

**SHIRE OF MINGENEW**  
**AMENDED BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**LOCAL GOVERNMENT ACT 1995**

**TABLE OF CONTENTS**

Statement of Comprehensive Income by Nature or Type	2
Basis of Preparation	3
Statement of Comprehensive Income by Program	4
Statement of Cash Flows	6
Rate Setting Statement	7
Index of Notes to the Budget	8

**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 2022**

	NOTE	2021/22 Amended Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
<b>Revenue</b>				
Rates	1(a)	2,049,384	1,977,513	1,975,991
Operating grants, subsidies and contributions	10(a)	1,158,825	441,244	1,306,100
Fees and charges	9	273,789	255,506	239,292
Interest earnings	13(a)	23,231	22,959	24,381
Other revenue	13(b)	544,294	530,110	531,219
		4,049,523	3,227,332	4,076,983
<b>Expenses</b>				
Employee costs		(1,105,864)	(1,122,809)	(1,031,488)
Materials and contracts		(953,332)	(924,231)	(708,353)
Utility charges		(88,321)	(87,595)	(93,002)
Depreciation on non-current assets	5	(1,788,251)	(1,784,186)	(1,506,670)
Interest expenses	13(d)	(11,600)	(10,576)	(10,686)
Insurance expenses		(134,703)	(126,609)	(120,997)
Other expenditure		(572,791)	(520,354)	(584,575)
		(4,654,862)	(4,576,360)	(4,055,771)
<b>Subtotal</b>		(605,339)	(1,349,028)	21,212
Non-operating grants, subsidies and contributions	10(b)	10,460,322	3,259,814	2,990,490
Profit on asset disposals	4(b)	77,753	11,727	2,000
Loss on asset disposals	4(b)	(16,985)	(23,923)	(23,100)
Fair value adjustments to financial assets at fair value through profit or loss		0	2,804	0
		10,521,090	3,250,422	2,969,390
<b>Net result</b>		<b>9,915,751</b>	<b>1,901,394</b>	<b>2,990,602</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	1,130,507	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>1,130,507</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>9,915,751</b>	<b>3,031,901</b>	<b>2,990,602</b>

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

# SHIRE OF MINGENEW

## FOR THE YEAR ENDED 30 JUNE 2022

### 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 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 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 15 to the budget.

### 2020/21 ACTUAL BALANCES

Balances shown in this budget as 2020/21 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 2021 no new accounting policies are to be adopted and no new policies are expected to impact the annual budget.

### 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 2022**

	NOTE	2021/22 Amended Budget	2020/21 Actual	2020/21 Budget
<b>Revenue</b>	1,9,10(a),13(a),13(b)	\$	\$	\$
Governance		13,899	18,830	13,399
General purpose funding		2,765,475	2,299,670	3,158,932
Law, order, public safety		280,311	23,867	23,750
Health		820	801	150
Education and welfare		1,425	1,236	400
Housing		117,930	110,875	90,440
Community amenities		77,300	75,059	89,650
Recreation and culture		35,834	41,765	28,780
Transport		598,764	554,300	592,400
Economic services		121,215	37,376	18,582
Other property and services		36,550	63,553	60,500
		4,049,523	3,227,332	4,076,983
<b>Expenses excluding finance costs</b>	4(a),5,13(c)(e)(f)			
Governance		(349,633)	(315,432)	(343,694)
General purpose funding		(82,800)	(75,572)	(76,332)
Law, order, public safety		(196,016)	(351,597)	(66,912)
Health		(88,061)	(77,002)	(80,167)
Education and welfare		(142,701)	(127,651)	(110,533)
Housing		(163,279)	(153,726)	(156,237)
Community amenities		(277,836)	(217,775)	(249,083)
Recreation and culture		(1,010,151)	(1,055,632)	(991,834)
Transport		(1,841,499)	(1,842,489)	(1,589,248)
Economic services		(411,575)	(347,409)	(302,628)
Other property and services		(79,711)	(1,498)	(78,417)
		(4,643,262)	(4,565,783)	(4,045,085)
<b>Finance costs</b>	7,6(a),13(d)			
Education and welfare		(441)	(1,214)	(1,136)
Housing		(1,275)	(3,510)	(3,285)
Recreation and culture		(424)	(1,165)	(1,091)
Transport		(7,926)	(2,963)	(2,774)
Other property and services		(1,534)	(1,724)	(2,400)
		(11,600)	(10,576)	(10,686)
<b>Subtotal</b>		(605,339)	(1,349,027)	21,212
Non-operating grants, subsidies and contributions	10(b)	10,460,322	3,259,814	2,990,490
Profit on disposal of assets	4(b)	77,753	11,727	2,000
(Loss) on disposal of assets	4(b)	(16,985)	(23,923)	(23,100)
Fair value adjustments to financial assets at fair value through profit or loss		0	2,804	0
		10,521,090	3,250,422	2,969,390
<b>Net result</b>		<b>9,915,751</b>	<b>1,901,395</b>	<b>2,990,602</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	1,130,507	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>1,130,507</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>9,915,751</b>	<b>3,031,902</b>	<b>2,990,602</b>

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 2022**

		<b>2021/22 Amended Budget</b>	<b>2020/21 Actual</b>	<b>2020/21 Budget</b>
	<b>NOTE</b>	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		2,059,384	1,966,081	1,975,991
Operating grants, subsidies and contributions		973,825	464,247	1,330,300
Fees and charges		273,789	255,506	239,292
Interest received		23,231	22,959	24,381
Goods and services tax received		150,000	(238,972)	0
Other revenue		544,294	532,914	531,219
		<b>4,024,523</b>	<b>3,002,735</b>	<b>4,101,183</b>
<b>Payments</b>				
Employee costs		(1,100,864)	(1,175,028)	(1,076,488)
Materials and contracts		(1,607,104)	(245,850)	(709,298)
Utility charges		(88,321)	(87,595)	(93,002)
Interest expenses		(11,600)	(10,576)	(10,686)
Insurance paid		(134,703)	(126,609)	(120,997)
Other expenditure		(572,791)	(520,354)	(584,575)
		<b>(3,515,383)</b>	<b>(2,166,012)</b>	<b>(2,595,046)</b>
<b>Net cash provided by (used in) operating activities</b>	<b>3</b>	<b>509,140</b>	<b>836,723</b>	<b>1,506,137</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	4(a)	(1,505,000)	(511,160)	(940,000)
Payments for construction of infrastructure	4(a)	(10,438,479)	(3,304,125)	(3,975,677)
Non-operating grants, subsidies and contributions	10(b)	10,460,322	3,259,814	2,990,490
Proceeds from sale of plant and equipment	4(b)	216,700	50,682	35,000
Proceeds on disposal of financial assets at fair value through profit and loss		0	(2,804)	
<b>Net cash provided by (used in) investing activities</b>		<b>(1,266,457)</b>	<b>(507,593)</b>	<b>(1,890,187)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(222,960)	(161,995)	(161,995)
Principal elements of lease payments	7	(7,132)	(9,331)	(9,669)
Proceeds from new borrowings	6(a)	300,000	0	0
<b>Net cash provided by (used in) financing activities</b>		<b>69,908</b>	<b>(171,326)</b>	<b>(171,664)</b>
<b>Net increase (decrease) in cash held</b>		<b>(687,409)</b>	<b>157,804</b>	<b>(555,714)</b>
Cash at beginning of year		1,246,247	1,088,447	1,088,447
<b>Cash and cash equivalents at the end of the year</b>	<b>3</b>	<b>558,838</b>	<b>1,246,251</b>	<b>532,733</b>

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

**SHIRE OF MINGENEW**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

		2021/22 Amended Budget	2020/21 Actual	2020/21 Budget
	NOTE	\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	2(a)	81,424	405,934	568,521
		81,424	405,934	568,521
<b>Revenue from operating activities (excluding rates)</b>				
Governance		13,899	18,830	13,399
General purpose funding		716,091	324,961	1,182,941
Law, order, public safety		280,311	23,867	23,750
Health		820	801	150
Education and welfare		1,425	1,236	400
Housing		117,930	111,873	90,440
Community amenities		77,300	75,059	89,650
Recreation and culture		36,834	41,764	28,780
Transport		649,532	565,029	594,400
Economic services		121,215	37,376	18,582
Other property and services		62,535	63,554	60,500
		2,077,892	1,264,350	2,102,992
<b>Expenditure from operating activities</b>				
Governance		(349,630)	(315,432)	(343,694)
General purpose funding		(82,800)	(75,572)	(76,332)
Law, order, public safety		(211,815)	(351,597)	(66,912)
Health		(88,061)	(77,002)	(80,167)
Education and welfare		(143,142)	(128,865)	(111,669)
Housing		(164,554)	(157,236)	(159,522)
Community amenities		(277,836)	(217,775)	(249,083)
Recreation and culture		(1,011,761)	(1,064,429)	(992,925)
Transport		(1,849,425)	(1,861,743)	(1,615,122)
Economic services		(411,575)	(347,409)	(302,628)
Other property and services		(81,245)	(3,222)	(80,817)
		(4,671,844)	(4,600,282)	(4,078,871)
Non-cash amounts excluded from operating activities	2(b)	1,727,483	1,754,858	1,527,770
<b>Amount attributable to operating activities</b>		(785,045)	(1,175,140)	120,412
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		10,460,322	3,259,814	2,990,490
Payments for property, plant and equipment	4(a)	(1,505,000)	(511,160)	(940,000)
Payments for construction of infrastructure	4(a)	(10,438,479)	(3,304,125)	(3,975,677)
Proceeds from disposal of assets	4(b)	216,700	50,682	35,000
		(1,266,457)	(504,789)	(1,890,187)
<b>Amount attributable to investing activities</b>		(1,266,457)	(504,789)	(1,890,187)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(222,960)	(161,995)	(161,995)
Principal elements of finance lease payments	7	(7,132)	(9,331)	0
Proceeds from new borrowings	6(a)	300,000	0	0
Transfers to cash backed reserves (restricted assets)	8(a)	(67,790)	(44,834)	(44,221)
<b>Amount attributable to financing activities</b>		2,118	(216,160)	(206,216)
<b>Budgeted deficiency before imposition of general rates</b>		(2,049,384)	(1,896,089)	(1,975,991)
<b>Estimated amount to be raised from general rates</b>	1	2,049,384	1,977,513	1,975,991
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2(a)	<b>0</b>	<b>81,424</b>	<b>0</b>

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

SHIRE OF MINGENEW  
INDEX OF NOTES TO THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2022

Rates	9
Net Current Assets	12
Reconciliation of cash	15
Asset Acquisitions	16
Asset Disposals	17
Asset Depreciation	18
Borrowings	19
Leases	21
Reserves	22
Fees and Charges	23
Grant Revenue	23
Revenue Recognition	24
Elected Members Remuneration	25
Other Information	26
Interests in Joint Arrangements	27
Significant Accounting Policies - Other Information	28



SHIRE OF MINGENEW  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2022

1. RATES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2021/22 Amended Budget rate revenue	2021/22 Amended Budget interim rates	2021/22 Amended Budget back rates	2021/22 Amended Budget total revenue	2020/21 Actual total revenue	2020/21 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
<b>Differential general rate or general rate</b>									
<b>Gross rental valuations</b>									
GRV - Mingenew	0.15388	129	1,153,984	177,574		150	177,724	173,495	172,764
GRV - Yandanooka	0.15388	2	13,884	2,136			2,136	2,086	2,086
GRV - Commercial	0.15388	14	346,632	53,339	14,000		67,339	52,091	52,092
GRV - Industrial	0.15388	1	12,480	1,920			1,920	1,875	1,875
<b>Unimproved valuations</b>									
UV - Rural & Mining	0.01229	111	136,073,500	1,672,343			1,672,343	1,627,013	1,626,867
<b>Sub-Totals</b>		257	137,600,480	1,907,312	14,000	150	1,921,462	1,856,560	1,855,684
<b>Minimum</b>									
<b>Minimum payment</b>									
\$									
<b>Gross rental valuations</b>									
GRV - Mingenew	728	60	24,870	43,680			43,680	41,713	41,713
GRV - Yandanooka	728	0	0	0			0	0	0
GRV - Commercial	728	9	6,200	6,552			6,552	6,363	6,363
GRV - Industrial	728	3	2,786	2,184			2,184	2,121	2,121
<b>Unimproved valuations</b>									
UV - Rural & Mining	1,093	34	680,657	37,162			37,162	33,535	32,891
<b>Sub-Totals</b>		106	714,513	89,578	0	0	89,578	83,732	83,088
		363	138,314,993	1,996,890	14,000	150	2,011,040	1,940,292	1,938,772
Discounts (Refer note 1(c))							(1,068)	(1,043)	(1,045)
<b>Total amount raised from general rates</b>							2,009,972	1,939,249	1,937,727
Ex gratia rates							39,412	38,264	38,264
<b>Total rates</b>							2,049,384	1,977,513	1,975,991

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 2021/22 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.

SHIRE OF MINGENEW  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2022  
**1. RATES (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.

<b>Instalment options</b>	<b>Date due</b>	<b>Instalment plan admin charge</b>	<b>Instalment plan interest rate</b>	<b>Unpaid rates interest rates</b>
		\$	%	%
<b>Option one</b>				
Single full payment		0	0.0%	7.0%
<b>Option two</b>				
First instalment		0	5.5%	7.0%
Second instalment		15	5.5%	7.0%
<b>Option three</b>				
First instalment		15	5.5%	7.0%
Second instalment		15	5.5%	7.0%
Third instalment		15	5.5%	7.0%
Fourth instalment		15	5.5%	7.0%

	<b>2021/22 Amended Budget revenue</b>	<b>2020/21 Actual revenue</b>	<b>2020/21 Budget revenue</b>
	\$	\$	\$
Instalment plan admin charge revenue	2,000	1,875	2,800
Instalment plan interest earned	4,200	4,153	0
Unpaid rates and service charge interest earned	3,800	3,756	5,000
	10,000	9,784	7,800

SHIRE OF MINGENEW  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2022  
 1. RATES (CONTINUED)

(c) Rates discounts

Rate or fee to which discount is granted	Discount %	Discount (\$)	2021/22 Amended Budget	2020/21 Actual	2020/21 Budget	Circumstances in which discount is granted
Yandanooka Townsite	50.0%		\$ 1,068	\$ 1,043	\$ 1,045	Recognise the reduced level of service provided.
			1,068	1,043	1,045	

(d) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2022.

SHIRE OF MINGENEW  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2022  
2. NET CURRENT ASSETS

(a) Composition of estimated net current assets

Current assets

Cash and cash equivalents- unrestricted	3	(4,730)	500,469	61,501
Cash and cash equivalents - restricted	3	563,569	745,778	471,232
Receivables		146,138	371,135	67,394
Prepayments		0	8,228	
Inventories		5,152	3,152	

Less: current liabilities

Trade and other payables		(146,561)	(801,560)	(128,896)
Contract liabilities		(23,934)	(273,934)	(24,200)
Lease liabilities	7	(4,578)	(7,393)	(9,162)
Long term borrowings	6	(242,957)	(165,919)	(165,919)
Employee provisions		(104,784)	(104,784)	(116,130)

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Rate Setting Statement	2.(c)	(187,315)	(193,748)	(155,820)
---	-------	-----------	-----------	-----------

Note	2021/22 Amended Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
	\$	\$	\$
	710,129	1,628,762	600,127
	(522,814)	(1,353,590)	(444,307)
	187,315	275,172	155,820
	0	81,424	0

## 2. NET CURRENT ASSETS (CONTINUED)

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

## 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.

## (b) Operating activities excluded from budgeted deficiency

The following non-cash revenue or expenditure has been excluded

from amounts attributable to operating activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32*.

## Adjustments to operating activities

Less: Profit on asset disposals  
 Less: Fair value adjustments to financial assets at fair value through profit and loss  
 Add: Loss on disposal of assets  
 Add: Depreciation on assets  
 Movement in non-current pensioner deferred rates  
 Movement in non-current employee provisions  
 Movement in current employee provisions associated with restricted cash

## Non cash amounts excluded from operating activities

Note	2021/22	2020/21	2020/21
	Amended Budget 30 June 2022	Actual 30 June 2021	Budget 30 June 2021
	\$	\$	\$
4(b)	(77,753)	(11,727)	(2,000)
		(2,804)	
4(b)	16,985	23,923	23,100
5	1,788,251	1,784,186	1,506,670
	0	(5,276)	
	0	(2,098)	
	0	(31,346)	
	1,727,483	1,754,858	1,527,770

## (c) 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 in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

## Adjustments to net current assets

Less: Cash - restricted reserves  
 Add: Current liabilities not expected to be cleared at end of year  
     - Current portion of borrowings  
     - Current portion of lease liabilities  
     - Current portion of contract liability held in reserve  
     - Current portion of employee benefit provisions held in reserve

## Total adjustments to net current assets

8	(539,634)	(471,844)	(471,232)
	242,957	165,919	165,920
	4,578	7,393	9,162
			24,200
	104,784	104,784	116,130
	(187,315)	(193,748)	(155,820)

**SIGNIFICANT ACCOUNTING POLICIES****CURRENT AND NON-CURRENT CLASSIFICATION**

An 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.

**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.

**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 City recognises revenue for the prepaid rates that have not been refunded.

**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.

**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.

**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.

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.

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.

**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.

**EMPLOYEE BENEFITS****Short-term employee benefits**

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

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

**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.

## 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	2021/22 Amended Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
Cash at bank and on hand		558,838	1,246,247	61,500
Term deposits		0	0	471,233
<b>Total cash and cash equivalents</b>		<b>558,838</b>	<b>1,246,247</b>	<b>532,733</b>
Held as				
- Unrestricted cash and cash equivalents		(4,730)	500,469	61,501
- Restricted cash and cash equivalents		563,568	745,778	471,232
		558,838	1,246,247	532,733
<b>Restrictions</b>				
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		563,568	745,778	471,232
		563,568	745,778	471,232
The restricted assets are a result of the following specific purposes to which the assets may be used:				
Reserves - cash/financial asset backed	8	539,634	471,844	471,232
Contract liabilities		23,934	273,934	0
		563,568	745,778	471,232
<b>Reconciliation of net cash provided by operating activities to net result</b>				
<b>Net result</b>		9,915,751	1,901,394	2,990,602
Depreciation	5	1,788,251	1,784,186	1,506,670
(Profit)/loss on sale of asset	4(b)	(60,768)	12,196	21,100
(Increase)/decrease in receivables		233,228	(338,697)	
(Increase)/decrease in inventories		(2,000)	(3,152)	
Increase/(decrease) in payables		(655,000)	670,986	(25,945)
Increase/(decrease) in contract liabilities		(250,000)	103,068	24,200
Increase/(decrease) in employee provisions		0	(33,444)	(20,000)
Non-operating grants, subsidies and contributions		(10,460,322)	(3,259,814)	(2,990,490)
<b>Net cash from operating activities</b>		<b>509,140</b>	<b>836,723</b>	<b>1,506,137</b>

## 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 2022**  
**4. FIXED ASSETS**

**(a) Acquisition of Assets**

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

Asset class	Reporting program									2021/22 Amended Budget total	2020/21 Actual total	2020/21 Budget total
	Governance	Law, order, public safety	Education and welfare	Housing	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>												
Land - freehold land	0	0	0	0	0	0	0	0	0	0	5,007	0
Buildings - non-specialised	0	0	127,000	10,000	12,500	0	15,000	10,000	48,000	222,500	151,857	307,500
Buildings - specialised	0	300,000	0	0	0	258,500	0	0	0	558,500	39,701	292,500
Furniture and equipment	10,000	0	0	0	0	0	0	0	0	10,000	0	0
Plant and equipment	0	0	0	0	0	18,000	446,000	0	100,000	564,000	314,595	340,000
Bushfire equipment	0	150,000	0	0	0	0	0	0	0	150,000	0	0
	10,000	450,000	127,000	10,000	12,500	276,500	461,000	10,000	148,000	1,505,000	511,160	940,000
<i>Infrastructure</i>												
Infrastructure - roads	0	0	0	0	0	0	8,258,385	0	0	8,258,385	778,156	1,406,773
Infrastructure - bridges	0	0	0	0	0	0	1,941,202	0	0	1,941,202	2,119,404	2,266,404
Infrastructure - parks and ovals	0	0	0	0	0	98,692	0	0	0	98,692	312,125	200,000
Infrastructure - other	0	0	0	0	10,000	28,000	0	102,200	0	140,200	94,440	102,500
	0	0	0	0	10,000	126,692	10,199,587	102,200	0	10,438,479	3,304,125	3,975,677
<b>Total acquisitions</b>	10,000	450,000	127,000	10,000	22,500	403,192	10,660,587	112,200	148,000	11,943,479	3,815,285	4,915,677

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

**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 2022**  
**4. FIXED ASSETS**

**(b) Disposals of Assets**

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

	2021/22 Amended Budget Net Book Value	2021/22 Amended Budget Sale Proceeds	2021/22 Amended Budget Profit	2021/22 Amended Budget Loss	2020/21 Actual Net Book Value	2020/21 Actual Sale Proceeds	2020/21 Actual Profit	2020/21 Actual Loss	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>By Program</b>												
Law, order, public safety	15,799	0	0	(15,799)	0	0	0	0	0	0	0	0
Housing	0	0	0	0	2	1,000	998	0	0	0	0	0
Recreation and culture	3,186	3,000	1,000	(1,186)	7,632	0	0	(7,632)	0	0	0	0
Transport	85,632	136,400	50,768	0	55,244	49,682	10,729	(16,291)	56,100	35,000	2,000	(23,100)
Other property and services	51,315	77,300	25,985	0	0	0	0	0	0	0	0	0
	155,932	216,700	77,753	(16,985)	62,878	50,682	11,727	(23,923)	56,100	35,000	2,000	(23,100)
<b>By Class</b>												
<i>Property, Plant and Equipment</i>												
Buildings - non-specialised	0	0	0	0	2	1,000	998	0	0	0	0	0
Plant and equipment	140,133	216,700	77,753	(1,186)	55,244	49,682	10,729	(16,291)	56,100	35,000	2,000	(23,100)
Bushfire equipment	15,799	0	0	(15,799)	0	0	0	0	0	0	0	0
<i>Infrastructure</i>												
Infrastructure - other	0	0	0	0	7,632	0	0	(7,632)	0	0	0	0
	155,932	216,700	77,753	(16,985)	62,878	50,682	11,727	(23,923)	56,100	35,000	2,000	(23,100)

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

- Staff housing programme
- Plant replacement programme

**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 2022**  
**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

**By Class**

Buildings - non-specialised  
 Buildings - specialised  
 Furniture and equipment  
 Plant and equipment  
 Bushfire equipment  
 Infrastructure - roads  
 Infrastructure - drainage  
 Infrastructure - bridges  
 Infrastructure - footpaths  
 Infrastructure - parks and ovals  
 Infrastructure - airfields  
 Infrastructure - other  
 Right of use - furniture and equipment

	2021/22 Amended Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Law, order, public safety	65,512	47,537	2,299
Education and welfare	45,364	45,627	21,412
Housing	70,344	71,827	71,863
Community amenities	9,542	9,533	7,826
Recreation and culture	433,335	436,813	407,116
Transport	766,340	793,761	581,545
Economic services	60,724	61,593	59,047
Other property and services	337,090	317,495	355,562
	<b>1,788,251</b>	<b>1,784,186</b>	<b>1,506,670</b>
Buildings - non-specialised	237,298	363,368	552,000
Buildings - specialised	362,393	238,976	0
Furniture and equipment	2,205	2,186	10,000
Plant and equipment	217,714	197,751	192,000
Bushfire equipment	63,074	45,100	45,000
Infrastructure - roads	636,956	661,010	445,000
Infrastructure - drainage	1,729	1,728	2,000
Infrastructure - bridges	75,207	78,622	75,000
Infrastructure - footpaths	8,423	8,416	6,500
Infrastructure - parks and ovals	165,428	168,599	160,000
Infrastructure - airfields	0	0	8,670
Infrastructure - other	12,024	12,618	10,500
Right of use - furniture and equipment	5,800	5,812	0
	<b>1,788,251</b>	<b>1,784,186</b>	<b>1,506,670</b>

**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 - non-specialised	30 to 50 years
Buildings - specialised	50 to 80 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Bushfire equipment	
Infrastructure - roads	
Infrastructure - drainage	20 years
Infrastructure - bridges	80 years
Infrastructure - footpaths	30 to 75 years
Infrastructure - parks and ovals	10 to 60 Years
Infrastructure - airfields	
Infrastructure - other	
Right of use - furniture and equipment	

**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 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.

**SHIRE OF MINGENEW**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
**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 Principal 1 July 2021	2021/22	2021/22	2021/22	2021/22	2020/21	2020/21	Actual	2020/21	2020/21	2020/21	2020/21	Budget	2020/21	
					Amended Budget New Loans	Amended Budget Principal Repayments	Amended Budget Principal Outstanding	Budget Interest Repayments	Actual Principal 1 July 2020	Actual New Loans	Actual Principal Repayments	Principal outstanding 30 June 2021	Actual Interest Repayments	Budget Principal 1 July 2020	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2021	Budget Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Education and welfare</b>																		
Senior Citizen Building	137	WATC	2.4%	17,001		(17,001)	0	(441)	39,211		(22,210)	17,001	(1,214)	44,960		(22,210)	22,750	(1,136)
<b>Housing</b>																		
King St - triplex	133	WATC	2.4%	14,222		(14,222)	0	(281)	28,373		(14,151)	14,222	(773)	28,647		(14,151)	14,496	(724)
Phillip St - house	134	WATC	2.4%	10,499		(10,499)	0	(214)	21,279		(10,780)	10,499	(589)	21,823		(10,780)	11,043	(551)
Moore St - house	136	WATC	2.4%	18,175		(18,175)	0	(534)	45,059		(26,884)	18,175	(1,469)	54,423		(26,884)	27,539	(1,375)
Field St - house	142	WATC	2.4%	15,007		(15,007)	0	(246)	27,422		(12,415)	15,007	(678)	25,107		(12,415)	12,692	(635)
<b>Recreation and culture</b>																		
Pavillion fitout	138	WATC	2.4%	18,921		(18,921)	0	(424)	40,242		(21,321)	18,921	(1,165)	43,163		(21,321)	21,842	(1,091)
<b>Transport</b>																		
Roller	139	WATC	2.4%	7,017		(7,017)	0	(104)	12,244		(5,227)	7,017	(286)	10,580		(5,227)	5,353	(267)
Grader	141	WATC	2.4%	22,152		(22,152)	0	(361)	40,300		(18,148)	22,152	(992)	36,738		(18,148)	18,590	(928)
Side tipper	144	WATC	2.4%	15,032		(15,032)	0	(246)	27,447		(12,415)	15,032	(678)	25,132		(12,415)	12,717	(635)
Drum roller	145	WATC	2.4%	27,893		(27,893)	0	(366)	46,337		(18,444)	27,893	(1,008)	37,337		(18,444)	18,893	(944)
New loan - TBC		WATC	2.5%	0	300,000	(57,041)	242,959	(6,849)	0	0	0	0	0	0	0	0	0	0
				165,919	300,000	(222,960)	242,959	(10,066)	327,914	0	(161,995)	165,919	(8,852)	327,910	0	(161,995)	165,915	(8,286)
				165,919	300,000	(222,960)	242,959	(10,066)	327,914	0	(161,995)	165,919	(8,852)	327,910	0	(161,995)	165,915	(8,286)

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 2022  
 6. INFORMATION ON BORROWINGS

(b) New borrowings - 2021/22

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
Plant purchase	WATC (TBC)	Debenture	5	2.5%	\$ 300,000	\$ 6,849	\$ 300,000	\$ 0
					300,000	6,849	300,000	0

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30th June 2021 nor is it expected to have unspent borrowing funds as at 30th June 2022.

(d) Credit Facilities

	2021/22 Amended Budget	2020/21 Actual	2020/21 Budget
<b>Undrawn borrowing facilities credit standby arrangements</b>	\$	\$	\$
Bank overdraft limit	500,000	500,000	500,000
Bank overdraft at balance date	0	0	0
Credit card limit	14,500	14,500	14,500
Credit card balance at balance date	0	(1,148)	0
<b>Total amount of credit unused</b>	<b>514,500</b>	<b>513,352</b>	<b>514,500</b>
<b>Loan facilities</b>			
Loan facilities in use at balance date	242,959	165,919	165,915

**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 2022**

**7. LEASE LIABILITIES**

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget	2021/22 Amended Budget	Amended Budget Lease	2021/22 Amended Budget	2020/21	Actual	2020/21	2020/21	Budget	2020/21					
					Lease Principal 1 July 2021	2021/22 Amended Budget New Leases	Lease Principal Repayments	Principal outstanding 30 June 2022	Lease Interest Repayments	Actual Principal 1 July 2020	Actual New Leases	Lease Principal repayments	Principal outstanding 30 June 2021	Lease Interest repayments	Budget Principal 1 July 2020	Budget New Leases	Lease Principal repayments	Principal outstanding 30 June 2021	Lease Interest repayments
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
<b>Other property and services</b>																			
Photocopier		De Lage Landon	8.2%	60m	6,949		(3,187)	3,762	(705)	10,072		(3,123)	6,949	(769)	10,072		(3,123)	6,949	(1,200)
Computer equipment		Finrent	12.8%	36m	4,338		(3,945)	393	(829)	10,546		(6,208)	4,338	(955)	10,546		(6,208)	4,338	(1,200)
					11,287	0	(7,132)	4,155	(1,534)	20,618	0	(9,331)	11,287	(1,724)	20,618	0	(9,331)	11,287	(2,400)

**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.

**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.

SHIRE OF MINGENEW  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2022  
8. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2021/22 Amended Budget	2021/22 Amended Budget	2021/22 Amended Budget	2020/21 Actual	2020/21 Actual	2020/21 Actual	2020/21 Actual	2020/21 Budget	2020/21 Actual	2020/21 Budget	2020/21 Actual	
	Opening Balance	2021/22 Amended Budget Transfer to	Transfer (from)	Closing Balance	Opening Balance	Actual Transfer to	Transfer (from)	Closing Balance	Opening Balance	Budget Transfer to	Transfer (from)	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Reseves cash backed - building and land	30,301	182	0	30,483	30,034	267	0	30,301	30,035	286	0	30,321
(b) Reseves cash backed - plant	194,640	66,128	0	260,768	153,439	41,201	0	194,640	153,439	41,265	0	194,704
(c) Reseves cash backed - recreation	3,096	19	0	3,115	3,069	27	0	3,096	3,068	38	0	3,106
(d) Reseves cash backed - employee entitlement	68,134	411	0	68,545	67,535	599	0	68,134	67,534	844	0	68,378
(e) Reseves cash backed - aged persons units	12,782	77	0	12,859	12,670	112	0	12,782	12,670	158	0	12,828
(f) Reseves cash backed - environmental	19,617	118	0	19,735	19,444	173	0	19,617	19,444	118	0	19,562
(g) Reseves cash backed - land development	6,978	35	0	7,013	5,723	1,255	0	6,978	5,724	72	0	5,796
(h) Reseves cash backed - TRC/PO/NAB building	22,218	133	0	22,351	22,023	195	0	22,218	22,023	150	0	22,173
(i) Reseves cash backed - insurance	23,045	139	0	23,184	22,842	203	0	23,045	22,842	285	0	23,127
(j) Reseves cash backed - economic development and marketing	10,323	61	0	10,384	10,232	91	0	10,323	10,232	2	0	10,234
(k) Reseves cash backed - covid-19 emergency	80,710	487	0	81,197	80,000	710	0	80,710	80,000	1,003	0	81,003
	471,844	67,790	0	539,634	427,011	44,833	0	471,844	427,011	44,221	0	471,232

(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) Reseves cash backed - building and land	Ongoing	For acquisition, construction and maintenance buildings and associated land
(b) Reseves cash backed - plant	Ongoing	For purchase of plant and equipment
(c) Reseves cash backed - recreation	Ongoing	For the improvement of sportsgrounds
(d) Reseves cash backed - employee entitlement	Ongoing	To fund annual, sick and long service leave and accrued staff bonuses
(e) Reseves cash backed - aged persons units	Ongoing	For funding of future operating shortfalls of the aged person units in accordance with the Homeswest Joint Arrangement
(f) Reseves cash backed - environmental	Ongoing	For rehabilitation of sites such as gravel pits, refuse and contaminated sites
(g) Reseves cash backed - land development	Ongoing	For the acquisition, subdivision and development of land
(h) Reseves cash backed - TRC/PO/NAB building	Ongoing	For the maintenance of the buildings
(i) Reseves cash backed - insurance	Ongoing	For the settlement of minor property expenses under \$5,000 that would otherwise be insurance claims
(j) Reseves cash backed - economic development and marketing	Ongoing	For economic development and marketing of the Shire of Mingenew
(k) Reseves cash backed - covid-19 emergency	As needed	For emergency relief to impacted staff and the hire or purchase of critical equipment

**9. FEES & CHARGES REVENUE**

	2021/22	2020/21	2020/21
	Amended Budget	Actual	Budget
	\$	\$	\$
General purpose funding	4,010	3,632	3,560
Law, order, public safety	1,150	1,226	1,550
Health	820	801	150
Education and welfare	800	791	400
Housing	116,230	108,685	90,240
Community amenities	77,300	75,059	89,650
Recreation and culture	35,834	25,263	28,260
Economic services	28,645	30,716	18,482
Other property and services	9,000	9,333	7,000
	<b>273,789</b>	<b>255,506</b>	<b>239,292</b>

**10. GRANT REVENUE**

	2021/22	2020/21	2020/21
	Amended Budget	Actual	Budget
	\$	\$	\$
<b>By Program:</b>			
<b>(a) Operating grants, subsidies and contributions</b>			
Governance	0	7	0
General purpose funding	689,000	295,793	1,155,000
Law, order, public safety	275,011	22,139	22,200
Education and welfare	50	45	0
Recreation and culture	0	2,717	0
Transport	86,764	82,163	80,400
Economic services	83,000	0	0
Other property and services	25,000	38,380	48,500
	<b>1,158,825</b>	<b>441,244</b>	<b>1,306,100</b>
<b>(b) Non-operating grants, subsidies and contributions</b>			
Governance	0	14,241	0
Law, order, public safety	450,000	0	0
Education and welfare	127,000	22,167	0
Housing	0	23,278	0
Community amenities	10,000	20,000	0
Recreation and culture	269,692	309,212	0
Transport	9,481,430	2,822,012	2,990,490
Economic services	102,200	36,619	0
Other property and services	20,000	12,285	0
	<b>10,460,322</b>	<b>3,259,814</b>	<b>2,990,490</b>
Total grants, subsidies and contributions	<b>11,619,147</b>	<b>3,701,058</b>	<b>4,296,590</b>

## 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	Accounting standard
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	AASB 15 AASB 1058
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	AASB 15
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	AASB 15
Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled	AASB 1058
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	AASB 1058
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	AASB 1058
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	AASB 1058
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	AASB 15 AASB 1058
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	AASB 1058
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	AASB 15
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	AASB 1058
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	AASB 15
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	AASB 15



## 12. ELECTED MEMBERS REMUNERATION

	2021/22 Amended Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
<b>Elected member Gary Cosgrove</b>			
President's allowance	7,500	7,348	7,600
Meeting attendance fees	4,184	4,138	4,284
Training & development	2,160	235	286
ICT expenses	857	273	540
Travel and accommodation expenses	1,250	527	2,500
	15,951	12,521	15,210
<b>Elected member Robert Newton</b>			
Deputy President's allowance	1,900	1,836	1,900
Meeting attendance fees	4,186	4,138	4,286
Training & development	286		286
ICT expenses	857	273	540
Travel and accommodation expenses			1,250
	7,229	6,247	8,262
<b>Elected member Justin Bagley</b>			
Meeting attendance fees	4,186	4,138	4,286
Training & development	2,160	1,148	286
ICT expenses	857	273	540
Travel and accommodation expenses	1,250		1,250
	8,453	5,559	6,362
<b>Elected member Caroline Farr</b>			
Meeting attendance fees	4,186	4,138	4,286
Training & development	287		286
ICT expenses	857	273	540
Travel and accommodation expenses			1,250
	5,330	4,411	6,362
<b>Elected member Helen Newton</b>			
Meeting attendance fees	4,186	4,138	4,286
Training & development	287		286
ICT expenses	857	273	540
Travel and accommodation expenses			1,250
	5,330	4,411	6,362
<b>Elected member Hellene McTaggart</b>			
Meeting attendance fees	4,186	4,138	4,286
Training & development	2,160		285
ICT expenses	857	273	540
Travel and accommodation expenses	1,250		1,250
	8,453	4,411	6,361
<b>Elected member Anthony Smyth</b>			
Meeting attendance fees	4,186	4,138	4,286
Training & development	2,160	1,148	285
ICT expenses	858	273	540
Travel and accommodation expenses	1,250		1,250
	8,454	5,559	6,361
	59,200	43,119	55,280
President's allowance	7,500	7,348	7,600
Deputy President's allowance	1,900	1,836	1,900
Meeting attendance fees	29,300	28,966	30,000
Training & development	9,500	2,531	2,000
ICT expenses	6,000	1,911	3,780
Travel and accommodation expenses	5,000	527	10,000
	59,200	43,119	55,280

SHIRE OF MINGENEW  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2022  
**13. OTHER INFORMATION**

	2021/22 Amended Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
<b>The net result includes as revenues</b>			
<b>(a) Interest earnings</b>			
Investments			
- Reserve funds	2,831	3,792	4,381
- Other funds	12,000	11,204	15,000
Late payment of fees and charges *	400	54	0
Other interest revenue (refer note 1b)	8,000	7,909	5,000
	23,231	22,959	24,381
* The Shire has resolved to charge interest under section 6.13 for the late payment of any amount of money at .			
<b>(b) Other revenue</b>			
Reimbursements and recoveries	544,294	530,110	531,219
	544,294	530,110	531,219
<b>The net result includes as expenses</b>			
<b>(c) Auditors remuneration</b>			
Audit services	25,563	22,800	25,000
	25,563	22,800	25,000
<b>(d) Interest expenses (finance costs)</b>			
Borrowings (refer Note 6(a))	10,066	8,852	8,286
Interest expense on lease liabilities	1,534	1,724	2,400
	11,600	10,576	10,686
<b>(e) Write offs</b>			
General rate	150	122	3,000
	150	122	3,000

**14. INTERESTS IN JOINT ARRANGEMENTS**

In 1997/98, Council, in conjunction with Homeswest, constructed 3 x 2 bedroom and 1 x 1 bedroom Aged Persons' Units in Mingenew townsite. The terms of the joint agreement 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 with the Housing Authority (previously Homeswest) 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 2020/21 along with all other Council Land and Buildings assets. The amount shown below is 18.58% of the fair value of \$439,000.

The initial term of the agreement is 25 years, expiring on 20 August 2022.

	<b>2021/22 Amended Budget</b>	<b>2020/21 Actual</b>	<b>2020/21 Budget</b>
	\$	\$	\$
<b>Non-current assets</b>			
Plant and equipment	81,566	81,566	87,326
Less: accumulated depreciation	(13,796)	0	(10,933)
	<b>67,770</b>	<b>81,566</b>	<b>76,393</b>

**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.

## 15. 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.