705,999 |
| (d) Reserves cash backed - Community Housing Reserve | 79,999 | 134,518 | 0 | 214,517 | 80,026 | 790 | 0 | 80,816 | 79,265 | 734 | 0 | 79,999 |
| (e) Reserves cash backed - Emergency Reserve | 12,339 | 140 | 0 | 12,479 | 12,343 | 121 | 0 | 12,464 | 12,226 | 113 | 0 | 12,339 |
| (f) Reserves cash backed - Insurance Claim Reserve | 15,037 | 170 | 0 | 15,207 | 15,042 | 148 | 0 | 15,190 | 14,899 | 138 | 0 | 15,037 |
| (g) Reserves cash backed - Other Recreation Reserve | 49,989 | 568 | 0 | 50,557 | 50,005 | 494 | 0 | 50,499 | 49,529 | 460 | 0 | 49,989 |
| (h) Reserves cash backed - Commercial Reserve | 446,515 | 5,076 | 0 | 451,591 | 446,665 | 4,408 | 0 | 451,073 | 442,415 | 4,100 | 0 | 446,515 |
| (i) Reserves cash backed - Bridges Reserve | 153 | 3 | 0 | 156 | 154 | 2 | 0 | 156 | 152 | 1 | 0 | 153 |
| (j) Reserves cash backed - Aged Accommodation Reserve | 381,518 | 4,251 | (354,161) | 31,608 | 381,646 | 3,767 | 0 | 385,413 | 378,014 | 3,504 | 0 | 381,518 |
| (k) Reserves cash backed - Road Contributions Reserve | 28,288 | 321 | 0 | 28,609 | 28,298 | 279 | 0 | 28,577 | 28,028 | 260 | 0 | 28,288 |
| (l) Reserves cash backed - IT/Office Equipment Reserve | 39,468 | 449 | 0 | 39,917 | 39,481 | 390 | 0 | 39,871 | 39,105 | 363 | 0 | 39,468 |
| (m) Reserves cash backed - Civic Receptions Reserve | 16,587 | 189 | 0 | 16,776 | 16,593 | 164 | 0 | 16,757 | 16,435 | 152 | 0 | 16,587 |
| (n) Reserves cash backed - Unspent Grants Reserve | 78 | 1 | 0 | 79 | 78 | 1 | 0 | 79 | 832,330 | 78 | (832,330) | 78 |
| (o) Reserves cash backed - Unspent Community Grants Reserve | 121 | 1 | 0 | 122 | 121 | 1 | 0 | 122 | 120 | 1 | 0 | 121 |
| (p) Reserves cash backed - Rylington Park Working Capital Reserve | 250,399 | 375 | 0 | 250,774 | 0 | 0 | 0 | 0 | 0 | 250,399 | 0 | 250,399 |
| (q) Reserves cash backed - Rylington Park Community Projects Reserve | 412,211 | 617 | 0 | 412,828 | 50,000 | 0 | 0 | 50,000 | 0 | 412,211 | 0 | 412,211 |
| | 2,587,098 | 156,392 | (354,161) | 2,389,329 | 1,975,133 | 19,000 | 0 | 1,994,133 | 2,917,779 | 681,649 | (1,012,330) | 2,587,098 |

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserves - cash backed.

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

| Name of Reserve | Anticipated date of use | Purpose of the reserve |
|--|----------------------------|--|
| (a) Reserves cash backed - Leave Reserve | Ongoing | - to be used to fund annual, long service leave and redundancy requirements. |
| (b) Reserves cash backed - Plant Reserve | Ongoing | - to be used for the purchase of plant items, including graders, trucks, utes, sedans, rollers etc. |
| (c) Reserves cash backed - Building Reserve | Ongoing | - to be used to fund future maintenance of shire owned buildings, including heritage buildings. |
| (d) Reserves cash backed - Community Housing Reserve | Ongoing | - to be used to fund maintenance of the Homeswest Housing Units in Forrest & Proctor Streets. |
| (e) Reserves cash backed - Emergency Reserve | Ongoing | - to be used to fund emergency situations outside working hours for example trees on roads, minor flooding, car accidents and supply of services and materials deemed necessary in an emergency. |
| (f) Reserves cash backed - Insurance Claim Reserve | Ongoing | - to be used to fund the excess on certain insurance claims. |
| (g) Reserves cash backed - Other Recreation Reserve | Ongoing | - to be used to fund improvements to the recreation facilities and grounds. |
| (h) Reserves cash backed - Commercial Reserve | Ongoing | - to be used to fund future economic development, enhancement & promotion of the district. |
| (i) Reserves cash backed - Bridges Reserve | Ongoing | - to be used to fund future requirements of bridge works. |
| (j) Reserves cash backed - Aged Accommodation Reserve | Ongoing | - to be used to fund future requirements of aged accommodation. |
| (k) Reserves cash backed - Road Contributions Reserve | Ongoing | - to set aside contributions from developers. |
| (l) Reserves cash backed - IT/Office Equipment Reserve | Ongoing | - to be used to fund future IT requirements. |
| (m) Reserves cash backed - Civic Receptions Reserve | Ongoing | - to quarantine unspent 'Refreshments and Receptions' budgets to fund future receptions needs. |
| (n) Reserves cash backed - Unspent Grants Reserve | Ongoing | - to quarantine forward grant payments e.g. Federal Assistance Grants, to fund expenses incurred in the intended year. |
| (o) Reserves cash backed - Unspent Community Grants Reserve | Ongoing | - for the purpose of holding unallocated/spent community donation/MOU budgets (2% of annual rates), to fund extraordinary community donations or MOU's. |
| (p) Reserves cash backed - Rylington Park Working Capital Reserve | Ongoing | - to be used to as working capital for the running and maintenance of the Rylington Park farm. |
| (q) Reserves cash backed - Rylington Park Community Projects Reserve | Ongoing | - to be used for the community contribution only towards major community projects. |

5. OTHER FINANCIAL ASSETS

(a) Non-current assets

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

Units in Local Government House Trust

| 2021 | 2020 |
|--------|--------|
| \$ | \$ |
| 73,807 | 71,221 |
| 73,807 | 71,221 |
| 73,807 | 71,221 |
| 73,807 | 71,221 |

SIGNIFICANT ACCOUNTING POLICIES

Financial assets at fair value through profit and loss

The Shire classifies the following financial assets at fair value through profit and loss:

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 26.

6. TRADE AND OTHER RECEIVABLES

Current

| | |
|---|--|
| Rates receivable | |
| Trade and other receivables | |
| GST receivable | |
| Allowance for impairment of receivables | |
| Pensioner rate rebates | |

Non-current

| | |
|------------------------------------|--|
| Pensioner's rates and ESL deferred | |
|------------------------------------|--|

| 2021 | 2020 |
|----------|----------|
| \$ | \$ |
| 240,090 | 211,565 |
| 188,414 | 110,552 |
| 142,103 | 167,071 |
| (10,248) | (10,925) |
| 35,418 | 26,094 |
| 595,777 | 504,357 |
| 23,574 | 15,358 |
| 23,574 | 15,358 |

SIGNIFICANT ACCOUNTING POLICIES

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.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 26.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

7. INVENTORIES

Current

Fuel and materials
 Rylington Seed Stock
 Rylington Fuel
 Rylington Wool Stock
 Rylington Hay Stock

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year

Additions to inventory

Balance at end of year

| | 2021 | 2020 |
|--|-----------|-----------|
| | \$ | \$ |
| | 4,769 | 10,474 |
| | 27,800 | 10,183 |
| | 1,108 | 2,103 |
| | 50,712 | 0 |
| | 9,874 | 0 |
| | 94,263 | 22,760 |
| | 22,760 | 28,517 |
| | (142,104) | (191,398) |
| | 213,607 | 185,641 |
| | 94,263 | 22,760 |

SIGNIFICANT ACCOUNTING POLICIES

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.

8. BIOLOGICAL ASSETS

(a) Reconciliation of carrying amounts

| | |
|---|----------------|
| Consumable biological assets - sheep at beginning of year | 480,894 |
| Increases resulting from business combination | 0 |
| Increase resulting from purchases | 7,900 |
| Increase resulting from classification change due to age | 159,922 |
| Decrease resulting from sales | (117,707) |
| Decrease resulting from deaths | (4,592) |
| Gain arising from change in fair value less costs to sell | 82,005 |
| Balance at end of year | 608,422 |

| 2021 | 2020 |
|----------------|----------------|
| \$ | \$ |
| 480,894 | 0 |
| 0 | 480,894 |
| 7,900 | 0 |
| 159,922 | 0 |
| (117,707) | 0 |
| (4,592) | 0 |
| 82,005 | 0 |
| 608,422 | 480,894 |

(b) Measurement

The physical estimate of biological assets held at the end of the reporting period include:

| | |
|---|--------------|
| Consumable biological assets - at beginning of period | 3,308 |
| Increases resulting from business combination | 0 |
| Purchases | 6 |
| Additions resulting from classification change due to age | 860 |
| Sales | (772) |
| Deaths | (26) |
| Slaughtered | 0 |
| Balance at end of year | 3,376 |

| | |
|--------------|--------------|
| 3,308 | 0 |
| 0 | 3,308 |
| 6 | 0 |
| 860 | 0 |
| (772) | 0 |
| (26) | 0 |
| 0 | 0 |
| 3,376 | 3,308 |

SIGNIFICANT ACCOUNTING POLICIES

Biological assets consist of livestock (sheep) at Rylington Park Agricultural operations. Biological assets are measured on initial recognition and at the end of each reporting period at fair value less cost to sell. Fair value is determined using the most recent market sales information from Meat and Livestock Australia. Selling costs are determined from sales invoices received immediately prior to end of the reporting period. Gain or loss arising due to a change in fair value less cost to sell is recognised in profit or loss.

Lambs have been excluded from the carrying amounts as they are not practicably tradeable in the market when they are 0-30 days old, so their fair value cannot be reliably determined and would in effect be immaterial.

9. OTHER ASSETS

Other assets - current

| |
|-----------------------|
| Prepayments |
| Accrued income |
| Private Tenancy Bonds |

| 2021 | 2020 |
|--------|--------|
| \$ | \$ |
| 25,574 | 16,535 |
| 0 | 6,542 |
| 2,720 | 0 |
| 28,294 | 23,077 |

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

10. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

| | Land | Buildings | Total land and buildings | Furniture and equipment | Plant and equipment | Total property, plant and equipment |
|--|-----------|-------------|--------------------------------|-------------------------------|------------------------|--|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2019 | 2,220,418 | 10,413,067 | 12,633,485 | 14,369 | 2,777,870 | 15,425,724 |
| Additions | 127,273 | 32,575 | 159,848 | 67,984 | 939,328 | 1,167,160 |
| (Disposals) | 0 | 0 | 0 | (5,750) | (460,628) | (466,378) |
| Depreciation (expense) | 0 | (254,182) | (254,182) | (8,911) | (312,058) | (575,151) |
| Balance at 30 June 2020 | 2,347,691 | 10,191,460 | 12,539,151 | 67,692 | 2,944,512 | 15,551,355 |
| Comprises: | | | | | | |
| Gross balance amount at 30 June 2020 | 2,347,691 | 10,945,185 | 13,292,876 | 73,709 | 3,223,198 | 16,589,783 |
| Accumulated depreciation at 30 June 2020 | 0 | (753,725) | (753,725) | (6,017) | (278,686) | (1,038,428) |
| Balance at 30 June 2020 | 2,347,691 | 10,191,460 | 12,539,151 | 67,692 | 2,944,512 | 15,551,355 |
| Additions | 0 | 216,335 | 216,335 | 16,750 | 183,576 | 416,661 |
| (Disposals) | (45,225) | (74,333) | (119,558) | 0 | (48,216) | (167,774) |
| Depreciation (expense) | 0 | (255,999) | (255,999) | (30,008) | (348,967) | (634,974) |
| Balance at 30 June 2021 | 2,302,466 | 10,077,463 | 12,379,929 | 54,434 | 2,730,905 | 15,165,268 |
| Comprises: | | | | | | |
| Gross balance amount at 30 June 2021 | 2,302,466 | 11,080,640 | 13,383,106 | 90,458 | 3,344,164 | 16,817,728 |
| Accumulated depreciation at 30 June 2021 | 0 | (1,003,177) | (1,003,177) | (36,024) | (613,259) | (1,652,460) |
| Balance at 30 June 2021 | 2,302,466 | 10,077,463 | 12,379,929 | 54,434 | 2,730,905 | 15,165,268 |

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

| Asset Class | Fair Value Hierarchy | Valuation Technique | Basis of Valuation | Date of Last Valuation | Inputs Used |
|-------------------------|----------------------|---------------------|-------------------------------|------------------------|---|
| (i) Fair Value | | | | | |
| Land and buildings | | | | | |
| Land | 2 | Market approach | Independent registered valuer | June 2017 | Recent observable market data for similar properties/income approach using discounted cash flow methodology |
| Buildings | 2 | Market approach | Independent registered valuer | June 2017 | Price per square metre/market borrowing rate |
| (ii) Cost | | | | | |
| Furniture and equipment | | Cost approach | Cost | | Purchase cost |
| Plant and equipment | | Cost approach | Cost | | Purchase cost |

Following a change to Local Government (Financial Management) Regulation 17A, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change was effective from 1 July 2019 and represented a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximated cost at the date of change.

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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11. INFRASTRUCTURE

(a) Movements in Balances

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

| | Infrastructure - roads | Infrastructure - footpaths | Infrastructure - drainage | Infrastructure - parks & ovals | Infrastructure - bridges | Infrastructure - other | Infrastructure - recreation | Total Infrastructure |
|--|---------------------------|-------------------------------|------------------------------|-----------------------------------|-----------------------------|---------------------------|--------------------------------|-------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2019 | 75,502,575 | 1,119,326 | 10,655,252 | 515,132 | 18,154,548 | 3,444,046 | 1,826,110 | 111,216,989 |
| Additions | 1,224,829 | 63,662 | 160,861 | 0 | 61,381 | 5,443 | 7,980 | 1,524,156 |
| Depreciation (expense) | (1,526,760) | (17,435) | (274,988) | (49,969) | (648,011) | (113,360) | (173,130) | (2,803,653) |
| Balance at 30 June 2020 | 75,200,644 | 1,165,553 | 10,541,125 | 465,163 | 17,567,918 | 3,336,129 | 1,660,960 | 109,937,492 |
| Comprises: | | | | | | | | |
| Gross balance at 30 June 2020 | 93,182,055 | 1,431,547 | 18,424,669 | 1,337,600 | 49,685,156 | 7,048,082 | 4,154,871 | 175,263,980 |
| Accumulated depreciation at 30 June 2020 | (17,981,411) | (265,994) | (7,883,544) | (872,437) | (32,117,238) | (3,711,953) | (2,493,911) | (65,326,488) |
| Balance at 30 June 2020 | 75,200,644 | 1,165,553 | 10,541,125 | 465,163 | 17,567,918 | 3,336,129 | 1,660,960 | 109,937,492 |
| Additions | 1,680,846 | 0 | 85,356 | 2,435 | 722,000 | 100,808 | 131,621 | 2,723,066 |
| Depreciation (expense) | (1,582,968) | (18,037) | (277,454) | (50,033) | (648,762) | (114,008) | (177,796) | (2,869,058) |
| Balance at 30 June 2021 | 75,298,522 | 1,147,516 | 10,349,027 | 417,565 | 17,641,156 | 3,322,929 | 1,614,785 | 109,791,500 |
| Comprises: | | | | | | | | |
| Gross balance at 30 June 2021 | 94,862,901 | 1,431,547 | 18,510,025 | 1,340,035 | 50,407,156 | 7,148,891 | 4,286,492 | 177,987,047 |
| Accumulated depreciation at 30 June 2021 | (19,564,379) | (284,031) | (8,160,998) | (922,470) | (32,766,000) | (3,825,962) | (2,671,707) | (68,195,547) |
| Balance at 30 June 2021 | 75,298,522 | 1,147,516 | 10,349,027 | 417,565 | 17,641,156 | 3,322,929 | 1,614,785 | 109,791,500 |

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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11. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

| (i) Fair Value | Asset Class | Fair Value Hierarchy | Valuation Technique | Basis of Valuation | Date of Last Valuation | Inputs Used |
|-----------------------|---|-----------------------------|--|---------------------------|-------------------------------|---|
| | Infrastructure - roads | Level 3 | Cost approach using depreciated replacement cost | Independent valuer | June 2018 | Current replacement costs, condition assessments, depreciated values, residual values and remaining estimated useful life |
| | Infrastructure - footpaths | Level 3 | Cost approach using depreciated replacement cost | Independent valuer | June 2018 | Current replacement costs, condition assessments, depreciated values, residual values and remaining estimated useful life |
| | Infrastructure - drainage | Level 3 | Cost approach using depreciated replacement cost | Independent valuer | June 2018 | Current replacement costs, condition assessments, depreciated values, residual values and remaining estimated useful life |
| | Infrastructure - parks & ovals | Level 3 | Cost approach using depreciated replacement cost | Independent valuer | June 2018 | Current replacement costs, condition assessments, depreciated values, residual values and remaining estimated useful life |
| | Infrastructure - bridges | Level 3 | Cost approach using depreciated replacement cost | Independent valuer | June 2018 | Current replacement costs, condition assessments, depreciated values, residual values and remaining estimated useful life |
| | Infrastructure - other | Level 3 | Cost approach using depreciated replacement cost | Independent valuer | June 2018 | Current replacement costs, condition assessments, depreciated values, residual values and remaining estimated useful life |
| | Infrastructure - recreation | Level 3 | Cost approach using depreciated replacement cost | Independent valuer | June 2018 | Current replacement costs, condition assessments, depreciated values, residual values and remaining estimated useful life |

12. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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 zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings, infrastructure and investment properties acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

Revaluation

The fair value of land, buildings, infrastructure and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY
Revaluation (Continued)

At the end of each 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 land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

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 class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Land under roads from 1 July 2019

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, is treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

Vested improvements from 1 July 2019

The measurement of vested improvements at fair value in accordance with *Local Government (Financial Management) Regulation 17A(2)(iv)* is a departure from AASB 16 which would have required the Shire to measure the vested improvements as part of the related right-of-use assets at zero cost.

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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12. FIXED ASSETS

(a) Disposals of Assets

| | 2021 Actual Net Book Value | 2021 Actual Sale Proceeds | 2021 Actual Profit | 2021 Actual Loss | 2021 Budget Net Book Value | 2021 Budget Sale Proceeds | 2021 Budget Profit | 2021 Budget Loss | 2020 Actual Net Book Value | 2020 Actual Sale Proceeds | 2020 Actual Profit | 2020 Actual Loss |
|-------------------------|-------------------------------------|------------------------------------|--------------------------|------------------------|-------------------------------------|------------------------------------|--------------------------|------------------------|-------------------------------------|------------------------------------|--------------------------|------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Land - freehold land | 45,225 | 0 | 0 | (45,225) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Buildings | 74,333 | 140,000 | 65,667 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Furniture and equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,750 | 0 | 0 | (5,750) |
| Plant and equipment | 48,216 | 52,727 | 9,876 | (5,365) | 127,714 | 127,714 | 0 | 0 | 460,628 | 309,596 | 0 | (151,032) |
| | 167,774 | 192,727 | 75,543 | (50,590) | 127,714 | 127,714 | 0 | 0 | 466,378 | 309,596 | 0 | (156,782) |

The following assets were disposed of during the year.

| | 2021 Actual Net Book Value | 2021 Actual Sale Proceeds | 2021 Actual Profit | 2021 Actual Loss |
|------------------------------------|-------------------------------------|------------------------------------|--------------------------|------------------------|
| Plant and Equipment | | | | |
| Transport | | | | |
| JD Lawn Mower | 2,281 | 4,000 | 1,719 | 0 |
| Toyota Prado | 20,538 | 27,273 | 6,735 | 0 |
| Zero Turn Mower | 9,123 | 10,545 | 1,422 | 0 |
| VW Amarok Utility | 16,274 | 10,909 | 0 | (5,365) |
| | 48,216 | 52,727 | 9,876 | (5,365) |
| Land | | | | |
| Other Property and Services | | | | |
| 6 Nix Street Lot | 45,225 | 0 | 0 | (45,225) |
| | 45,225 | 0 | 0 | (45,225) |
| Buildings | | | | |
| Housing | | | | |
| House - 6 Nix Street | 74,333 | 140,000 | 65,667 | 0 |
| | 74,333 | 140,000 | 65,667 | 0 |
| | 167,774 | 192,727 | 75,543 | (50,590) |

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

12. FIXED ASSETS

(b) Depreciation

| | 2021 Actual | 2021 Budget | 2020 Actual |
|--------------------------------|------------------------|------------------------|------------------------|
| | \$ | \$ | \$ |
| Buildings | 255,999 | 250,604 | 254,182 |
| Furniture and equipment | 30,008 | 14,150 | 8,911 |
| Plant and equipment | 348,967 | 303,665 | 312,058 |
| Infrastructure - roads | 1,582,968 | 1,647,515 | 1,526,760 |
| Infrastructure - footpaths | 18,037 | 17,255 | 17,435 |
| Infrastructure - drainage | 277,454 | 271,780 | 274,988 |
| Infrastructure - parks & ovals | 50,033 | 50,030 | 49,969 |
| Infrastructure - bridges | 648,762 | 645,550 | 648,011 |
| Infrastructure - other | 114,008 | 225,440 | 113,360 |
| Infrastructure - recreation | 177,796 | 166,240 | 173,130 |
| | 3,504,032 | 3,592,229 | 3,378,804 |

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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.

Depreciation rates

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

| Asset Class | Useful life |
|----------------------------------|--------------------|
| Buildings | 15 to 85 years |
| Furniture and equipment | 2 to 20 years |
| Plant and equipment | 5 to 25 years |
| Sealed roads and streets | |
| formation | not depreciated |
| pavement | 77 years |
| seal | |
| - bituminous seals | 20 years |
| - asphalt surfaces | 20 years |
| Gravel roads | |
| formation | not depreciated |
| pavement | 77 years |
| Infrastructure - Footpaths | 75 - 85 Years |
| Infrastructure - Drainage | 40 - 80 Years |
| Infrastructure - Parks and ovals | 10 - 85 Years |
| Infrastructure - Other | 10 - 85 Years |
| Infrastructure - Recreation | 10 - 85 Years |
| Infrastructure - Bridges | 60 - 90 Years |

Depreciation on revaluation

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) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or

(b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

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

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

13. REVALUATION SURPLUS

| | 2021 Opening Balance | 2021 Closing Balance | 2020 Opening Balance | 2020 Closing Balance |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| | \$ | \$ | \$ | \$ |
| Revaluation surplus - Buildings | 9,058,027 | 9,058,027 | 9,058,027 | 9,058,027 |
| Revaluation surplus - Furniture and equipment | 28,470 | 28,470 | 28,470 | 28,470 |
| Revaluation surplus - Plant and equipment | 781,483 | 781,483 | 781,483 | 781,483 |
| Revaluation surplus - Infrastructure - roads | 32,616,706 | 32,616,706 | 32,616,706 | 32,616,706 |
| Revaluation surplus - Infrastructure - footpaths | 978,382 | 978,382 | 978,382 | 978,382 |
| Revaluation surplus - Infrastructure - drainage | 11,178,719 | 11,178,719 | 11,178,719 | 11,178,719 |
| Revaluation surplus - Infrastructure - parks & ovals | 532,216 | 532,216 | 532,216 | 532,216 |
| Revaluation surplus - Infrastructure - bridges | 8,373,274 | 8,373,274 | 8,373,274 | 8,373,274 |
| Revaluation surplus - Infrastructure - other | 3,293,989 | 3,293,989 | 3,293,989 | 3,293,989 |
| Revaluation surplus - Infrastructure - recreation | 1,434,388 | 1,434,388 | 1,434,388 | 1,434,388 |
| | 68,275,654 | 68,275,654 | 68,275,654 | 68,275,654 |

14. TRADE AND OTHER PAYABLES

Current

| |
|----------------------------|
| Sundry creditors |
| Prepaid rates |
| Accrued salaries and wages |
| ATO liabilities |
| Bonds and deposits held |
| Accrued expenses |
| Income received in advance |

| 2021 | 2020 |
|---------|---------|
| \$ | \$ |
| 145,541 | 208,674 |
| 21,999 | 36,871 |
| 64,569 | 134,085 |
| 120,459 | 131,032 |
| 44,051 | 57,127 |
| 64,710 | 6,905 |
| 0 | 5,288 |
| 461,329 | 579,982 |

SIGNIFICANT ACCOUNTING POLICIES

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.

Prepaid rates

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

15. OTHER LIABILITIES

Current

Contract liabilities
Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity

Performance obligations for each type of liability are expected to be recognised as revenue in accordance with the following time bands:

Less than 1 year

| 2021 | 2020 |
|---------|---------|
| \$ | \$ |
| 685,660 | 822,137 |
| 0 | 0 |
| 685,660 | 822,137 |

| Contract liabilities |
|----------------------|
| \$ |
| 685,660 |

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

Contract liabilities represent the the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

With respect to transfers for recognisable non-financial assets, contract liabilities represent performance obligations which are not yet satisfied.

Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity

Grant liabilities represent the Shire's performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied.

Grant liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

SHIRE OF BOYUP BROOK

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FOR THE YEAR ENDED 30 JUNE 2021

16. INFORMATION ON BORROWINGS

(a) Borrowings

| | 2021 | 2020 |
|-------------|---------|---------|
| | \$ | \$ |
| Current | 20,178 | 36,157 |
| Non-current | 93,502 | 397,010 |
| | 113,680 | 433,167 |

(b) Repayments - Borrowings

| Particulars | Loan Number | Institution | Interest Rate |
|-------------------------------|-------------|-------------|---------------|
| Education and welfare | | | |
| L118 Aged Accommodation | 118 | WATC* | 4.80% |
| Housing | | | |
| L115 Staff House | 115 | WATC* | 5.88% |
| Community amenities | | | |
| L112 Landfill | 112 | WATC* | 6.97% |
| Recreation and culture | | | |
| L114 Swimming Pool | 114 | WATC* | 5.89% |

* WA Treasury Corporation

SHIRE OF BOYUP BROOK
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16. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2020/21

The Shire did not borrow any funds during the year.

(d) Unspent Borrowings

| Particulars | Date Borrowed | Unspent Balance 1 July 2020 | Borrowed During Year | Expended During Year | Unspent Balance 30 June 2021 |
|---------------------------|---------------------|-----------------------------|----------------------|----------------------|------------------------------|
| | | \$ | \$ | \$ | \$ |
| Loan 118 | WATC* 01-April-2013 | 353,789 | 0 | (353,789) | 0 |
| * WA Treasury Corporation | | 353,789 | 0 | (353,789) | 0 |

(e) Undrawn Borrowing Facilities

| | 2021 | 2020 |
|--|----------------|----------------|
| | \$ | \$ |
| Credit Standby Arrangements | | |
| Bank overdraft limit | 50,000 | 50,000 |
| Bank overdraft at balance date | 0 | 0 |
| Credit card limit | 10,000 | 10,000 |
| Credit card balance at balance date | (318) | (458) |
| Total amount of credit unused | 59,682 | 59,542 |
| Loan facilities | | |
| Loan facilities - current | 20,178 | 36,157 |
| Loan facilities - non-current | 93,502 | 397,010 |
| Total facilities in use at balance date | 113,680 | 433,167 |
| Unused loan facilities at balance date | NIL | NIL |

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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.

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.

Risk

Information regarding exposure to risk can be found at Note 26.

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

17. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

| | Provision for Annual Leave | Provision for Long Service Leave | Total |
|--------------------------------|----------------------------------|--|-----------|
| | \$ | \$ | \$ |
| Opening balance at 1 July 2020 | | | |
| Current provisions | 254,626 | 159,038 | 413,664 |
| Non-current provisions | 0 | 15,177 | 15,177 |
| | 254,626 | 174,215 | 428,841 |
| Additional provision | 186,375 | 66,280 | 252,655 |
| Amounts used | (219,803) | (106,636) | (326,439) |
| Balance at 30 June 2021 | 221,198 | 133,859 | 355,057 |
| Comprises | | | |
| Current | 221,198 | 117,009 | 338,207 |
| Non-current | 0 | 16,850 | 16,850 |
| | 221,198 | 133,859 | 355,057 |

| | 2021 | 2020 |
|---|---------|---------|
| | \$ | \$ |
| Less than 12 months after the reporting date | 229,671 | 364,921 |
| More than 12 months from reporting date | 119,191 | 63,920 |
| Expected reimbursements from other WA local governments | 6,195 | 0 |
| | 355,057 | 428,841 |

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date
More than 12 months from reporting date
Expected reimbursements from other WA local governments

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees.

Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Short-term employee benefits

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

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

Other long-term employee benefits

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at

Other long-term employee benefits (Continued)

rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

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.

18. NOTES TO THE STATEMENT OF CASH FLOWS

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:

| | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|---|----------------------|----------------------|----------------------|
| Cash and cash equivalents | 5,369,634 | 2,061,642 | 4,492,792 |
| Reconciliation of Net Cash Provided By Operating Activities to Net Result | | | |
| Net result | 1,299,634 | (817,595) | (102,496) |
| Non-cash flows in Net result: | | | |
| Adjustments to fair value of financial assets at fair value through profit and loss | (2,586) | 0 | (1,153) |
| Depreciation on non-current assets | 3,504,032 | 3,592,229 | 3,378,804 |
| (Profit)/loss on sale of asset | (24,953) | 0 | 156,782 |
| Contributed assets from Rylington Park Agricultural Operations | 0 | 0 | (711,358) |
| Changes in assets and liabilities: | | | |
| (Increase)/decrease in receivables | (99,636) | 0 | (95,411) |
| (Increase)/decrease in other assets | (5,217) | 0 | 0 |
| (Increase)/decrease in biological assets | (127,528) | 0 | 0 |
| (Increase)/decrease in inventories | (71,503) | 0 | 36,811 |
| Increase/(decrease) in payables | (118,653) | 0 | 126,853 |
| Increase/(decrease) in employee provisions | (73,784) | 43,030 | (208,652) |
| Increase/(decrease) in other liabilities | (136,477) | (674,594) | 373 |
| Non-operating grants, subsidies and contributions | (2,067,291) | (2,661,821) | (659,311) |
| Net cash from operating activities | 2,076,038 | (518,751) | 1,921,242 |

19. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

| | 2021 | 2020 |
|-----------------------------|-------------|-------------|
| | \$ | \$ |
| General purpose funding | 1,627,788 | 2,419,504 |
| Law, order, public safety | 395,286 | 452,064 |
| Health | 1,232,764 | 1,019,763 |
| Education and welfare | 2,260,080 | 2,194,014 |
| Housing | 2,439,500 | 2,955,491 |
| Community amenities | 255,592 | 267,708 |
| Recreation and culture | 8,295,761 | 8,460,852 |
| Transport | 107,743,447 | 108,004,470 |
| Economic services | 2,110,527 | 1,971,647 |
| Other property and services | 5,389,794 | 3,353,793 |
| | 131,750,539 | 131,099,306 |

20. CONTINGENT LIABILITIES

The Shire of Boyup Brook has identified the following sites, in relation to land owned, vested or leased, that is known to be, or suspected of being contaminated. As at the date of this report the value and timing of remediation has not been ascertained.

- Lot 46 Walshaws Road, Kulikup - Previous landfill site, possibly contaminated, investigation required
- Lot 147 Jayes Road - Transfer station site, possibly contaminated, investigation required
- Lot 12972 Boyup-Kojonup Road - Previous landfill site, possibly contaminated, investigation required
- 57 Charteriss Road, Wilga - Previous landfill site, possibly contaminated, investigation required
- Lot 13180 Condinup Road, Dinninup - Previous landfill site, possibly contaminated, investigation required
- Lot 5616 Boyup Brook North Road - Previous landfill site, possibly contaminated, investigation required
- Lot 201 Stanton Road - Liquid waste disposal site, contaminated
- Lot 40 Boyup-Cranbrook Road - Previous landfill site, possibly contaminated, investigation required
- 169 Railway Parade, Boyup Brook - Liquid waste site, possibly contaminated, investigation required
- Lot 377 Connolly Street, Boyup Brook - Shire depot, possibly contaminated, investigation required

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

21. LEASING COMMITMENTS

(a) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts (short term and low value leases).

Payable:

- not later than one year
- later than one year but not later than five years

| | 2021 | 2020 |
|--|-------|--------|
| | \$ | \$ |
| | 3,866 | 3,866 |
| | 5,544 | 7,560 |
| | 9,410 | 11,426 |

22. ELECTED MEMBERS REMUNERATION

| | 2021 Actual | 2021 Budget | 2020 Actual |
|---|----------------|----------------|----------------|
| | \$ | \$ | \$ |
| Elected member Cr G Aird | | | |
| President's annual allowance | 0 | 0 | 10,167 |
| Meeting attendance fees | 0 | 0 | 11,680 |
| Annual allowance for ICT expenses | 0 | 0 | 1,021 |
| Travel and accommodation expenses | 0 | 0 | 1,646 |
| | 0 | 0 | 24,514 |
| Elected member Cr R Walker | | | |
| President's annual allowance | 10,280 | 10,280 | 0 |
| Deputy President's annual allowance | 0 | 0 | 2,078 |
| Meeting attendance fees | 14,640 | 14,640 | 8,959 |
| Annual allowance for ICT expenses | 1,280 | 1,280 | 1,280 |
| Travel and accommodation expenses | 0 | 0 | 507 |
| | 26,200 | 26,200 | 12,824 |
| Elected member Cr H O'Connell | | | |
| Deputy President's annual allowance | 2,570 | 2570 | 492 |
| Meeting attendance fees | 7,615 | 7,615 | 7,615 |
| Annual allowance for ICT expenses | 1,280 | 1,280 | 1,280 |
| Travel and accommodation expenses | 2,925 | 3,574 | 1,599 |
| | 14,390 | 15,039 | 10,986 |
| Elected member Cr P Kaltenrieder | | | |
| Meeting attendance fees | 7,615 | 7,615 | 7,615 |
| Annual allowance for ICT expenses | 1,280 | 1,280 | 1,280 |
| Travel and accommodation expenses | 479 | 585 | 522 |
| | 9,374 | 9,480 | 9,417 |
| Elected member Cr T Oversby | | | |
| Meeting attendance fees | 4,506 | 0 | 7,615 |
| Annual allowance for ICT expenses | 757 | 0 | 1,280 |
| Travel and accommodation expenses | 761 | 930 | 811 |
| | 6,024 | 930 | 9,706 |
| Elected member Cr E Rear | | | |
| Meeting attendance fees | 165 | 0 | 7,615 |
| Annual allowance for ICT expenses | 28 | 0 | 1,280 |
| Travel and accommodation expenses | 0 | 0 | 836 |
| | 193 | 0 | 9,731 |
| Elected member Cr S E Alexander | | | |
| Meeting attendance fees | 7,615 | 7,615 | 7,615 |
| Annual allowance for ICT expenses | 1,280 | 1,280 | 1,280 |
| Travel and accommodation expenses | 449 | 549 | 209 |
| | 9,344 | 9,444 | 9,104 |
| Elected member Cr A Price | | | |
| Meeting attendance fees | 7,615 | 7,615 | 6,117 |
| Annual allowance for ICT expenses | 1,280 | 1,280 | 1,028 |
| Travel and accommodation expenses | 73 | 89 | 200 |
| | 8,968 | 8,984 | 7,345 |

22. ELECTED MEMBERS REMUNERATION

| | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|--|----------------------|----------------------|----------------------|
| Elected member Cr E Muncey | | | |
| Meeting attendance fees | 0 | 0 | 2,538 |
| Annual allowance for ICT expenses | 0 | 0 | 427 |
| | 0 | 0 | 2,965 |
| Elected member Cr K Moir | | | |
| Meeting attendance fees | 7,615 | 7,615 | 7,615 |
| Annual allowance for ICT expenses | 1,280 | 1,280 | 1,280 |
| Travel and accommodation expenses | 463 | 566 | 1,014 |
| | 9,358 | 9,461 | 9,909 |
| Elected member Cr D King | | | |
| Meeting attendance fees | 5,159 | 7,615 | 0 |
| Annual allowance for ICT expenses | 867 | 1,280 | 0 |
| Travel and accommodation expenses | 415 | 507 | 0 |
| | 6,441 | 9,402 | 0 |
| Elected member Cr S Alexander | | | |
| Meeting attendance fees | 5,159 | 7,615 | 0 |
| Annual allowance for ICT expenses | 867 | 1,280 | 0 |
| | 6,026 | 8,895 | 0 |
| Elected member Cr C Caldwell | | | |
| Meeting attendance fees | 0 | 7,615 | 0 |
| Annual allowance for ICT expenses | 0 | 1,280 | 0 |
| | 0 | 8,895 | 0 |
| | 96,318 | 106,730 | 106,501 |
| Fees, expenses and allowances to be paid or reimbursed to elected council members. | | | |
| President's allowance | 10,280 | 10,280 | 10,167 |
| Deputy President's allowance | 2,570 | 2,570 | 2,570 |
| Meeting attendance fees | 67,704 | 75,560 | 74,984 |
| Annual allowance for ICT expenses | 10,199 | 11,520 | 11,436 |
| Travel and accommodation expenses | 5,565 | 6,800 | 7,344 |
| | 96,318 | 106,730 | 106,501 |

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

23. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

| | 2021 Actual | 2020 Actual |
|--|------------------------------|------------------------------|
| The total of remuneration paid to KMP of the Shire during the year are as follows: | \$ | \$ |
| Short-term employee benefits | 1,005,651 | 851,366 |
| Post-employment benefits | 106,477 | 89,377 |
| Other long-term benefits | 8,811 | 8,407 |
| Termination benefits | 75,173 | 111,445 |
| | 1,196,112 | 1,060,595 |

Short-term employee benefits

These amounts include all salary, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found above.

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

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

Transactions with related parties

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

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

| | 2021 Actual | 2020 Actual |
|---|------------------------------|------------------------------|
| The following transactions occurred with related parties: | \$ | \$ |
| Sale of goods and services | 485 | 2,801 |
| Purchase of goods and services | 33,556 | 10,644 |

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.

ii. Other Related Parties

An associate person of KMP was employed by the Shire under normal employment terms and conditions.

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the Shire.

iii. Entities subject to significant influence by the Shire

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

24. RATING INFORMATION

(a) Rates

RATE TYPE

Differential general rate / general rate

Gross rental valuations

General Rate - GRV

Unimproved valuations

General Rate - UV

Sub-Total

Minimum payment

Gross rental valuations

General Rate - GRV

Unimproved valuations

General Rate - UV

Sub-Total

Discounts/concessions (Note 24(b))

Total amount raised from general rate

Ex-gratia rates

Totals

| | Rate in \$ | Number of Properties | 2020/21 Actual Rateable Value \$ | 2020/21 Actual Rate Revenue \$ | 2020/21 Actual Interim Rates \$ | 2020/21 Actual Back Rates \$ | 2020/21 Actual Total Revenue \$ | 2020/21 Budget Rate Revenue \$ | 2020/21 Budget Interim Rate \$ | 2020/21 Budget Back Rate \$ | 2020/21 Budget Total Revenue \$ | 2019/20 Actual Total Revenue \$ |
|------------------------|---------------|----------------------------|--|--|---|--|---|--|--|---|---|---|
| General Rate - GRV | 0.1337 | 298 | 3,444,870 | 432,031 | 0 | 0 | 432,031 | 460,579 | 0 | 0 | 460,579 | 460,579 |
| General Rate - UV | 0.007409 | 594 | 293,017,056 | 2,170,963 | 2,791 | 0 | 2,173,754 | 2,170,963 | 0 | 0 | 2,170,963 | 2,207,431 |
| Sub-Total | | 892 | 296,461,926 | 2,602,994 | 2,791 | 0 | 2,605,785 | 2,631,542 | 0 | 0 | 2,631,542 | 2,668,010 |
| Minimum payment | | | | | | | | | | | | |
| General Rate - GRV | 995 | 51 | 236,247 | 48,755 | 0 | 0 | 48,755 | 50,745 | 0 | 0 | 50,745 | 50,745 |
| General Rate - UV | 900 | 360 | 27,192,733 | 323,100 | 0 | 0 | 323,100 | 324,000 | 0 | 0 | 324,000 | 285,300 |
| Sub-Total | | 411 | 27,428,980 | 371,855 | 0 | 0 | 371,855 | 374,745 | 0 | 0 | 374,745 | 336,045 |
| | | 1,303 | 323,890,906 | 2,974,849 | 2,791 | 0 | 2,977,640 | 3,006,287 | 0 | 0 | 3,006,287 | 3,004,055 |
| | | | | | | | (1,506) | | | | (250) | (2,606) |
| | | | | | | | 2,976,134 | | | | 3,006,037 | 3,001,449 |
| | | | | | | | 1,255 | | | | 1,255 | 1,255 |
| Totals | | | | | | | 2,977,389 | | | | 3,007,292 | 3,002,704 |

SIGNIFICANT ACCOUNTING POLICIES

Rates

Control over assets acquired from rates is obtained at the commencement of the rating period.

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

SHIRE OF BOYUP BROOK
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021

24. RATING INFORMATION (Continued)

(b) Discounts, Incentives, Concessions, & Write-offs

Waivers or Concessions or Write-offs

| Rate or Fee and Charge to which the Waiver or Concession is Granted | Type | Discount % | Discount \$ | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|---|------------|------------|-------------|----------------|----------------|----------------|
| General Rate | Write off | | | 310 | 250 | 1,256 |
| General Rate | Concession | 50% | | 1,196 | 0 | 1,350 |
| | | | | 1,506 | 250 | 2,606 |
| Total discounts/concessions | | | | 1,506 | 250 | 2,606 |

| Rate or Fee and Charge to which the Waiver or Concession is Granted | Circumstances in which the Waiver or Concession is Granted and to whom it was available | Objects of the Waiver or Concession | Reasons for the Waiver or Concession |
|---|---|---|--|
| General Rate | Writing off of rates small balances <\$3 is a concession which is available to all ratepayers | Remove rates small balances less than \$3 in value | Remove rates small balances less than \$3 in value as the amounts are uneconomical to recover. |
| General Rate | Three (3) Boyup Brook properties straddle the Shire of Donnybrook-Balingup (SD-B) Boundary. | So as not to require the property owners to pay two sets of full rates. | To ensure there is equity in the rating system for properties that straddle two local government boundaries. |

24. RATING INFORMATION (Continued)

(b) Interest Charges & Instalments

| Instalment Options | Date Due | Instalment Plan Admin Charge \$ | Instalment Plan Interest Rate % | Unpaid Rates Interest Rate % |
|---------------------|------------|------------------------------------|------------------------------------|---------------------------------|
| Option One | | | | |
| Single full payment | 12/11/2020 | 0 | 0% | 8% |
| Option Two | | | | |
| First instalment | 12/11/2020 | 0 | 0% | 8% |
| Second instalment | 12/01/2021 | 0 | 3% | 8% |
| Third instalment | 12/03/2021 | 0 | 3% | 8% |
| Fourth instalment | 12/05/2021 | 0 | 3% | 8% |

| | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|-----------------------------|-------------------|-------------------|-------------------|
| Interest on unpaid rates | 20,715 | 21,415 | 31,031 |
| Interest on instalment plan | 4,875 | 2,800 | 8,183 |
| Charges on instalment plan | 0 | 0 | 8,632 |
| | 25,590 | 24,215 | 47,846 |

25. RATE SETTING STATEMENT INFORMATION

| | | 2020/21 Budget (30 June 2021 Carried Forward) | 2019/20 (30 June 2020 Carried Forward) |
|--|-------|---|---|
| Note | | \$ | \$ |
| (a) Non-cash amounts excluded from operating activities | | | |
| The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> . | | | |
| Adjustments to operating activities | | | |
| Less: Profit on asset disposals | 12(a) | (75,543) | 0 |
| Less: Fair value adjustments to financial assets at fair value through profit and loss | | (2,586) | (1,153) |
| Movement in pensioner deferred rates (non-current) | | (8,216) | (6,806) |
| Movement in employee benefit provisions (non-current) | | 1,673 | 43,031 |
| Movement in employee benefit provisions (current) | | (254,626) | (91,560) |
| Movement in accrued wages | | (69,516) | (68,229) |
| Movement in accrued expenses | | 57,805 | (15,490) |
| Movement in accrued interest expense | | 0 | (695) |
| Movement in accrued interest income | | 0 | 531 |
| Movement in inventory (current) | | (71,503) | 5,758 |
| Movement in property, plant & equipment | | 0 | (204,535) |
| Movement in biological assets | | (127,528) | (480,894) |
| Add: Loss on disposal of assets | 12(a) | 50,590 | 156,782 |
| Add: Depreciation on non-current assets | 12(b) | 3,504,032 | 3,378,804 |
| Non cash amounts excluded from operating activities | | 3,004,582 | 2,616,690 |
| (b) Surplus/(deficit) after imposition of general rates | | | |
| The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates. | | | |
| Adjustments to net current assets | | | |
| Less: Reserves - cash backed | 4 | (2,389,329) | (1,994,133) |
| Less: Current assets not expected to be received at end of year | | | |
| - Inventories | | (94,263) | (22,760) |
| - Biological assets | | (608,422) | (480,894) |
| - Accrued income | | 0 | (6,542) |
| Add: Current liabilities not expected to be cleared at end of year | | | |
| - Current portion of borrowings | 16(a) | 20,178 | 38,125 |
| - Accrued expenses and accrued salaries and wages | 14 | 129,279 | 156,480 |
| - Employee benefit provisions | | 0 | 254,626 |
| Total adjustments to net current assets | | (2,942,557) | (2,658,979) |
| Net current assets used in the Rate Setting Statement | | | |
| Total current assets | | 6,696,390 | 5,523,880 |
| Less: Total current liabilities | | (1,505,374) | (1,851,940) |
| Less: Total adjustments to net current assets | | (2,942,557) | (2,658,979) |
| Net current assets used in the Rate Setting Statement | | 2,248,459 | 1,012,961 |

26. FINANCIAL RISK MANAGEMENT

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

| Risk | Exposure arising from | Measurement | Management |
|-----------------------------|---|-----------------------------------|--|
| Market risk - interest rate | Long term borrowings at variable rates | Sensitivity analysis | Utilise fixed interest rate borrowings |
| Credit risk | Cash and cash equivalents, trade receivables and financial assets | Aging analysis Credit analysis | Diversification of bank deposits, credit limits. Investment policy |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |

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 finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

(a) Interest rate risk

Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

| | Weighted Average Interest Rate % | Carrying Amounts \$ | Fixed Interest Rate \$ | Variable Interest Rate \$ | Non Interest Bearing \$ |
|---------------------------|---|---------------------------|------------------------------|---------------------------------|-------------------------------|
| 2021 | | | | | |
| Cash and cash equivalents | 0.13% | 5,369,634 | 0 | 5,363,684 | 5,950 |
| 2020 | | | | | |
| Cash and cash equivalents | 0.77% | 4,492,792 | 0 | 4,486,842 | 5,950 |

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

Impact of a 1% movement in interest rates on profit and loss and equity*

* Holding all other variables constant

| 2021 | 2020 |
|--------|--------|
| \$ | \$ |
| 53,637 | 44,868 |

Borrowings

Borrowings are 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 Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 16(b).

26. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The Shire's major receivables comprise rates annual charges and user fees and charges. 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 a secured charge over the land, that is, the land can be sold to recover the debt. Whilst the Shire was historically able to charge interest on overdue rates and annual charges at higher than market rates, which further encourage payment.

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

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2020 or 1 July 2021 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a renegotiation of repayment terms.

The loss allowance as at 30 June 2021 for rates receivable was determined as follows:

| | Current | More than 1 year past due | More than 2 years past due | More than 3 years past due | Total |
|-----------------------|---------|------------------------------|-------------------------------|-------------------------------|---------|
| 30 June 2021 | | | | | |
| Rates receivable | | | | | |
| Expected credit loss | 0.00% | 0.00% | 0.00% | 0.00% | |
| Gross carrying amount | 2,975 | 196,362 | 61,824 | 37,921 | 299,082 |
| Loss allowance | 0 | 0 | 0 | 0 | 0 |

30 June 2020

| | | | | | |
|-----------------------|-------|---------|--------|--------|---------|
| Rates receivable | | | | | |
| Expected credit loss | 0.00% | 0.00% | 0.00% | 0.00% | |
| Gross carrying amount | 3,991 | 198,074 | 35,242 | 15,710 | 253,017 |
| Loss allowance | 0 | 0 | 0 | 0 | 0 |

The loss allowance as at 30 June 2021 and 30 June 2020 was determined as follows for trade receivables.

| | Current | More than 30 days past due | More than 60 days past due | More than 90 days past due | Total |
|-----------------------------|---------|-------------------------------|-------------------------------|-------------------------------|---------|
| 30 June 2021 | | | | | |
| Trade and other receivables | | | | | |
| Expected credit loss | 0.00% | 0.00% | 0.00% | 93.64% | |
| Gross carrying amount | 65,698 | 110,671 | 1,101 | 10,944 | 188,414 |
| Loss allowance | 0 | 0 | 0 | 10,248 | 10,248 |

30 June 2020

| | | | | | |
|-----------------------------|--------|-------|-------|--------|---------|
| Trade and other receivables | | | | | |
| Expected credit loss | 0.00% | 0.00% | 0.00% | 94.67% | |
| Gross carrying amount | 96,582 | 2,298 | 132 | 11,540 | 110,552 |
| Loss allowance | 0 | 0 | 0 | 10,925 | 10,925 |

26. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and 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 and disclosed in Note 16(e).

The contractual undiscounted cash flows of the Shire's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

| | Due within 1 year | Due between 1 & 5 years | Due after 5 years | Total contractual cash flows | Carrying values |
|----------------------|-------------------------|-------------------------------|-------------------------|------------------------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ |
| 2021 | | | | | |
| Payables | 461,329 | 0 | 0 | 461,329 | 461,329 |
| Borrowings | 26,577 | 106,308 | 0 | 132,885 | 113,680 |
| Contract liabilities | 685,660 | 0 | 0 | 685,660 | 685,660 |
| | 1,173,566 | 106,308 | 0 | 1,279,874 | 1,260,669 |
| 2020 | | | | | |
| Payables | 579,982 | 0 | 0 | 579,982 | 579,982 |
| Borrowings | 57,912 | 231,647 | 277,254 | 566,813 | 433,167 |
| Contract liabilities | 822,137 | 0 | 0 | 822,137 | 822,137 |
| | 1,460,031 | 231,647 | 277,254 | 1,968,932 | 1,835,286 |

27. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Shire did not have any events occurring after the reporting date that have a significant effect on the financial statements.

28. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

During the year, the Shire adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

(a) AASB 1059 Service Concession Arrangements: Grantors

The Shire adopted AASB 1059 Service Concession Arrangements: Grantors on 1 July 2020.

As the Shire does not have any service concession arrangements, this standard did not have an impact on the financial report.

29. TRUST FUNDS

There were no funds held at 30 June 2021 or 30 June 2020, which were required to be held in trust.

SHIRE OF BOYUP BROOK

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

30. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) 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.

Cost approach

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

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

i) Impairment of assets

In accordance with Australian Accounting Standards the Shire's cash generating non-specialised 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 specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

SHIRE OF BOYUP BROOK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

31. ACTIVITIES/PROGRAMS

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

| PROGRAM NAME AND OBJECTIVES | ACTIVITIES |
|--|--|
| GOVERNANCE To provide a decision making process for the efficient allocation of scarce resources. | Administration and operation of facilities and services to members of Council, and other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services. |
| GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services. | Rates, general purpose government grants and interest revenue. |
| LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community. | Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services. |
| HEALTH To provide an operational framework for environmental and community health. | Environmental health, food control, pest control, immunisation and provision of medical services. |
| EDUCATION AND WELFARE To provide services to disadvantaged persons, the elderly, children and youth. | Pre-schools and other education, aged and disabled services, senior citizen services and youth welfare. |
| HOUSING To provide and maintain staff and elderly residents housing. | Control and maintenance of staff and other rental housing, including aged accommodation units. |
| COMMUNITY AMENITIES To provide services required by the community. | Refuse collection services, operation of landfill sites, landcare programs, administration of the town planning scheme, cemetery and memorials maintenance, and other community amenities. |
| RECREATION AND CULTURE To establish and effectively manage infrastructure and resource which will help the social well being of the community. | Control and maintenance of public halls, swimming pool, recreation facilities and the library, and other culture. |
| TRANSPORT To provide safe, effective and efficient transport services to the community. | Construction and maintenance of streets, roads, bridges and footpaths; cleaning and lighting of streets; depot maintenance; vehicle licensing; traffic management and parking; maintenance of airstrip. |
| ECONOMIC SERVICES To help promote the shire and its economic wellbeing. | Weed control; Tourism and area promotion, and caravan park and flax mill; regulation of buildings and swimming pool inspections; saleyards and standpipes. |
| OTHER PROPERTY AND SERVICES To monitor and control council's overheads operating accounts. | Private works; public works overehads; plant repair and operation costs; engineering operation costs; salaries and wages control; administration services and other unclassified activities. |

32. FINANCIAL RATIOS

| | 2021 Actual | 2020 Actual | 2019 Actual |
|-----------------------------------|----------------|----------------|----------------|
| Current ratio | 4.61 | 1.78 | 0.82 |
| Asset consumption ratio | 0.58 | 0.59 | 0.60 |
| Asset renewal funding ratio | N/A | N/A | 0.45 |
| Asset sustainability ratio | 0.82 | 0.46 | 0.56 |
| Debt service cover ratio | 6.73 | 42.10 | 19.75 |
| Operating surplus ratio | (0.16) | (0.12) | (0.46) |
| Own source revenue coverage ratio | 0.67 | 0.71 | 0.52 |

* Note: The Asset Renewal Funding Ratio has not been calculated for 2019/20 and 2020/21 as the Shire's Long Term Financial Plan is outdated.

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 consumption ratio | $\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$ |
| Asset renewal funding ratio | $\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$ |
| Asset sustainability ratio | $\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$ |
| 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 | $\frac{\text{own source operating revenue}}{\text{operating expense}}$ |



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Boyup Brook

To the Councillors of the Shire of Boyup Brook

Report on the audit of the annual financial report

Qualified Opinion

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

- the Statement of Financial Position at 30 June 2021, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information
- the Statement by the Chief Executive Officer.

In my opinion except for the effects of the matter described in the basis for Qualified Opinion section of my report, the financial report of the Shire of Boyup Brook:

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2021 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for Qualified opinion

As at 30 June 2020, I was unable to obtain sufficient appropriate audit evidence to verify the existence and number of sheep nor was I able to confirm the biological assets by alternative means at that date. My audit opinion on the financial report for the period ended 30 June 2020 was modified accordingly. Since the opening position of biological assets affects the determination of operations, I was unable to determine whether any adjustments to the Net Result for the year ended 30 June 2021 and the Operating Surplus ratio (as reported in Note 32) may be necessary.

My opinion on the current year financial report is also modified because of the possible effect of this on the comparability of the current period's figures and the corresponding figures.

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities section below. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for managing internal control (as required by the CEO) to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

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

Auditor's responsibility for the audit of the financial report

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

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

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

Report on other legal and regulatory requirements

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In addition to the effects of the matter described in the Basis for Qualified Opinion section of my report, the following material matters indicating non-compliance with Part 6 of the Local government Act 1995, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law were identified during the course of my audit:
 - a) The Shire has not reported the Asset Renewal Funding Ratio for 2020 and 2021 in the annual financial report as required by Section 50(1) of the Local Government (Financial Management) Regulations 1996, as there is not a current long-term financial plan.

- (ii) In my opinion, the following material matter indicate significant adverse trends in the financial position of the Shire:
 - a) The Operating Surplus Ratio as reported in Note 32 of the annual financial report is below the Department of Local Government, Sports and Cultural Industries (DLGSCI) standard for the last three years.
- (iii) Except for the effects of the matter described in the Basis for Qualified Opinion section of my report, all required information and explanations were obtained by me.
- (iv) Except for the effects of the matter described in the Basis for Qualified Opinion section of my report, all audit procedures were satisfactorily completed.
- (v) In my opinion, the Asset Consumption Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

Other information

The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

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

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Boyup Brook for the year ended 30 June 2021 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
6 September 2022