

SHIRE OF MEEKATHARRA
BUDGET
FOR THE YEAR ENDED 30 JUNE 2020

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SHIRE OF MEEKATHARRA'S VISION

A PLACE OF OPPORTUNITIES, A PLACE OF PROSPERITY

**SHIRE OF MEEKATHARRA
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2020**

BY NATURE OR TYPE

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	4,180,542	4,196,811	4,132,142
Operating grants, subsidies and contributions	9	3,947,184	2,253,296	3,702,907
Fees and charges	8	1,343,574	1,234,834	1,326,680
Interest earnings	10(a)	613,061	646,246	636,887
Other revenue	10(b)	319,053	316,580	294,066
		<u>10,403,415</u>	<u>8,647,767</u>	<u>10,092,682</u>
Expenses				
Employee costs		(1,919,034)	(1,398,069)	(1,738,460)
Materials and contracts		(2,967,803)	(2,220,294)	(2,279,465)
Utility charges		(318,800)	(274,170)	(300,174)
Depreciation on non-current assets	5	(6,933,817)	(6,252,697)	(6,314,247)
Insurance expenses		(212,711)	(214,005)	(213,754)
Other expenditure		(284,216)	(185,329)	(269,186)
		<u>(12,636,380)</u>	<u>(10,544,565)</u>	<u>(11,115,286)</u>
Subtotal		<u>(2,232,966)</u>	<u>(1,896,798)</u>	<u>(1,022,604)</u>
Non-operating grants, subsidies and contributions	9	2,469,034	4,014,171	5,239,148
Profit on asset disposals	4(b)	4,490	-	-
Loss on asset disposals	4(b)	(14,201)	(62,554)	(9,190)
		<u>2,459,323</u>	<u>3,951,618</u>	<u>5,229,958</u>
Net result		<u>226,357</u>	<u>2,054,820</u>	<u>4,207,354</u>
Other comprehensive income				
Changes on revaluation of non-current assets		-	-	-
Total other comprehensive income		-	-	-
Total comprehensive income		<u>226,357</u>	<u>2,054,820</u>	<u>4,207,354</u>

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

**SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

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 Meekatharra 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 13 to the budget.

2018/19 ACTUAL BALANCES

Balances shown in this budget as 2018/19 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 2019 the following new accounting policies are to be adopted and have impacted on the preparation of the budget:

- AASB 15 - Revenue from Contracts with Customers;
- AASB 16 - Leases; and
- AASB 1058 - Income of Not-for-Profit Entities.

Explanation of the changes arising from these standards is provided at Note 15.

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 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 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 MEEKATHARRA
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2020**

BY REPORTING PROGRAM

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
Revenue	1, 8, 9, 10(a),(b)	\$	\$	\$
Governance		80	-	-
General purpose funding		8,317,427	6,616,566	8,165,630
Law, order, public safety		12,150	14,864	14,752
Health		6,104	2,906	6,104
Education and welfare		147,614	119,924	122,780
Housing		29,500	31,797	29,500
Community amenities		140,797	130,448	138,745
Recreation and culture		129,126	89,660	129,076
Transport		1,310,468	1,307,236	1,193,908
Economic services		190,249	175,334	187,494
Other property and services		119,900	159,031	104,693
		10,403,415	8,647,767	10,092,682
Expenses excluding finance costs	5,10,(c),(d),(e),(e)			
Governance		(712,260)	(599,227)	(649,787)
General purpose funding		(230,293)	(264,058)	(213,450)
Law, order, public safety		(234,731)	(190,328)	(192,641)
Health		(111,826)	(84,918)	(89,741)
Education and welfare		(813,203)	(558,499)	(738,280)
Housing		(29,500)	(35,389)	(29,500)
Community amenities		(697,396)	(538,215)	(683,657)
Recreation and culture		(1,679,532)	(1,360,715)	(1,574,126)
Transport		(7,302,525)	(6,192,347)	(6,137,004)
Economic services		(590,781)	(459,139)	(608,973)
Other property and services		(234,333)	(261,731)	(198,127)
		(12,636,380)	(10,544,565)	(11,115,286)
Subtotal		(2,232,966)	(1,896,798)	(1,022,604)
Non-operating grants, subsidies and contributions	9	2,469,034	4,014,171	5,239,148
Profit on disposal of assets	4(b)	4,490	-	-
(Loss) on disposal of assets	4(b)	(14,201)	(62,554)	(9,190)
		2,459,323	3,951,618	5,229,958
Net result		226,357	2,054,820	4,207,354
Other comprehensive income				
Changes on revaluation of non-current assets		-	-	-
Total other comprehensive income		-	-	-
Total comprehensive income		226,357	2,054,820	4,207,354

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

**SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

KEY TERMS AND DEFINITIONS

COMMUNITY VISION

**SHIRE OF MEEKATHARRA
A Place of Opportunities, A Place of Prosperity**

Our Shire will be

- ◆ a place that is safe, clean and has an active and respectful community.
 - ◆ a place that is enterprising and progressive.
 - ◆ the regional hub of the Murchison Region.
- ◆ a place that maximises its potential through its historical, tourism and cultural attractions.
 - ◆ a place that nurtures its youth and invests in their future.
 - ◆ a place that retains its unique health and medical services.
- ◆ a place that builds social cohesion and a sense of pride and ownership.

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

PROGRAM NAME

ACTIVITIES

GOVERNANCE

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

Rates, general purpose government grants and interest revenue. Costs associated with raising of rates, collection of debts and other funding activities within this programme.

LAW, ORDER, PUBLIC SAFETY

Supervision of various by-laws, fire prevention, emergency services and animal control. Operation of Council's Ranger services.

HEALTH

Food quality and pest control, monitoring and control of environmental health. Contract operation for health issues within the community.

EDUCATION AND WELFARE

Provision and maintenance of various premises in support of community services including the Community Resource Centre. Financial assistance on a needs arise basis for the community's education and welfare. Provision, maintenance and support for the community youth centre.

HOUSING

Maintenance of staff and rental housing.

COMMUNITY AMENITIES

Rubbish collection services, operation of tip, noise control, administration of the town planning scheme, maintenance of cemeteries, storm water drainage maintenance and operation and maintenance of sewerage schemes.

RECREATION AND CULTURE

Maintenance of halls, swimming pool, recreation centres and various reserves, operation of library, TV and Radio broadcasting.

TRANSPORT

Construction and maintenance of streets, roads, bridges; cleaning and lighting of streets, depot maintenance and airport maintenance.

ECONOMIC SERVICES

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

OTHER PROPERTY AND SERVICES

Private works operations and miscellaneous plant operations, overheads and administration costs initially charged here are reallocated to the relevant function area.

**SHIRE OF MEEKATHARRA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2020**

BY NATURE OR TYPE

NOTE	EST		
	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates	4,180,542	4,417,417	4,182,142
Operating grants, subsidies and contributions	3,947,184	2,926,633	4,402,907
Fees and charges	1,343,574	1,234,834	1,326,680
Interest earnings	613,061	646,246	636,887
Goods and services tax	950,000	1,171,097	950,000
Other revenue	319,053	316,580	294,066
	<u>11,353,415</u>	<u>10,712,807</u>	<u>11,792,682</u>
Payments			
Employee costs	(1,919,034)	(1,398,069)	(1,738,460)
Materials and contracts	(2,967,803)	(2,059,713)	(3,779,465)
Utility charges	(318,800)	(274,170)	(300,174)
Insurance expenses	(212,711)	(214,005)	(213,754)
Goods and services tax	(950,000)	(994,304)	(950,000)
Other expenditure	(284,216)	(185,329)	(269,186)
	<u>(6,652,563)</u>	<u>(5,125,590)</u>	<u>(7,251,039)</u>
Net cash provided by (used in) operating activities	3	<u>4,700,851</u>	<u>4,541,643</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	4(a)	(2,990,433)	(1,935,908)
Payments for construction of infrastructure	4(a)	(6,075,288)	(10,893,341)
Non-operating grants, subsidies and contributions used for the development of assets		2,469,034	5,239,148
Proceeds from sale of plant & equipment	4(b)	39,500	46,000
Net cash provided by (used in) investing activities		<u>(6,557,187)</u>	<u>(7,544,101)</u>
Net increase (decrease) in cash held		(1,856,336)	(3,002,458)
Cash at beginning of year		23,292,114	23,809,327
Cash and cash equivalents at the end of the year	3	<u><u>21,435,779</u></u>	<u><u>20,806,869</u></u>

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

**SHIRE OF MEEKATHARRA
RATES SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2020**

BY REPORTING PROGRAM

	NOTE	2019/20 Budget	2018/19 Actual	2018/19 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2 (b)(i)	3,082,977	4,606,248	3,392,738
		3,082,977	4,606,248	3,392,738
Revenue from operating activities (excluding rates)				
Governance		80	-	-
General purpose funding		4,133,824	2,416,695	4,033,488
Law, order, public safety		12,150	14,864	14,752
Health		6,104	2,906	6,104
Education and welfare		147,614	119,924	122,780
Housing		29,500	31,797	29,500
Community amenities		140,797	130,448	138,745
Recreation and culture		129,126	89,660	129,076
Transport		1,314,958	1,307,236	1,193,908
Economic services		190,249	175,334	187,494
Other property and services		119,900	159,031	104,693
		6,224,302	4,447,895	5,960,540
Expenditure from operating activities				
Governance		(712,260)	(599,227)	(649,787)
General purpose funding		(230,293)	(264,058)	(213,450)
Law, order, public safety		(234,731)	(190,328)	(192,641)
Health		(111,826)	(84,918)	(89,741)
Education and welfare		(813,203)	(558,499)	(738,280)
Housing		(29,500)	(35,389)	(29,500)
Community amenities		(697,396)	(538,215)	(683,657)
Recreation and culture		(1,679,532)	(1,360,715)	(1,574,126)
Transport		(7,316,726)	(6,254,901)	(6,146,195)
Economic services		(590,781)	(459,139)	(608,973)
Other property and services		(234,333)	(261,731)	(198,127)
		(12,650,581)	(10,607,119)	(11,124,476)
Non-cash amounts excluded from operating activities	2 (b)(ii)	6,943,528	6,315,251	6,323,437
Amount attributable to operating activities		3,600,225	4,762,275	4,552,239
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		2,469,034	4,014,171	5,239,148
Purchase property, plant and equipment	4(a)	(2,990,433)	(1,331,497)	(1,935,908)
Purchase and construction of infrastructure		(6,075,288)	(8,280,895)	(10,893,341)
Proceeds from disposal of assets	4(b)	39,500	130,614	46,000
Amount attributable to investing activities		(6,557,187)	(5,467,607)	(7,544,101)
FINANCING ACTIVITIES				
Transfers to cash backed reserves (restricted assets)	7(a)	(1,226,641)	(1,219,771)	(1,140,280)
Transfers from cash backed reserves (restricted assets)	7(a)	-	808,208	-
Amount attributable to financing activities		(1,226,641)	(411,563)	(1,140,280)
Budgeted deficiency before general rates		(4,183,603)	(1,116,894)	(4,132,142)
Estimated amount to be raised from general rates	1	4,183,603	4,199,872	4,132,142
Net current assets at end of financial year - surplus/(deficit)	2 (b)(i)	-	3,082,977	-

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

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2019/20 Budgeted rate revenue	2019/20 Budgeted interim rates	2019/20 Budgeted back rates	2019/20 Budgeted total revenue	2018/19 Actual total revenue	2018/19 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
Differential general rate or general rate									
Gross rental valuations									
GRV	8.8869	313	4,251,128	377,793	1,000	4,000	382,793	378,010	378,168
Unimproved valuations									
UV - Mining	19.6101	729	17,047,352	3,343,003	-	-	3,343,003	3,364,761	3,301,801
UV - Rural / Pastoral	7.4462	43	4,024,287	299,656	-	-	299,656	300,401	300,423
Sub-Totals		1,085	25,322,767	4,020,453	1,000	4,000	4,025,453	4,043,172	3,980,392
Minimum									
Minimum payment									
	\$								
Gross rental valuations									
GRV	400	90	46,429	36,000	-	-	36,000	35,600	35,200
Unimproved valuations									
UV - Mining	350	325	293,932	113,750	-	-	113,750	112,700	109,200
UV - Rural / Pastoral	350	24	24,306	8,400	-	-	8,400	8,400	7,350
Sub-Totals		439	364,667	158,150	-	-	158,150	156,700	151,750
		1,524	25,687,434	4,178,603	1,000	4,000	4,183,603	4,199,872	4,132,142
							-	-	-
Total amount raised from general rates							4,183,603	4,199,872	4,132,142
Specified area rates (Refer note 1(f))							(3,061)	(3,061)	-
Specified area rates (Refer note 1(c))							-	-	-
Total rates							4,180,542	4,196,811	4,132,142

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

The general rates detailed for the 2019/20 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 MEEKATHARRA
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30TH JUNE 2020

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	30/08/2019	-	0.0%	0.0%
Option two				
First Instalment	30/08/2019	15	5.5%	10.0%
Second Instalment	3/11/2019	15	5.5%	10.0%
Third Instalment	7/01/2020	15	5.5%	10.0%
Fourth Instalment	12/03/2020	15	5.5%	10.0%

	2019/20 Budget revenue	2018/19 Actual revenue	2018/19 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	10,000	6,735	10,000
Instalment plan interest earned	12,000	11,329	28,000
Unpaid rates and service charge interest earned	90,000	77,974	115,000
	112,000	96,037	153,000

**SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

1. RATES AND SERVICE CHARGES (CONTINUED)

Objectives and Reasons for Differential Rating

To provide equity in the rating of properties across the Shire of Meekatharra the following rate categories have been determined for the implementation of differential rating.

Differential general rate

Description	Characteristics	Objects	Reasons
GRV	Properties within the townsite boundaries.	The object of the GRV rate is to allow sufficient revenue for Council to operate efficiently and provide a diverse range of services while maintaining consistent revenue for GRV assessments.	The reason for the level of GRV rate is to allow for a fair contribution to the maintenance and provision of town infrastructure and services to a sustainable level.
UV - Rural / Pastoral	Properties within the Shire that are predominately for rural use.	The object of the UV Pastoral rate is to ensure that the proportion of total rate revenue derived from UV Pastoral is comparable with previous years and provides the base rate to assess the other UV rated properties.	<p>The reason for the lower rate for UV Pastoral is to reflect the lower impact on transport infrastructure compared to the UV Mining category. Generally Pastoralists carry out minor road maintenance with their own machinery.</p> <p>Pastoral leases within the Shire of Meekatharra are normally large parcels of land that attract a relatively high valuation. The Pastoral UV rate ensures that every landowner makes a reasonable contribution to the rate burden.</p>
UV - Mining	Properties within the Shire with a mining, exploration or prospecting tenement lease.	The object of the UV Mining rate is to raise the necessary revenue for Council to operate efficiently and provide a diverse range of services.	<p>The reason for setting UV Mining rate at a higher level than UV Pastoral is to ensure a sector of ratepayers that essentially are transitory contribute to the maintenance of the Shire's established assets and services to the extent that the mining operators use them.</p> <p>These include: - Unsealed roads - among the services utilised by ratepayers with tenements is the extensive network of unsealed roads within the Shire. A substantial amount of budgeted capital expenditure is for works on Shire roads.</p> <p>Refuse site - Mining and exploration activities impose a heavy burden on the Shire's refuse site increasing maintenance costs and shortening the life of the landfill site.</p> <p>Resources - Mining removes finite resources from the Shire. Ultimately this will have an impact on the mining industry within the Shire which will in turn impact rate revenue in future years.</p> <p>Shire Administration - Mining, exploration and prospecting activities impose a greater administration service requirement on the Shire (applications, enquiries, tenement changes and revaluations).</p> <p>Furthermore, in general mining operators use established Shire services and infrastructure but contribute very little or no enterprise to the community.</p>

**SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Specified Area Rate

The Shire of Meekatharra does not impose a specified area rate as prescribed under the Local Government Act WA for the year ended 30th June 2020.

(d) Service Charges

The Shire of Meekatharra does not impose a service charge as prescribed under the Local Government Act WA for the year ended 30th June 2020.

(e) Rates discounts

The Shire of Meekatharra does not offer any discounts for the year ended 30th June 2020.

(f) Waivers or concessions

Rate or fee and charge to which the waiver or concession is granted	Type	Concession %	2019/20 Budget	2018/19 Actual	2018/19 Budget	Circumstances in which the waiver or concession is granted
			\$	\$	\$	
A185 - 22 MCCLEARY STREET	Concession	80%	636	636		Council provides an 80% concessional arrangement to Murchison Region Aboriginal Corporation due to an application for rates exemption under section 6.26 of the Act.
A187 - 31 MCCLEARY STREET	Concession	80%	1,227	1,227		
A223 - 84 DARLOT STREET	Concession	80%	621	621	-	
A442 - 2 TRENFIELD COURT	Concession	80%	577	577	-	
			3,061	3,061	-	

SHIRE OF MEEKATHARRA
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30TH JUNE 2020

2 (a). NET CURRENT ASSETS

		2019/20	2019/20	2018/19	2018/19
	Note	Budget	Budget	Estimated	Budget
		30 June 2020	01 July 2019	Actual	30 June 2019
		\$	\$	\$	\$
Composition of estimated net current assets					
Current assets					
Cash - Unrestricted	3	165,975	3,248,951	3,248,951	188,221
Cash - Restricted	3	21,269,804	20,043,163	20,043,163	20,618,648
Unspent grants and contributions not held in reserve		-	-	-	-
Receivables		1,130,740	1,130,740	1,130,740	871,490
Inventories		58,314	58,314	58,314	52,539
		22,624,832	24,481,168	24,481,168	21,730,898
Less: current liabilities					
Trade and other payables		(1,254,809)	(1,254,809)	(1,254,809)	(1,112,250)
Other Payables		(100,219)	(100,219)	(100,219)	-
Provisions		(385,960)	(385,960)	(385,960)	(339,540)
		(1,740,989)	(1,740,989)	(1,740,989)	(1,451,790)
Net current assets		20,883,844	22,740,179	22,740,179	20,279,108

2 (b). NET CURRENT ASSETS (CONTINUED)

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

Operating activities excluded from 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*

	Note	2019/20 Budget 30 June 2020	2019/20 Budget 01 July 2019	2018/19 Estimated Actual 30 June 2019	2018/19 Budget 30 June 2019
		\$	\$	\$	\$
(i) Current assets and liabilities excluded from budgeted deficiency					
Net current assets	2	20,883,844	22,740,179	22,740,179	20,279,108
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	(21,269,804)	(20,043,163)	(20,043,163)	(20,618,648)
Add: Current liabilities not expected to be cleared at end of year - Employee benefit provisions		385,960	385,960	385,960	339,540
Adjusted net current assets - surplus/(deficit)		-	3,082,977	3,082,977	-
(ii) 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					
Less: Profit on asset disposals	4b	(4,490)	-	-	-
Add: Loss on disposal of assets	4b	14,201	62,554	62,554	9,190
Add: Depreciation on assets	5	6,933,817	6,252,697	6,252,697	6,314,247
Non cash amounts excluded from operating activities		6,943,528	6,315,251	6,315,251	6,323,437

2 (c). 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 of Meekatharra's operational cycle. In the case of liabilities where the Shire of Meekatharra 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 of Meekatharra's intentions to release for sale.

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Shire of Meekatharra prior to the end of the financial year that are unpaid and arise when the Shire of Meekatharra 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 of Meekatharra 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 Meekatharra contributes to a number of superannuation funds on behalf of employees.

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

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.

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 of Meekatharra are recognised as a liability until such time as the Shire of Meekatharra satisfies its obligations under the agreement.

EMPLOYEE BENEFITS

Short-term employee benefits

Provision is made for the Shire of Meekatharra'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 Meekatharra'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 Meekatharra'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.

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020

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:

	2019/20	2018/19	2018/19
	Budget	Actual	Budget
	\$	\$	\$
Cash - unrestricted	165,975	3,248,951	188,221
Cash - restricted	21,269,804	20,043,163	20,618,648
	<u>21,435,779</u>	<u>23,292,114</u>	<u>20,806,869</u>

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

Plant Reserve	2,604,863	2,542,566	3,186,761
Building Reserve	1,438,338	1,403,941	1,399,569
Shire Water Reserve	319,784	312,137	311,165
Airport Runway Reserve	2,917,070	2,847,311	2,838,445
Airport Reserve	944,934	922,337	919,465
Transport Reserve	952,675	929,893	926,998
Infrastructure & Development Reserve	1,008,348	984,234	981,170
Leave Reserve	394,626	385,189	383,990
Reseals & Rejuvenation Reserve	4,584,382	4,006,542	3,995,225
Interpretive Centre Reserve	1,874,448	1,829,622	1,823,925
Roads -Second / Final Seals Reserve	1,729,268	1,687,914	1,682,658
Lloyd'S Revitalisation Reserve	1,557,540	1,319,317	1,316,011
Industrial Park Reserve	842,303	822,160	803,267
Swimming Pool Reserve	101,225	50,000	50,000
	<u>21,269,804</u>	<u>20,043,163</u>	<u>20,618,648</u>

Reconciliation of net cash provided by operating activities to net result

Net result	226,357	2,054,820	4,207,354
Depreciation	6,933,817	6,252,697	6,314,247
(Profit)/loss on sale of asset	9,711	62,554	9,190
(Increase)/decrease in receivables	-	1,127,598	750,000
(Increase)/decrease in inventories	-	38,556	-
Increase/(decrease) in payables	-	65,163	(1,500,000)
Grants/contributions for the development of assets	(2,469,034)	(4,014,171)	(5,239,148)
Net cash from operating activities	<u>4,700,851</u>	<u>5,587,216</u>	<u>4,541,643</u>

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 (if any) are shown as short term borrowings in current liabilities in Note 2 - Net Current Assets.

SHIRE OF MEEKATHARRA
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30TH JUNE 2020

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program							2019/20 Budget total	2018/19 Actual total	2018/19 Budget total	
	Law, order, public safety	Education & welfare	Housing	Community amenities	Recreation and culture	Transport	Economic services				Other property and services
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<i>Property, Plant and Equipment</i>											
Land And Buildings	-	5,216	172,425	-	2,292,792	3,000	-	100,000	2,573,433	350,939	1,525,108
Buildings - specialised	-	-	-	-	-	-	-	-	-	-	-
Furniture and equipment	-	-	-	-	28,000	-	-	35,000	63,000	6,500	16,800
Plant and equipment	-	-	-	-	-	354,000	-	-	354,000	974,057	394,000
	-	5,216	172,425	-	2,320,792	357,000	-	135,000	2,990,433	1,331,497	1,935,908
<i>Infrastructure</i>											
Roads Infrastructure	-	-	-	-	-	4,994,918	-	-	4,994,918	7,654,779	9,239,598
Airport Infrastructure	-	-	-	-	-	58,667	-	-	58,667	23,636	26,000
Other Infrastructure	55,000	-	-	564,000	75,000	20,000	307,703	-	1,021,703	579,796	1,617,743
	55,000	-	-	564,000	75,000	5,073,585	307,703	-	6,075,288	8,280,895	10,893,341
Total acquisitions	55,000	5,216	172,425	564,000	2,395,792	5,430,585	307,703	135,000	9,065,721	9,612,392	12,829,249

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

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020

4. FIXED ASSETS (CONTINUED)

(b) Disposals of Assets

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

	2019/20 Budget Net Book Value	2019/20 Budget Sale Proceeds	2019/20 Budget Profit	2019/20 Budget Loss	2018/19 Actual Net Book Value	2018/19 Actual Sale Proceeds	2018/19 Actual Profit	2018/19 Actual Loss	2018/19 Budget Net Book Value	2018/19 Budget Sale Proceeds	2018/19 Budget Profit	2018/19 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Transport	49,211	39,500	4,490	(14,201)	193,167	130,614	-	(62,554)	55,190	46,000	-	(9,190)
	49,211	39,500	4,490	(14,201)	193,167	130,614	-	(62,554)	55,190	46,000	-	(9,190)
By Class												
<i>Property, Plant and Equipment</i>												
Plant and equipment	49,211	39,500	4,490	(14,201)	193,167	130,614	-	(62,554)	55,190	46,000	-	(9,190)
	49,211	39,500	4,490	(14,201)	193,167	130,614	-	(62,554)	55,190	46,000	-	(9,190)

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

**SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

5. ASSET DEPRECIATION

By Program

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

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
	142	116	788
	14,867	13,411	15,048
	99,468	89,514	88,805
	217,013	195,779	184,778
	22,658	20,438	16,983
	567,371	511,841	524,888
	4,930,873	4,447,786	4,199,244
	118,012	106,450	149,391
	963,413	867,362	1,134,322
	6,933,817	6,252,697	6,314,247

By Class

Land and Buildings
Furniture and equipment
Plant and equipment
Infrastructure - Roads
Infrastructure - Footpaths
Infrastructure - Airport
Infrastructure - Other

	793,979	715,985	720,444
	39,574	35,687	41,544
	873,849	788,009	1,056,776
	4,339,937	3,913,618	3,802,667
	15,390	13,878	12,571
	450,467	406,217	242,689
	420,621	379,303	437,556
	6,933,817	6,252,697	6,314,247

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.

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

Land and Buildings	25 - 40 years
Furniture and equipment	1 to 20 years
Plant and equipment	1 to 20 years
Infrastructure - Roads	50 years
Infrastructure - Drainage	40 to 100 years
Infrastructure - Footpaths	20 years
Infrastructure - Airport	20 years
Infrastructure - Other	10 to 20 years

DEPRECIATION (CONTINUED)

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

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

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.

**SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2019**

6. INFORMATION ON BORROWINGS

The Shire of Meekatharra has not budgeted to have any borrowings for the year ended 30th June 2020 and did not have or budget to have any borrowings for the year ended 30th June 2019

(a) New borrowings - 2019/20

The Shire of Meekatharra does not intend to undertake any new borrowings for the year ended 30th June 2020

(b) Unspent borrowings

The Shire of Meekatharra had no unspent borrowing funds as at 30th June 2019 nor is it expected to have unspent borrowing funds as at 30th June 2020.

(c) Credit Facilities

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit	1,000,000	1,000,000	1,000,000
Bank overdraft at balance date	-	-	-
Credit card limit	5,000	5,000	5,000
Total amount of credit unused	1,005,000	1,005,000	1,005,000

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 MEEKATHARRA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2019/20 Budget Opening Balance	2019/20 Budget Transfer to	2019/20 Budget Transfer (from)	2019/20 Budget Closing Balance	2018/19 Actual Opening Balance	2018/19 Actual Transfer to	2018/19 Actual Transfer (from)	2018/19 Actual Closing Balance	2018/19 Budget Opening Balance	2018/19 Budget Transfer to	2018/19 Budget Transfer (from)	2018/19 Budget Closing Balance
Plant Reserve	\$ 2,542,566	\$ 62,297	\$ -	\$ 2,604,863	\$ 3,110,553	\$ 86,013	\$ (654,000)	\$ 2,542,566	\$ 3,110,553	\$ 76,209	\$ -	\$ 3,186,761
Building Reserve	1,403,941	34,397	-	1,438,338	1,366,100	37,841	-	1,403,941	1,366,100	33,469	-	1,399,569
Shire Water Reserve	312,137	7,647	-	319,784	303,724	8,413	-	312,137	303,724	7,441	-	311,165
Airport Runway Reserve	2,847,311	69,759	-	2,917,070	2,770,566	76,745	-	2,847,311	2,770,566	67,879	-	2,838,445
Airport Reserve	922,337	22,597	-	944,934	897,477	24,860	-	922,337	897,477	21,988	-	919,465
Transport Reserve	929,893	22,782	-	952,675	904,830	25,063	-	929,893	904,830	22,168	-	926,998
Infrastructure & Development Reserve	984,234	24,114	-	1,008,348	957,706	26,528	-	984,234	957,706	23,464	-	981,170
Leave Reserve	385,189	9,437	-	394,626	374,807	10,382	-	385,189	374,807	9,183	-	383,990
Reseals & Rejuvenation Reserve	4,006,542	577,840	-	4,584,382	3,536,578	469,964	-	4,006,542	3,536,578	458,646	-	3,995,225
Interpretive Centre Reserve	1,829,622	44,826	-	1,874,448	1,780,308	49,314	-	1,829,622	1,780,308	43,618	-	1,823,925
Roads -Second / Final Seals Reserve	1,687,914	41,354	-	1,729,268	1,642,419	45,495	-	1,687,914	1,642,419	40,239	-	1,682,658
Lloyd'S Revitalisation Reserve	1,319,317	238,223	-	1,557,540	1,033,302	286,015	-	1,319,317	1,033,302	282,709	-	1,316,011
Industrial Park Reserve	822,160	20,143	-	842,303	800,000	22,160	-	822,160	800,000	3,267	-	803,267
Unspent Grants Reserve	-	-	-	-	153,232	976	(154,208)	-	-	-	-	-
Swimming Pool Reserve	50,000	51,225	-	101,225	-	50,000	-	50,000	-	50,000	-	50,000
	20,043,163	1,226,641	-	21,269,804	19,631,600	1,219,771	(808,208)	20,043,163	19,478,368	1,140,280	-	20,618,648

(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
Plant Reserve	Ongoing	- To be used for the acquisition of major plant on an ongoing basis.
Building Reserve	Ongoing	- To be used for the future building requirements for Council purposes.
Shire Water Reserve	Ongoing	- To be used for capital water requirements of parks and gardens administered by the Shire.
Airport Runway Reserve	Ongoing	- To be used to fund the future construction requirements of the airport runway.
Airport Reserve	Ongoing	- To be used to fund the capital improvements of the airport infrastructure.
Transport Reserve	Ongoing	- To be used to fund the expansion of the road network that cannot be met by operating income.
Infrastructure & Development Reserve	Ongoing	- To be used to development existing town infrastructure of a commercial or non commercial nature and fund projects deemed by Council to provide a necessary long term employment or economic benefit to the community.
Leave Reserve	Ongoing	- To used to fund annual and long service leave requirements.
Reseals & Rejuvenation Reserve	Ongoing	- To be used to fund reseals and rejuvenation of sealed roads.
Interpretive Centre Reserve	Ongoing	- To be used to acquire and refurbish the Interpretive Centre.
Roads -Second / Final Seals Reserve	Ongoing	- To be used to fund final seals to roads that have previously been primer sealed.
Lloyd'S Revitalisation Reserve	Ongoing	- To be used to fund the renovations and building works as per Meeka Revitalisation plan at Lloyd's building.
Industrial Park Reserve	Ongoing	- To be used to fund the development of a new industrial park within the Shire.
Unspent Grants Reserve	Ongoing	- To be used to hold unspent tied grant funding.
Swimming Pool Reserve	Ongoing	- To be used to fund retiling the swimming pool basins.

**SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

8. FEES & CHARGES REVENUE

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
General purpose funding	15,100	11,212	15,100
Law, order, public safety	4,000	1,744	4,000
Health	5,831	2,708	5,831
Housing	25,000	26,781	25,000
Community amenities	139,797	128,704	137,745
Recreation and culture	45,626	28,233	45,576
Transport	953,571	907,583	953,034
Economic services	141,249	116,706	138,494
Other property and services	13,400	11,162	1,900
	1,343,574	1,234,834	1,326,680

9. GRANT REVENUE

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

By Program:

Operating grants, subsidies and contributions

General purpose funding	3,505,724	1,757,554	3,378,501
Law, order, public safety	8,150	9,840	10,752
Education and welfare	121,814	110,877	118,180
Recreation and culture	20,000	-	20,000
Transport	285,497	285,430	169,474
Economic services	6,000	-	6,000
	3,947,184	2,163,701	3,702,907

Non-operating grants, subsidies and contributions

Recreation and culture	1,200,000	25,875	228,750
Transport	1,269,034	3,988,296	5,010,398
	2,469,034	4,014,171	5,239,148

SHIRE OF MEEKATHARRA
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30TH JUNE 2020

10. OTHER INFORMATION

	2019/20 Budget	2018/19 Actual	2018/19 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	491,061	540,347	460,887
- Other funds	20,000	16,596	33,000
Other interest revenue (refer note 1b)	102,000	89,302	143,000
	613,061	646,246	636,887
(b) Other revenue			
Reimbursements and recoveries	319,053	316,580	202,293
Other	-	-	91,773
	319,053	316,580	294,066
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	33,000	14,771	25,000
	33,000	14,771	25,000
Interest expense on lease liabilities	-	-	-
(d) Elected members remuneration			
Meeting fees	43,200	29,800	45,600
Mayor/President's allowance	20,000	13,500	20,000
Deputy Mayor/President's allowance	5,000	3,375	5,000
Travelling expenses	16,109	3,753	5,108
	84,309	50,428	75,708

**SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

11. MAJOR LAND TRANSACTIONS AND TRADING UNDERTAKINGS

It is not anticipated the Shire of Meekatharra will be party to any Major Land Transactions or Trading Undertakings during 2019/20.

12. INTERESTS IN JOINT ARRANGEMENTS

The Shire of Meekatharra has no interest in any joint venture arrangements during 2019/20.

**SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

13. TRUST FUNDS

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

Detail	Balance 1 July 2019	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2020
	\$	\$	\$	\$
Unclaimed Monies	28,220	-	-	28,220
Library Membership Deposits	64	50	(50)	64
Building Industry Training Levy	96	500	(596)	-
Builders Registration Boards	44	1,000	(1,044)	-
Miscellaneous Deposits	4,048	2,500	(5,000)	1,548
Sale of Housing	60,577	-	-	60,577
	93,049	4,050	(6,690)	90,409

**SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2020**

**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.

REVENUE RECOGNITION

Accounting Policies for the recognition of income and revenue from contracts with customers will be adopted from 1 July 2019. These may impact revenue treatment requiring adjustments in the 2019/2020 financial year.