

SHIRE OF MINGENEW

BUDGET

FOR THE YEAR ENDED 30 JUNE 2021

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

The Shire of Mingenew is a safe, inclusive and connected community with a thriving local economy that provides opportunity for all to succeed.

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

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	1,975,991	1,885,305	1,884,633
Operating grants, subsidies and contributions	10(a)	1,306,100	760,450	398,918
Fees and charges	9	239,292	250,726	249,008
Interest earnings	12(a)	24,381	33,092	55,110
Other revenue	12(b)	531,219	635,932	621,559
		4,076,983	3,565,505	3,209,228
Expenses				
Employee costs		(1,031,488)	(1,197,569)	(1,116,087)
Materials and contracts		(708,353)	(1,032,941)	(1,055,757)
Utility charges		(93,002)	(110,991)	(124,698)
Depreciation on non-current assets	5	(1,506,670)	(1,508,468)	(1,850,261)
Interest expenses	12(d)	(10,686)	(14,589)	(15,819)
Insurance expenses		(120,997)	(121,694)	(121,118)
Other expenditure		(584,575)	(587,169)	(637,652)
		(4,055,771)	(4,573,421)	(4,921,392)
Subtotal		21,212	(1,007,916)	(1,712,164)
Non-operating grants, subsidies and contributions	10(b)	2,990,490	1,682,717	1,725,016
Profit on asset disposals	4(b)	2,000	763	12,000
Loss on asset disposals	4(b)	(23,100)	0	0
		2,969,390	1,683,480	1,737,016
Net result		2,990,602	675,564	24,852
Other comprehensive income				
Changes on revaluation of non-current assets		0	(116,394)	0
Total other comprehensive income		0	(116,394)	0
Total comprehensive income		2,990,602	559,170	24,852

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

SHIRE OF MINGENEW

FOR THE YEAR ENDED 30 JUNE 2021

BASIS OF PREPARATION

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 14 to the budget.

2019/20 ACTUAL BALANCES

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

CHANGE IN ACCOUNTING POLICIES

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

AASB 1059 Service Concession Arrangements: Grantors

AASB 2018-7 Amendments to Australian Accounting Standards - Materiality

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

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES RATES

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

SERVICE CHARGES

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

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

PROFIT ON ASSET DISPOSAL

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

REVENUES (CONTINUED)

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

FEES AND CHARGES

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

INTEREST EARNINGS

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

OTHER REVENUE / INCOME

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

EXPENSES

EMPLOYEE COSTS

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

MATERIALS AND CONTRACTS

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

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

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

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

INTEREST EXPENSES

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

OTHER EXPENDITURE

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

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

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
Revenue	1,9,10(a),12(a),12(b)	\$	\$	\$
Governance		13,399	14,029	10,979
General purpose funding		3,158,932	2,576,793	2,238,543
Law, order, public safety		23,750	21,041	23,618
Health		150	144	370
Education and welfare		400	565	1,756
Housing		90,440	109,289	101,035
Community amenities		89,650	72,900	77,887
Recreation and culture		28,780	37,543	38,275
Transport		592,400	593,914	642,500
Economic services		18,582	25,286	18,945
Other property and services		60,500	114,000	55,320
		4,076,983	3,565,504	3,209,228
Expenses excluding finance costs	4(a),5,12(c),(e)			
Governance		(343,694)	(356,321)	(479,517)
General purpose funding		(76,332)	(85,240)	(95,542)
Law, order, public safety		(66,912)	(152,957)	(155,559)
Health		(80,167)	(93,019)	(113,300)
Education and welfare		(110,533)	(88,677)	(63,520)
Housing		(156,237)	(184,714)	(178,759)
Community amenities		(249,083)	(236,980)	(264,577)
Recreation and culture		(991,834)	(1,056,331)	(1,181,681)
Transport		(1,589,248)	(1,826,013)	(2,176,003)
Economic services		(302,628)	(313,699)	(364,935)
Other property and services		(78,417)	(164,880)	167,820
		(4,045,085)	(4,558,831)	(4,905,573)
Finance costs	,7,6(a),12(d)			
Education and welfare		(1,136)	(1,631)	(2,500)
Housing		(3,285)	(4,699)	(5,469)
Recreation and culture		(1,091)	(1,565)	(2,300)
Transport		(2,774)	(3,982)	(5,550)
Other property and services		(2,400)	(2,712)	0
		(10,686)	(14,589)	(15,819)
Subtotal		21,212	(1,007,916)	(1,712,164)
Non-operating grants, subsidies and contributions	10(b)	2,990,490	1,682,717	1,725,016
Profit on disposal of assets	4(b)	2,000	763	12,000
(Loss) on disposal of assets	4(b)	(23,100)	0	0
		2,969,390	1,683,480	1,737,016
Net result		2,990,602	675,564	24,852
Other comprehensive income				
Changes on revaluation of non-current assets		0	(116,394)	0
Total other comprehensive income		0	(116,394)	0
Total comprehensive income		2,990,602	559,170	24,852

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

KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

OBJECTIVE

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; 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 community.

Fire prevention, animal control and safety.

HEALTH

To provide services to help ensure a safer community.

Food quality, pest control and inspections.

EDUCATION AND WELFARE

To meet the needs of the community in these areas.

Includes education programs, youth based activities, care of families, the aged and disabled.

HOUSING

Provide housing services required by the community and for staff.

Maintenance of staff, aged and rental housing.

COMMUNITY AMENITIES

Provide services required by the community.

Rubbish collection services, landfill maintenance, townsite storm water drainage control and maintenance, administration of the Town Planning Scheme and maintenance of cemeteries.

RECREATION AND CULTURE

To establish and manage efficiently, infrastructure and resources which will help the social well being of the community.

Maintenance of halls, recreation centres and various reserves, operation of library, support of community events and matters relating to heritage.

TRANSPORT

To provide effective and efficient transport services to the community.

Construction and maintenance of streets, road and footpaths, cleaning and lighting of streets, roads and footpaths, traffic signs and depot maintenance.

ECONOMIC SERVICES

To help promote the Shire and improve its economic wellbeing.

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

OTHER PROPERTY AND SERVICES

To provide effective and efficient administration, works operations and plant and fleet services.

Private works operations, plant repairs and operational costs. Administration overheads.

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

NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates	1,975,991	1,867,793	1,888,633
Operating grants, subsidies and contributions	1,330,300	760,450	416,677
Fees and charges	239,292	246,994	263,343
Interest earnings	24,381	33,092	55,110
Goods and services tax	0	97,458	80,000
Other revenue	531,219	635,935	603,800
	4,101,183	3,641,722	3,307,563
Payments			
Employee costs	(1,076,488)	(1,177,002)	(1,183,481)
Materials and contracts	(709,298)	(1,854,457)	(1,209,620)
Utility charges	(93,002)	(110,991)	(124,697)
Interest expenses	(10,686)	(14,589)	(16,319)
Insurance expenses	(120,997)	(121,694)	(121,123)
Other expenditure	(584,575)	(587,169)	(637,652)
	(2,595,046)	(3,865,902)	(3,292,892)
Net cash provided by (used in) operating activities	3	1,506,137	(224,180)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for financial assets at fair values through other comprehensive income	0	(116,394)	0
Payments for purchase of property, plant & equipment	4(a)	(940,000)	(74,010)
Payments for construction of infrastructure	4(a)	(3,975,677)	(2,500,957)
Non-operating grants, subsidies and contributions		2,990,490	1,862,319
Land held for resale and lease recognition		0	11,939
Proceeds from sale of plant and equipment	4(b)	35,000	25,818
Net cash provided by (used in) investing activities		(1,890,187)	(791,285)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	6(a)	(161,995)	(158,165)
Principal elements of lease payments		(9,669)	20,718
Net cash provided by (used in) financing activities		(171,664)	(137,447)
Net increase (decrease) in cash held		(555,713)	(1,152,912)
Cash at beginning of year		1,088,447	1,508,858
Cash and cash equivalents at the end of the year	3	532,734	355,946

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

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

NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
OPERATING ACTIVITIES			
Net current assets at start of financial year - surplus/(deficit)	568,521	1,196,056	1,206,733
	568,521	1,196,056	1,206,733
Revenue from operating activities (excluding rates)			
Governance	13,399	14,029	10,979
General purpose funding	1,182,941	691,488	353,910
Law, order, public safety	23,750	21,041	23,618
Health	150	144	370
Education and welfare	400	565	1,756
Housing	90,440	109,289	101,035
Community amenities	89,650	72,900	77,887
Recreation and culture	28,780	38,001	38,275
Transport	594,400	593,914	652,500
Economic services	18,582	25,286	18,945
Other property and services	60,500	114,307	57,320
	2,102,992	1,680,964	1,336,595
Expenditure from operating activities			
Governance	(343,694)	(356,321)	(479,517)
General purpose funding	(76,332)	(85,240)	(95,542)
Law, order, public safety	(66,912)	(152,957)	(155,559)
Health	(80,167)	(93,019)	(113,300)
Education and welfare	(111,669)	(90,308)	(66,020)
Housing	(159,522)	(189,413)	(184,228)
Community amenities	(249,083)	(236,980)	(264,577)
Recreation and culture	(992,925)	(1,057,896)	(1,183,981)
Transport	(1,615,122)	(1,829,995)	(2,181,553)
Economic services	(302,628)	(313,699)	(364,935)
Other property and services	(80,817)	(167,592)	167,816
	(4,078,871)	(4,573,420)	(4,921,396)
Non-cash amounts excluded from operating activities	2 (a)(i) 1,527,770	1,522,734	1,838,261
Amount attributable to operating activities	120,412	(173,666)	(539,807)
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions	10(b) 2,990,490	1,682,717	1,725,016
Purchase property, plant and equipment	4(a) (940,000)	(74,010)	(154,000)
Purchase and construction of infrastructure	4(a) (3,975,677)	(2,500,957)	(2,783,405)
Proceeds from disposal of assets	4(b) 35,000	25,818	43,000
Amount attributable to investing activities	(1,890,187)	(866,432)	(1,169,389)
FINANCING ACTIVITIES			
Repayment of borrowings	6(a) (161,995)	(158,165)	(158,164)
Transfers to cash backed reserves (restricted assets)	8(a) (44,221)	(121,521)	(52,273)
Transfers from cash backed reserves (restricted assets)	8(a) 0	3,000	35,000
Amount attributable to financing activities	(206,216)	(276,686)	(175,437)
Budgeted deficiency before general rates	(1,975,990)	(1,316,784)	(1,884,633)
Estimated amount to be raised from general rates	1 1,975,991	1,885,305	1,884,633
Net current assets at end of financial year - surplus/(deficit)	2 (a)(iii) 1	568,521	0

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

SHIRE OF MINGENEW
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FOR THE YEAR ENDED 30 JUNE 2021

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

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2020/21 Budgeted rate revenue	2020/21 Budgeted interim rates	2020/21 Budgeted back rates	2020/21 Budgeted total revenue	2019/20 Actual total revenue	2019/20 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
Differential general rate or general rate									
Gross rental valuations									
GRV - Mingenew	0.15028	129	1,144,624	172,014	750		172,764	169,508	168,423
GRV - Yandanooka	0.15028	2	13,884	2,086			2,086	2,086	2,086
GRV - Commercial	0.15028	14	346,632	52,092			52,092	52,090	52,090
GRV - Industrial	0.15028	3	12,480	1,875			1,875	1,875	1,875
Unimproved valuations									
UV - Rural & Mining	0.01292	112	125,918,500	1,626,867			1,626,867	1,534,199	1,534,199
UV - Mining	0.01292	0	0	0			0	0	0
Sub-Totals		260	127,436,120	1,854,934	750	0	1,855,684	1,759,758	1,758,673
Minimum payment	\$								
Gross rental valuations									
GRV - Mingenew	707	59		41,713			41,713	47,369	47,369
GRV - Yandanooka	707	0		0			0	0	0
GRV - Commercial	707	9		6,363			6,363	6,363	6,363
GRV - Industrial	707	3		2,121			2,121	2,121	2,121
Unimproved valuations									
UV - Rural & Mining	1,061	23		24,403			24,403	23,331	23,331
UV - Mining	1,061	8		8,488			8,488	9,142	9,545
Sub-Totals		102	0	83,088	0	0	83,088	88,326	88,729
		362	127,436,120	1,938,022	750	0	1,938,772	1,848,084	1,847,402
Discounts (Refer note 1(e))							(1,045)	(1,043)	(1,035)
Total amount raised from general rates							1,937,727	1,847,041	1,846,367
Ex-gratia rates							38,264	38,264	38,266
Total rates							1,975,991	1,885,305	1,884,633

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

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

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

1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Payment in full	4/09/2020	0	0.0%	5.5%
Option two				
1st Instalment	4/09/2020	0	5.5%	5.5%
2nd Instalment	6/11/2020	15	5.5%	5.5%
Option three				
1st Instalment	4/09/2020	15	5.5%	5.5%
2nd Instalment	6/11/2020	15	5.5%	5.5%
3rd Instalment	15/01/2021	15	5.5%	5.5%
4th Instalment	19/03/2021	15	5.5%	5.5%

	2020/21 Budget revenue	2019/20 Actual revenue	2019/20 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	2,800	2,748	3,000
Unpaid rates and service charge interest earned	5,000	11,308	15,000
	7,800	14,056	18,000

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Specified Area Rate

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

(d) Service Charges

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(e) Rates discounts

Rate or fee to which discount is granted	Discount %	Discount (\$)	2020/21 Budget	2019/20 Actual	2019/20 Budget	Circumstances in which discount is granted
			\$	\$	\$	
Yandanooka Townsite	50.0%	1,035	1,045	1,043	1,035	Recognise the reduced level of service provided.
			1,045	1,043	1,035	

(f) Waivers or concessions

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

2 (a). NET CURRENT ASSETS

Items excluded from calculation of budgeted deficiency

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

(i) Operating activities excluded from budgeted deficiency

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

Adjustments to operating activities

	Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
		\$	\$	\$
Less: Profit on asset disposals	4(b)	(2,000)	(763)	(12,000)
Less: Movement in employee liabilities associated with restricted cash		0	170	
Add: Loss on disposal of assets	4(b)	23,100	0	0
Add: Movement in lease liabilities (non-current)			14,859	
Add: Depreciation on assets	5	1,506,670	1,508,468	1,850,261
Non cash amounts excluded from operating activities		1,527,770	1,522,734	1,838,261

(ii) Current assets and liabilities excluded from budgeted deficiency

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

Adjustments to net current assets

Less: Cash - restricted reserves	3	(471,232)	(427,011)	(325,764)
Less: Current assets not expected to be received at end of year				
- Land held for resale		0	0	(40,394)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		165,920	161,997	161,997
- Current portion of contract liability held in reserve		24,200	0	0
- Current portion of lease liabilities		9,162	29,060	0
- Employee benefit provisions		116,130	136,130	68,566
Add: Movement in provisions between current and non-current provisions				67,393
Total adjustments to net current assets		(155,820)	(99,824)	(68,202)

2 (a). NET CURRENT ASSETS (CONTINUED)

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

	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
Note	\$	\$	\$
(iii) Composition of estimated net current assets			
Current assets			
Cash and cash equivalents- unrestricted	61,501	637,236	29,314
Cash and cash equivalents - restricted			
Cash backed reserves	471,232	427,011	325,764
Unspent grants, subsidies and contributions	0	24,200	0
Receivables	67,395	42,196	57,100
Inventories	0	0	40,394
	600,128	1,130,643	452,572
Less: current liabilities			
Trade and other payables	(128,896)	(154,841)	(153,806)
Contract liabilities	(24,200)	0	0
Lease liabilities	(9,162)	(9,331)	0
Long term borrowings	(165,919)	(161,996)	(161,997)
Provisions	(116,130)	(136,130)	(68,567)
	(444,307)	(462,298)	(384,370)
Net current assets	155,821	668,345	68,202
Less: Total adjustments to net current assets	(155,820)	(99,824)	(68,202)
Closing funding surplus / (deficit)	1	568,521	0

2 (b). NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

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

TRADE AND OTHER PAYABLES

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

CONTRACT ASSETS

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

PROVISIONS

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

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

INVENTORIES

General

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

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

Superannuation

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

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

LEASE LIABILITIES

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

TRADE AND OTHER RECEIVABLES

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

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

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

EMPLOYEE BENEFITS

Short-term employee benefits

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

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

LAND HELD FOR RESALE

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

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

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

CONTRACT LIABILITIES

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

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

3. RECONCILIATION OF CASH

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

Note	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Cash at bank and on hand	61,500	661,435	29,314
Term deposits	471,233	427,012	325,764
	532,733	1,088,447	355,078
- Unrestricted cash and cash equivalents	61,501	637,236	29,314
- Restricted cash and cash equivalents	471,232	451,211	325,764
	532,733	1,088,447	355,078
The following restrictions have been imposed by regulation or other externally imposed requirements on cash and cash equivalents:			
Building and Land Reserve - Accumulation	30,321	30,035	68,566
Plant Reserve - Accumulation	194,704	153,439	82,266
Recreation Reserve - Accumulation	3,106	3,068	12,960
Employee Entitlement Reserve - Accumulation	68,378	67,534	67,794
Aged Persons Units Reserve - Accumulation	12,828	12,670	12,944
Environmental Reserve - Accumulation	19,562	19,444	9,605
Land Development Reserve - Accumulation	5,796	5,724	5,751
TRC/PO/NAB Building Reserve - Accumulation	22,173	22,023	12,188
Insurance Reserve - Accumulation	23,127	22,842	43,271
Economic Development & Marketing Reserve - Accumulation	10,234	10,232	10,419
Covid-19 Emergency Reserve - Accumulation	81,003	80,000	0
Unspent grants, subsidies and contributions	10 0	24,200	
	471,232	451,211	325,764
Reconciliation of net cash provided by operating activities to net result			
Net result	2,990,602	675,564	24,852
Depreciation	5 1,506,670	1,508,468	1,850,261
(Profit)/loss on sale of asset	4(b) 21,100	(763)	(12,000)
(Increase)/decrease in receivables	0	255,816	277,937
(Increase)/decrease in prepayments	0	18,937	0
(Increase)/decrease in inventories	0	(657,103)	0
Increase/(decrease) in payables	(25,945)	(171,333)	(154,368)
Increase/(decrease) in contract liabilities	24,200	0	0
Increase/(decrease) in employee provisions	(20,000)	8,553	(67,393)
Non-operating grants, subsidies and contributions	(2,990,490)	(1,862,319)	(1,904,618)
Net cash from operating activities	1,506,137	(224,180)	14,671

SIGNIFICANT ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

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

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

FINANCIAL ASSETS AT AMORTISED COST

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

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

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

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program								2020/21 Budget total	2019/20 Actual total	2019/20 Budget total
	Governance	Education and welfare	Housing	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<i>Property, Plant and Equipment</i>											
Buildings	13,000	157,000	52,500	0	292,500	25,000	40,000	20,000	600,000	0	0
Buildings - non specialised	0	0	0	0	0	0	0	0	0	0	20,000
Plant and equipment	0	0	0	0	0	340,000	0	0	340,000	74,010	134,000
	13,000	157,000	52,500	0	292,500	365,000	40,000	20,000	940,000	74,010	154,000
<i>Infrastructure</i>											
Infrastructure - roads	0	0	0	0	0	1,406,773	0	0	1,406,773	2,499,583	2,588,605
Infrastructure - drainage	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - bridges	0	0	0	0	0	2,266,404	0	0	2,266,404	0	147,000
Infrastructure - footpaths	0	0	0	0	0	0	25,500	0	25,500	0	0
Infrastructure - parks & ovals	0	0	0	0	232,000	0	0	0	232,000	0	0
Infrastructure - other	0	0	0	30,000	0	0	15,000	0	45,000	1,374	47,800
	0	0	0	30,000	232,000	3,673,177	40,500	0	3,975,677	2,500,957	2,783,405
Total acquisitions	13,000	157,000	52,500	30,000	524,500	4,038,177	80,500	20,000	4,915,677	2,574,967	2,937,405

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

SIGNIFICANT ACCOUNTING POLICIES

RECOGNITION OF ASSETS

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

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

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

4. FIXED ASSETS

(b) Disposals of Assets

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

	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss	2019/20 Actual Net Book Value	2019/20 Actual Sale Proceeds	2019/20 Actual Profit	2019/20 Actual Loss	2019/20 Budget Net Book Value	2019/20 Budget Sale Proceeds	2019/20 Budget Profit	2019/20 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Governance		0	0	0	19,513	19,513	0	0	21,000	21,000	0	0
Recreation and culture		0	0	0	3,542	4,000	458	0		0	0	0
Transport	56,100	35,000	2,000	(23,100)		0	0	0	10,000	20,000	10,000	0
Other property and services		0	0	0	2,000	2,305	305	0		2,000	2,000	0
	56,100	35,000	2,000	(23,100)	25,055	25,818	763	0	31,000	43,000	12,000	0
By Class												
<i>Property, Plant and Equipment</i>												
Plant and equipment	56,100	35,000	2,000	(23,100)	25,055	25,818	763	0	31,000	43,000	12,000	0
	56,100	35,000	2,000	(23,100)	25,055	25,818	763	0	31,000	43,000	12,000	0

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

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

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

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

5. ASSET DEPRECIATION

By Program

Law, order, public safety
Education and welfare
Housing
Community amenities
Recreation and culture
Transport
Economic services
Other property and services

2020/21 Budget	2019/20 Actual	2019/20 Budget
\$	\$	\$
2,299	35,898	47,403
21,412	21,424	21,759
71,863	72,756	84,446
7,826	8,861	11,601
407,116	410,004	394,671
581,545	580,890	912,954
59,047	58,073	61,661
355,562	320,563	315,766
1,506,670	1,508,468	1,850,261
	(40,917)	
552,000	593,300	572,212
10,000	10,123	15,000
192,000	191,380	190,923
45,000	45,100	47,403
445,000	445,836	700,000
2,000	1,728	2,615
75,000	75,138	136,245
6,500	6,436	17,791
10,500	10,426	16,000
160,000	160,846	143,000
8,670	9,072	9,072
1,506,670	1,508,468	1,850,261

By Class

Buildings
Buildings - non specialised
Furniture and equipment
Plant and equipment
Bushfire Equipment
Infrastructure - roads
Infrastructure - drainage
Infrastructure - bridges
Infrastructure - footpaths
Infrastructure - other
Infrastructure - Recreation Areas
Infrastructure - Airfields

SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

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

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

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

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

Buildings	30 to 50 years
Buildings - non specialised	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Bushfire Equipment	5 to 15 years
Infrastructure - roads	15 to 20 years
Infrastructure - drainage	50 years
Infrastructure - bridges	50 years
Infrastructure - footpaths	20 years
Infrastructure - other	5 to 50 years
Infrastructure - Recreation Areas	10 to 100 years
Infrastructure - Airfields	50 years

AMORTISATION

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

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

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

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

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget	2020/21	2020/21	Budget	2020/21	Actual	2019/20	2019/20	Actual	2019/20	Budget	2019/20	2019/20	Budget	2019/20
				Principal	Budget	Budget	Principal	Budget		Actual	Actual	Actual	Actual		Principal	Budget	Budget	Budget
				1 July 2020	New	Principal	outstanding	Interest	1 July 2019	New	Principal	outstanding	Interest	1 July 2019	New	Principal	outstanding	Interest
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Education and welfare																		
Senior Citizen Building	137	WATC	2.4%	44,960	0	22,210	67,170	1,136	66,645	0	21,685	44,960	1,631	66,645	0	21,685	44,960	2,500
Housing																		
King St - triplex	133	WATC	2.4%	28,647	0	14,151	42,799	724	42,464	0	13,817	28,647	1,039	42,464	0	13,817	28,647	1,157
Phillip St - house	134	WATC	2.4%	21,823	0	10,780	32,603	551	32,348	0	10,525	21,823	792	32,348	0	10,525	21,823	1,100
Moore St - house	136	WATC	2.4%	54,423	0	26,884	81,307	1,375	80,671	0	26,248	54,423	1,974	80,671	0	26,248	54,423	2,198
Field St - house	142	WATC	2.4%	25,107	0	12,415	37,522	635	37,228	0	12,121	25,107	895	37,228	0	12,121	25,107	1,014
Recreation and culture																		
Pavillion fitout	138	WATC	2.4%	43,163	0	21,321	64,484	1,091	63,980	0	20,817	43,163	1,565	63,980	0	20,817	43,163	2,300
Transport																		
Roller	139	WATC	2.4%	10,580	0	5,227	15,807	267	15,683	0	5,103	10,580	384	15,683	0	5,103	10,580	550
Grader	141	WATC	2.4%	36,738	0	18,148	54,886	928	54,457	0	17,719	36,738	1,332	54,457	0	17,719	36,738	1,800
Side tipper	144	WATC	2.4%	25,132	0	12,415	37,547	635	37,253	0	12,121	25,132	912	37,253	0	12,121	25,132	1,200
Drum roller	145	WATC	2.4%	37,338	0	18,444	55,782	943	55,346	0	18,008	37,338	1,354	55,346	0	18,008	37,338	2,000
				327,910	0	161,995	489,905	8,286	486,075	0	158,165	327,910	11,877	486,075	0	158,164	327,911	15,819
				327,910	0	161,995	489,905	8,286	486,075	0	158,165	327,910	11,877	486,075	0	158,164	327,911	15,819

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

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

6. INFORMATION ON BORROWINGS

(b) New borrowings - 2020/21

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

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30 June 2020 nor is it expected to have unspent borrowing funds as at 30 June 2021.

(d) Credit Facilities

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit	500,000	500,000	500,000
Bank overdraft at balance date			
Credit card limit	14,500	14,500	14,500
Credit card balance at balance date	0	(1,396)	0
Total amount of credit unused	514,500	513,104	514,500
Loan facilities			
Loan facilities in use at balance date	489,905	327,910	327,911

SIGNIFICANT ACCOUNTING POLICIES

BORROWING COSTS

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

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

7. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget	2020/21	Budget	2020/21	Actual	2019/20	Actual	Actual	2019/20	Budget	2019/20	Budget	Budget	2019/20	2019/20
					Lease Principal 1 July 2020	Budget New Leases	Lease Principal Repayments	Lease Principal outstanding 30 June 2021		Lease Interest Repayments	Principal 1 July 2019	Actual New Leases	Lease Principal repayments		Lease Principal outstanding 30 June 2020	Lease Interest repayments	Principal 1 July 2019	Budget New Leases	Lease Principal repayments
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Other property and services																			
Photocopier		De Lage Landon	8.2%	60m	10,072	0	(3,123)	6,949	(1,200)	13,051	0	(2,979)	10,072	(1,014)	13,051	0	0	13,051	0
Computer equipment		Finrent	12.8%	36m	10,546	0	(6,208)	4,338	(1,200)	16,010	0	(5,464)	10,546	(1,698)	16,010	0	0	16,010	0
					20,618	0	(9,331)	11,287	(2,400)	29,061	0	(8,443)	20,618	(2,712)	29,061	0	0	29,061	0

SIGNIFICANT ACCOUNTING POLICIES

LEASES

At the inception of a contract, the Shire assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and a lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

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

8. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2020/21 Budget Opening Balance	2020/21 2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance	2019/20 Actual Opening Balance	2019/20 2019/20 Actual Transfer to	2019/20 Actual Transfer (from)	2019/20 Actual Closing Balance	2019/20 Budget Opening Balance	2019/20 2019/20 Budget Transfer to	2019/20 Budget Transfer (from)	2019/20 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Building and Land Reserve - Accumulation	30,035	286	0	30,321	22,068	10,967	(3,000)	30,035	62,066	11,500	(5,000)	68,566
(b) Plant Reserve - Accumulation	153,439	41,265	0	194,704	45,977	107,462	0	153,439	45,978	36,288	0	82,266
(c) Recreation Reserve - Accumulation	3,068	38	0	3,106	2,900	168	0	3,068	12,900	60	0	12,960
(d) Employee Entitlement Reserve - Accumulation	67,534	844	0	68,378	66,543	991	0	67,534	66,544	1,250	0	67,794
(e) Aged Persons Units Reserve - Accumulation	12,670	158	0	12,828	12,445	225	0	12,670	12,444	500	0	12,944
(f) Environmental Reserve - Accumulation	19,444	118	0	19,562	19,154	290	0	19,444	19,155	450	(10,000)	9,605
(g) Land Development Reserve - Accumulation	5,724	72	0	5,796	5,626	98	0	5,724	5,626	125	0	5,751
(h) TRC/PO/NAB Building Reserve - Accumulation	22,023	150	0	22,173	21,688	335	0	22,023	21,688	500	(10,000)	12,188
(i) Insurance Reserve - Accumulation	22,842	285	0	23,127	22,171	671	0	22,842	42,171	1,100	0	43,271
(j) Economic Development & Marketing Reserve - Accumulation	10,232	2	0	10,234	9,918	314	0	10,232	19,919	500	(10,000)	10,419
(k) Covid-19 Emergency Reserve - Accumulation	80,000	1,003	0	81,003	80,000	0	0	80,000	0	0	0	0
	427,011	44,221	0	471,232	308,490	121,521	(3,000)	427,011	308,491	52,273	(35,000)	325,764

(b) Cash Backed Reserves - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
(a) Building and Land Reserve - Accumulation	Ongoing	For acquisition, construction and maintenance buildings and associated land
(b) Plant Reserve - Accumulation	Ongoing	For purchase of plant and equipment
(c) Recreation Reserve - Accumulation	Ongoing	For the improvement of sportsgrounds
(d) Employee Entitlement Reserve - Accumulation	Ongoing	To fund annual, sick and long service leave and accrued staff bonuses
(e) Aged Persons Units Reserve - Accumulation	Ongoing	For funding of future operating shortfalls of the aged person units in accordance with the Homeswest Joint Arrangement
(f) Environmental Reserve - Accumulation	Ongoing	For rehabilitation of sites such as gravel pits, refuse and contaminated sites
(g) Land Development Reserve - Accumulation	Ongoing	For the acquisition, subdivision and development of land
(h) TRC/PO/NAB Building Reserve - Accumulation	Ongoing	For the maintenance of the buildings
(i) Insurance Reserve - Accumulation	Ongoing	For the settlement of minor property expenses under \$5,000 that would otherwise be insurance claims
(j) Economic Development & Marketing Reserve - Accumulation	Ongoing	For economic development and marketing of the Shire of Mingenew
(k) Covid-19 Emergency Reserve - Accumulation	As needed	For emergency relief to impacted staff and the hire or purchase of critical equipment

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

9. FEES & CHARGES REVENUE

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Governance	0	673	120
General purpose funding	3,560	3,404	3,500
Law, order, public safety	1,550	1,376	3,500
Health	150	144	370
Education and welfare	400	446	756
Housing	90,240	98,461	93,235
Community amenities	89,650	72,900	75,887
Recreation and culture	28,260	34,058	34,375
Transport	0	8,079	12,000
Economic services	18,482	25,191	17,945
Other property and services	7,000	5,994	7,320
	239,292	250,726	249,008

10. GRANT REVENUE

	Unspent grants, subsidies and contributions liability					Grants, subsidies and contributions revenue		
	Liability 1 July 2020	Increase in Liability	Liability Reduction (As revenue)	Total Liability 30 June 2021	Current Liability 30 June 2021	2020/21 Budget	2019/20 Actual	2019/20 Budget
By Program:	\$	\$	\$	\$	\$	\$	\$	\$
(a) Operating grants, subsidies and contributions								
General purpose funding	0	0	0	0	0	1,155,000	655,139	295,550
Law, order, public safety	0	0	0	0	0	22,200	19,468	19,868
Education and welfare	0	0	0	0	0	0	0	1,000
Community amenities	0	0	0	0	0	0	0	2,000
Transport	0	0	0	0	0	80,400	80,843	80,500
Other property and services	0	0	0	0	0	48,500	5,000	0
	0	0	0	0	0	1,306,100	760,450	398,918
(b) Non-operating grants, subsidies and contributions								
Recreation and culture	24,200	0	(24,200)	0	0	0	0	0
Transport	0	0	0	0	0	2,990,490	1,682,717	1,725,016
	24,200	0	(24,200)	0	0	2,990,490	1,682,717	1,725,016
Total	24,200	0	(24,200)	0	0	4,296,590	2,443,167	2,123,934

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

	Budget Closing Balance 30 June 2021	Actual Balance 30 June 2020
Unspent grants, subsidies and contributions	0	24,200
	0	24,200

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

11. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

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

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

12. OTHER INFORMATION

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	4,381	5,214	9,860
- Other funds	15,000	16,086	30,000
Late payment of fees and charges *	0	485	250
Other interest revenue (refer note 1b)	5,000	11,308	15,000
	24,381	33,092	55,110
* The Shire has resolved to charge interest under section 6.13 for the late payment of any amount of money at 5%.			
(b) Other revenue			
Reimbursements and recoveries	531,219	635,932	621,559
	531,219	635,932	621,559
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	25,000	25,859	22,000
	25,000	25,859	22,000
(d) Interest expenses (finance costs)			
Borrowings (refer Note 6(a))	(8,286)	(11,877)	(15,819)
Interest expense on lease liabilities	(2,400)	(2,712)	0
	(10,686)	(14,589)	(15,819)
(e) Elected members remuneration			
Meeting fees	30,000	28,967	28,968
Mayor/President's allowance	7,600	7,348	7,348
Deputy Mayor/President's allowance	1,900	1,836	1,836
Travelling expenses	10,000	9,197	16,500
	49,500	47,348	54,652

13. INTERESTS IN JOINT ARRANGEMENTS

In 1997/98, Council, in conjunction with Homewest, constructed 3x2 bedroom and 1x1 bedroom Aged Person Units in the Mingenew townsite. The terms of the Joint Arrangement provided for Council to contribute \$54,777 which equates to an equity of 15.34%. Council has subsequently capitalised expenditure on the units. The recalculated equity for Council is now 18.58%. The agreement requires the Shire to account for its share of the assets and related liabilities as well as the Shires share of all expenses and revenue relating to the arrangement. Fair value assessment of the property was undertaken in 2016/17 along with all other Council land and building assets. The amount shown below is 18.58% of the fair value of \$470,000. The initial term of the agreement is 25 years, expiring on 20 August 2022.

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Non-current assets			
Land and Buildings	87,326	87,326	470,000
Less: accumulated depreciation	(10,933)	(8,200)	(44,133)
	76,393	79,126	425,867

SIGNIFICANT ACCOUNTING POLICIES

INTERESTS IN JOINT ARRANGEMENTS

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

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire of Mingenew's interests in the assets liabilities revenue and expenses of joint operations are included in the respective line items of the financial statements.

14. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION

GOODS AND SERVICES TAX (GST)

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

ROUNDING OFF FIGURES

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

COMPARATIVE FIGURES

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

BUDGET COMPARATIVE FIGURES

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