

SHIRE OF MEEKATHARRA
BUDGET
FOR THE YEAR ENDED 30 JUNE 2022

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

A PLACE OF OPPORTUNITES, A PLACE OF PROSPERITY

SHIRE OF MEEKATHARRA
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	4,752,175	4,684,438	4,299,507
Operating grants, subsidies and contributions	9(a)	2,125,021	4,136,521	2,070,499
Fees and charges	8	1,305,450	1,569,775	1,384,241
Interest earnings	11(a)	132,803	296,829	267,044
Other revenue	11(b)	344,521	366,990	321,055
		8,659,970	11,054,553	8,342,346
Expenses				
Employee costs		(2,036,571)	(1,478,384)	(1,759,393)
Materials and contracts		(3,452,325)	(2,190,481)	(3,005,454)
Utility charges		(379,411)	(308,717)	(451,842)
Depreciation on non-current assets	5	(7,532,730)	(7,532,376)	(7,160,158)
Insurance expenses		(227,158)	(226,687)	(216,311)
Other expenditure		(282,671)	(288,771)	(288,444)
		(13,910,866)	(12,025,416)	(12,881,602)
Subtotal		(5,250,896)	(970,863)	(4,539,256)
Non-operating grants, subsidies and contributions	9(b)	13,654,391	7,645,400	19,122,815
Profit on asset disposals	4(b)	10,884	0	0
Loss on asset disposals	4(b)	(112,315)	0	(89,338)
		13,552,960	7,645,400	19,033,477
Net result		8,302,064	6,674,537	14,494,221
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		8,302,064	6,674,537	14,494,221

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

SHIRE OF MEEKATHARRA 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 City 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 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 14 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 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 MEEKATHARRA
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
Revenue	1,8,9(a),11(a),11(b)	\$	\$	\$
Governance		80	0	80
General purpose funding		6,492,379	8,726,357	6,179,127
Law, order, public safety		16,220	20,895	14,345
Health		6,104	2,880	6,104
Education and welfare		151,110	119,304	149,614
Housing		29,500	49,259	29,500
Community amenities		144,426	118,427	140,797
Recreation and culture		217,710	160,495	186,526
Transport		1,377,420	1,647,643	1,348,789
Economic services		101,120	45,968	153,562
Other property and services		123,901	163,325	133,902
		8,659,970	11,054,553	8,342,346
Expenses excluding finance costs	4(a),5,11(c),(d),(e)			
Governance		(731,275)	(550,482)	(721,006)
General purpose funding		(233,176)	(217,776)	(229,167)
Law, order, public safety		(203,537)	(151,473)	(225,814)
Health		(152,473)	(123,981)	(128,480)
Education and welfare		(812,655)	(630,819)	(828,190)
Housing		(29,500)	(46,930)	(29,500)
Community amenities		(702,681)	(442,248)	(673,115)
Recreation and culture		(1,747,844)	(1,412,976)	(1,814,214)
Transport		(8,442,622)	(7,749,131)	(7,378,209)
Economic services		(617,129)	(462,547)	(614,336)
Other property and services		(237,975)	(237,053)	(239,571)
		(13,910,866)	(12,025,416)	(12,881,602)
Subtotal		(5,250,896)	(970,863)	(4,539,256)
Non-operating grants, subsidies and contributions	9(b)	13,654,391	7,645,400	19,122,815
Profit on disposal of assets	4(b)	10,884	0	0
(Loss) on disposal of assets	4(b)	(112,315)	0	(89,338)
		13,552,960	7,645,400	19,033,477
Net result		8,302,064	6,674,537	14,494,221
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		8,302,064	6,674,537	14,494,221

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

**SHIRE OF MEEKATHARRA
FOR THE YEAR ENDED 30 JUNE 2022**

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

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 30 JUNE 2022

NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates	5,447,175	5,258,699	4,299,507
Operating grants, subsidies and contributions	2,125,021	4,317,798	2,070,499
Fees and charges	1,305,450	1,569,775	1,384,241
Interest earnings	115,706	296,829	267,044
Goods and services tax	906,163	627,206	950,000
Other revenue	344,521	366,990	321,055
	10,244,036	12,437,297	9,292,346
Payments			
Employee costs	(1,736,571)	(1,474,566)	(1,759,393)
Materials and contracts	(3,562,325)	(1,792,932)	(3,005,454)
Utility charges	(379,411)	(308,717)	(451,842)
Insurance expenses	(227,158)	(226,687)	(216,311)
Goods and services tax	(800,000)	(575,000)	(950,000)
Other expenditure	(282,671)	(288,771)	(288,444)
	(6,988,136)	(4,666,673)	(6,671,444)
Net cash provided by (used in) operating activities	3	3,255,900	2,620,902
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	4(a)	(4,236,805)	(819,673)
Payments for construction of infrastructure	4(a)	(20,503,394)	(11,031,034)
Non-operating grants, subsidies and contributions		13,654,391	7,645,400
Proceeds from sale of plant and equipment	4(b)	882,800	0
		221,000	
Net cash provided by (used in) investing activities		(10,203,008)	(4,205,307)
Net increase (decrease) in cash held		(6,947,108)	(5,774,103)
Cash at beginning of year		29,983,077	26,417,760
Cash and cash equivalents at the end of the year	3	23,035,969	21,587,844

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

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

NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
OPERATING ACTIVITIES			
Net current assets at start of financial year - surplus/(deficit)	9,430,864	6,860,278	5,792,283
	9,430,864	6,860,278	5,792,283
Revenue from operating activities (excluding general rates)			
Operating grants, subsidies and contributions	9(a) 2,125,021	4,136,521	2,070,499
Fees and charges	8 1,305,450	1,569,775	1,384,241
Interest earnings	11(a) 132,803	296,829	267,044
Other revenue	11(b) 344,521	366,990	317,994
Profit on asset disposals	4(b) 10,884	0	0
	3,918,679	6,370,115	4,039,778
Expenditure from operating activities			
Employee costs	(2,036,571)	(1,478,384)	(1,759,393)
Materials and contracts	(3,452,325)	(2,190,481)	(3,005,454)
Utility charges	(379,411)	(308,717)	(451,842)
Depreciation on non-current assets	5 (7,532,730)	(7,532,376)	(7,160,158)
Insurance expenses	(227,158)	(226,687)	(216,311)
Other expenditure	(282,671)	(288,771)	(288,444)
Loss on asset disposals	4(b) (112,315)	0	(89,338)
	(14,023,181)	(12,025,416)	(12,970,940)
Operating activities excluded from budgeted deficiency			
Non-cash amounts excluded from operating activities	2 (a)(i) 7,634,161	7,532,376	7,249,496
Amount attributable to operating activities	6,960,523	8,737,353	4,110,617
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions	9(b) 13,654,391	7,645,400	19,122,815
Purchase investment property	4(a) 0	0	0
Purchase property, plant and equipment	4(a) (4,236,805)	(819,673)	(2,498,282)
Purchase and construction of infrastructure	4(a) (20,503,394)	(10,725,807)	(25,240,537)
Purchase of right of use assets	4(a) 0	0	0
Proceeds from disposal of assets	4(b) 882,800	0	221,000
Amount attributable to investing activities	(10,203,008)	(3,900,080)	(8,395,004)
FINANCING ACTIVITIES			
Transfers to cash backed reserves (restricted assets)	7(a) (1,959,690)	(1,190,847)	(918,180)
Transfers from cash backed reserves (restricted assets)	7(a) 450,000	1,100,000	900,000
Amount attributable to financing activities	(1,509,690)	(90,847)	(18,180)
Budgeted deficiency before general rates	(4,752,175)	4,746,426	(4,302,568)
Estimated amount to be raised from general rates	1 (a) 4,752,175	4,684,438	4,302,568
Net current assets at end of financial year - surplus/(deficit)	2 (a)(ii) 0	9,430,864	0

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

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

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)		9,430,864	6,860,278	5,792,283
Revenue from operating activities (excluding rates)		9,430,864	6,860,278	5,792,283
Governance		80	0	80
General purpose funding		1,740,204	4,041,919	1,876,559
Law, order, public safety		16,220	20,895	14,345
Health		6,104	2,880	6,104
Education and welfare		151,110	119,304	149,614
Housing		29,500	49,259	29,500
Community amenities		144,426	118,427	140,797
Recreation and culture		217,854	160,495	186,526
Transport		1,387,401	1,647,643	1,348,789
Economic services		101,120	45,968	153,562
Other property and services		124,660	163,325	133,902
		3,918,679	6,370,115	4,039,778
Expenditure from operating activities				
Governance		(731,275)	(550,482)	(721,006)
General purpose funding		(233,176)	(217,776)	(229,167)
Law, order, public safety		(203,537)	(151,473)	(225,814)
Health		(152,473)	(123,981)	(128,480)
Education and welfare		(826,523)	(630,819)	(843,390)
Housing		(29,500)	(46,930)	(29,500)
Community amenities		(702,681)	(442,248)	(673,115)
Recreation and culture		(1,765,344)	(1,412,976)	(1,814,214)
Transport		(8,523,214)	(7,749,131)	(7,452,347)
Economic services		(617,129)	(462,547)	(614,336)
Other property and services		(238,330)	(237,053)	(239,571)
		(14,023,181)	(12,025,416)	(12,970,940)
Non-cash amounts excluded from operating activities	2 (a)(i)	7,634,161	7,532,376	7,249,496
Amount attributable to operating activities		6,960,523	8,737,353	4,110,617
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	9(b)	13,654,391	7,645,400	19,122,815
Purchase property, plant and equipment	4(a)	(4,236,805)	(819,673)	(2,498,282)
Purchase and construction of infrastructure	4(a)	(20,503,394)	(10,725,807)	(25,240,537)
Proceeds from disposal of assets	4(b)	882,800	0	221,000
Amount attributable to investing activities		(10,203,008)	(3,900,080)	(8,395,004)
FINANCING ACTIVITIES				
Transfers to cash backed reserves (restricted assets)	7(a)	(1,959,690)	(1,190,847)	(918,180)
Transfers from cash backed reserves (restricted assets)	7(a)	450,000	1,100,000	900,000
Amount attributable to financing activities		(1,509,690)	(90,847)	(18,180)
Budgeted deficiency before general rates		(4,752,175)	4,746,426	(4,302,568)
Estimated amount to be raised from general rates	1(a)	4,752,175	4,684,438	4,302,568
Net current assets at end of financial year - surplus/(deficit)	2 (a)(ii)	0	9,430,864	0

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

SHIRE OF MEEKATHARRA
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FOR THE YEAR ENDED 30 JUNE 2022

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

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2021/22 Budgeted rate revenue	2021/22 Budgeted interim rates	2021/22 Budgeted back rates	2021/22 Budgeted total revenue	2020/21 Actual total revenue	2020/21 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
Differential general rate or general rate									
Gross rental valuations									
Gross Rental Value	0.088869	312	3,851,440	342,274	1,000	4,000	347,274	332,552	382,793
Unimproved valuations									
Unimproved Value - Mining	0.196101	835	20,521,762	4,024,338	-	-	4,024,338	3,878,542	3,474,714
Unimproved Value - Rural / Pastoral	0.074462	44	3,892,438	289,839	-	(44,576)	245,263	334,416	292,210
Sub-Totals		1,191	28,265,640	4,656,451	1,000	(40,576)	4,616,875	4,545,510	4,149,718
Minimum									
Minimum payment									
	\$								
Gross rental valuations									
Gross Rental Value	400	87	46,156	34,800			34,800	35,600	35,600
Unimproved valuations									
Unimproved Value - Mining	350	299	279,966	104,650			104,650	107,450	108,850
Unimproved Value - Rural / Pastoral	350	23	19,831	8,050			8,050	8,050	8,400
Sub-Totals		409	345,953	147,500	-	-	147,500	151,100	152,850
		1,600	28,611,593	4,803,951	1,000	(40,576)	4,764,375	4,696,610	4,302,568
Concessions (Refer note 1(f))							(12,200)	(12,172)	(3,061)
Total amount raised from general rates							4,752,175	4,684,438	4,299,507
Total amount raised from other rates							-	-	-

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

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	25/08/2021	-	0.0%	7.0%
Option two				
Instalment 1	25/08/2021	15	3.0%	7.0%
Instalment 2	29/10/2021	15	3.0%	7.0%
Instalment 3	3/01/2022	15	3.0%	7.0%
Instalment 4	9/03/2022	15	3.0%	7.0%

	2021/22 Budget revenue	2020/21 Actual revenue	2020/21 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	10,300	7,380	10,000
Instalment plan interest earned	5,523	6,313	6,545
Unpaid rates and service charge interest earned	73,017	73,631	80,000
	88,840	87,323	96,545

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Objectives and Reasons for Differential Rating

To provide equity in the rating of properties across the Shire 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> <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>
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>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 30 JUNE 2022

1. RATES AND SERVICE CHARGES (CONTINUED)

(d) Specified Area Rate

The Shire did not raise specified area rates for the year ended 30 June 2022.

(e) Service Charges

The Shire did not raise service charges for the year ended 30 June 2022.

(f) Waivers or concessions

Rate or fee and charge to which the waiver or concession is granted	Type	Discount %	Discount (\$)	2021/22 Budget	2020/21 Actual	2020/21 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
				\$	\$	\$		
To be determined by Council.	Concession			12,200	0		Council may provide concessions to Ratepayers. Applications are assessed on an individual basis.	
A185 - 22 McCleary Street	Concession	80%		-	636	636		
A187 - 31 McCleary Street	Concession	80%		-	1,227	1,227		
A223 - 84 Darlot Street	Concession	80%		-	621	621	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.	
A442 - 2 Trenfield Court	Concession	80%		-	577	577		
A7164	Concession	100%		-	841	-		
A7165	Concession	100%		-	813	-		
A7180	Concession	100%		-	841	-		
A7611	Concession	100%		-	813	-	Council provided an 100% concession to the Yugunya-Nya Community for FY21 following negotiations at SAT during the year for rate exemption.	
A7614	Concession	100%		-	841	-		
A7615	Concession	100%		-	813	-		
A7958	Concession	100%		-	4,149	-		
				12,200	12,172	3,061		

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

2 (a). NET CURRENT ASSETS

Items excluded from calculation of budgeted deficiency

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

(i) Operating activities excluded from budgeted deficiency

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

Adjustments to operating activities

Less: Profit on asset disposals

Note	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
	\$	\$	\$
4(b)	(10,884)	0	0
4(b)	112,315	0	89,338
5	7,532,730	7,532,376	7,160,158
	7,634,161	7,532,376	7,249,496

Add: Loss on disposal of assets

Add: Depreciation on assets

Non cash amounts excluded from operating activities

(ii) Composition of estimated net current assets

Current assets

Cash and cash equivalents- unrestricted

Cash and cash equivalents - restricted

Cash backed reserves

Receivables

Inventories

Less: current liabilities

Trade and other payables

Provisions

Net current assets

Adjustments to net current assets

Less: Cash - restricted reserves

Add: Current liabilities not expected to be cleared at end of year

- Employee benefit provisions

Total adjustments to net current assets

Closing funding surplus / (deficit)

Note	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
	\$	\$	\$
4(b)	(10,884)	0	0
4(b)	112,315	0	89,338
5	7,532,730	7,532,376	7,160,158
	7,634,161	7,532,376	7,249,496
	\$	\$	\$
3	155,083	8,611,881	289,317
3	22,880,886	21,371,196	21,298,527
	98,505	882,571	1,381,962
	31,361	71,361	79,138
	23,165,835	30,937,009	23,048,944
	(284,949)	(134,949)	(1,049,029)
	(354,286)	(354,286)	(350,694)
	(639,235)	(489,235)	(1,399,723)
	22,526,600	30,447,774	21,649,221
3	(22,880,886)	(21,371,196)	(21,298,527)
	354,286	354,286	(350,694)
	(22,526,600)	(21,016,910)	(21,649,221)
	0	9,430,864	0

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

2 (b). NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

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

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire of 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 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.

LEASE LIABILITIES

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

TRADE AND OTHER RECEIVABLES

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

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

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

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.

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 30 JUNE 2022

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 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Cash at bank and on hand	23,035,969	29,983,077	21,587,844
	23,035,969	29,983,077	21,587,844
- Unrestricted cash and cash equivalents	155,083	8,611,881	289,317
- Restricted cash and cash equivalents	22,880,886	21,371,196	21,298,527
	23,035,969	29,983,077	21,587,844
The following restrictions have been imposed by regulation or other externally imposed requirements on cash and cash equivalents:			
Leave Reserve	427,585	426,622	397,449
Plant Reserve	2,666,380	2,660,372	2,655,632
Building Reserve	2,254,488	1,451,211	1,448,625
Shire Water Reserve	323,376	322,647	322,072
Airport Runway Reserve	3,201,573	2,943,179	2,937,934
Airport Reserve	955,546	953,393	951,693
Transport Reserve	61,341	61,203	59,490
Infrastructure & Development Reserve	819,220	817,374	1,015,560
Reseals & Rejuvenation Reserve	5,676,809	5,105,599	5,097,355
Interpretive Centre Reserve	1,895,497	1,891,226	1,887,855
Roads -Second / Final Seals Reserve	1,748,686	1,744,746	1,741,636
Lloyd'S Revitalisation Reserve	1,781,612	1,777,598	1,568,896
Industrial Park Reserve	851,761	849,842	848,328
Swimming Pool Reserve	2,529	152,184	152,002
Covid-19 Emergency Response/Cashflow supplement	214,483	214,000	214,000
	22,880,886	21,371,196	21,298,527
Reconciliation of net cash provided by operating activities to net result			
Net result	8,302,064	6,674,537	14,494,221
Depreciation	5 7,532,730	7,532,376	7,160,158
(Profit)/loss on sale of asset	4(b) 101,431	0	89,338
(Increase)/decrease in receivables	784,066	807,744	0
(Increase)/decrease in inventories	40,000	27,189	0
Increase/(decrease) in payables	150,000	374,178	0
Non-operating grants, subsidies and contributions	(13,654,391)	(7,645,400)	(19,122,815)
Net cash from operating activities	3,255,900	7,770,624	2,620,902

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 MEEKATHARRA
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 Budget total	2020/21 Actual total	2020/21 Budget total
	Governance	General purpose funding	Law, order, public safety	Health	Education & Welfare	Housing	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>														
Buildings	0	0	0	0	333,500	424,707	0	540,698	117,000	0	200,000	1,615,905	394,347	422,282
Furniture and Equipment	32,000	0	0	0	23,000	0	0	27,000	0	0	30,000	112,000	34,721	73,000
Plant and Equipment	0	0	0	8,000	40,000	0	0	120,000	2,156,900	0	184,000	2,508,900	390,605	2,003,000
	32,000	0	0	8,000	396,500	424,707	0	687,698	2,273,900	0	414,000	4,236,805	819,673	2,498,282
<i>Infrastructure</i>														
Roads Infrastructure	0	0	0	0	0	0	0	19,012,191	0	0	0	19,012,191	10,579,493	24,538,634
Airport Infrastructure	0	0	0	0	0	0	0	175,000	0	0	0	175,000	0	50,000
Other Infrastructure	0	0	0	0	71,000	0	57,500	369,000	15,000	653,703	0	1,166,203	146,314	651,903
Infrastructure - Footpaths	0	0	0	0	0	0	0	150,000	0	0	0	150,000	0	0
	0	0	0	0	71,000	0	57,500	369,000	19,352,191	653,703	0	20,503,394	10,725,807	25,240,537
Total acquisitions	32,000	0	0	8,000	467,500	424,707	57,500	1,056,698	21,626,091	653,703	414,000	24,740,199	11,545,480	27,738,819

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

SIGNIFICANT ACCOUNTING POLICIES

RECOGNITION OF ASSETS

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

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

SHIRE OF MEEKATHARRA
 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 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Education and welfare	28,868	15,000	0	(13,868)	0	0	0	0	30,200	15,000	0	(15,200)
Recreation and culture	48,856	31,500	144	(17,500)	0	0	0	0	0	0	0	0
Transport	816,911	746,300	9,981	(80,592)	0	0	0	0	280,138	206,000	0	(74,138)
Other property and services	89,596	90,000	759	(355)	0	0	0	0	0	0	0	0
	984,231	882,800	10,884	(112,315)	0	0	0	0	310,338	221,000	0	(89,338)
By Class												
<i>Property, Plant and Equipment</i>												
Plant and Equipment	984,231	882,800	10,884	(112,315)	0	0	0	0	310,338	221,000	0	(89,338)
	984,231	882,800	10,884	(112,315)	0	0	0	0	310,338	221,000	0	(89,338)

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

5. ASSET DEPRECIATION

By Program

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

By Class

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

2021/22 Budget	2020/21 Actual	2020/21 Budget
\$	\$	\$
142	0	142
26,997	16,262	13,457
1,600	0	0
89,103	89,263	87,903
207,632	208,004	197,030
20,764	20,801	19,937
553,819	554,812	535,606
6,047,832	6,058,683	5,702,103
117,709	117,921	140,823
467,132	466,630	463,157
7,532,730	7,532,376	7,160,158
755,106	755,071	575,393
36,570	36,568	13,599
368,269	368,252	376,755
5,512,840	5,512,581	5,218,040
410,782	410,763	467,063
433,354	433,334	492,307
15,808	15,807	17,000
7,532,730	7,532,376	7,160,158

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:

Land and Buildings	10 - 40 years
Office Furniture & Equipment	1 to 20 years
Plant and equipment	1 to 20 years
Roads - Unformed	Not Depreciated
Roads - Formed	Not Depreciated
Roads - Gravel	10 years
Roads - Sealed	50 years

Depreciation (Continued)

Asset Class	Useful life
Kerbing & Footpaths	20 years
Other Infrastructure	10 - 20 years
Drains & Sewers	80 - 100 years
Grids	20 years
Airfields & Runways	20 years

AMORTISATION

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

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

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

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

The Shire has not budgeted to have any borrowings for the year ended 30 June 2022 and did not have or budget to have any borrowings for the year ended 30 June 2021.

(b) New borrowings - 2021/22

The Shire does not intend to undertake any new borrowings for the year ended 30 June 2022

(c) Unspent borrowings

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

(d) Credit Facilities

	2021/22 Budget	2020/21 Actual	2020/21 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
Credit card balance at balance date	(2,500)	(275)	(2,500)
Total amount of credit unused	1,002,500	1,004,725	1,002,500

Overdraft details	Purpose overdraft was established	Year overdraft established	Amount b/fwd 1 July 2021	2021/22 Budgeted Increase/ (Decrease)	Amount as at 30th June 2022
			\$	\$	\$
	To provide for Short term cashflow if required		1,000,000	-	1,000,000
			1,000,000	-	1,000,000

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 30 JUNE 2022

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2021/22 Budget Opening Balance	2021/22 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance	2020/21 Actual Opening Balance	2020/21 Actual Transfer to	2020/21 Actual Transfer (from)	2020/21 Actual Closing Balance	2020/21 Budget Opening Balance	2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance
(a) Leave Reserve	\$ 426,622	\$ 963	\$ -	\$ 427,585	\$ 394,216	\$ 32,406	\$ -	\$ 426,622	\$ 394,216	\$ 3,233	\$ -	\$ 397,449
(b) Plant Reserve	2,660,372	6,008	-	2,666,380	2,634,032	26,340	-	2,660,372	2,634,033	21,599	-	2,655,632
(c) Building Reserve	1,451,211	903,277	(100,000)	2,254,488	1,436,843	14,368	-	1,451,211	1,436,843	11,782	-	1,448,625
(d) Shire Water Reserve	322,647	729	-	323,376	319,452	3,195	-	322,647	319,452	2,620	-	322,072
(e) Airport Runway Reserve	2,943,179	458,394	(200,000)	3,201,573	2,914,039	29,140	-	2,943,179	2,914,039	23,895	-	2,937,934
(f) Airport Reserve	953,393	2,153	-	955,546	943,953	9,440	-	953,393	943,953	7,740	-	951,693
(g) Transport Reserve	61,203	138	-	61,341	951,686	9,517	(900,000)	61,203	951,686	7,804	(900,000)	59,490
(h) Infrastructure & Development Reserve	817,374	1,846	-	819,220	1,007,301	10,073	(200,000)	817,374	1,007,300	8,260	-	1,015,560
(i) Reseals & Rejuvenation Reserve	5,105,599	571,210	-	5,676,809	4,580,118	525,481	-	5,105,599	4,580,118	517,237	-	5,097,355
(j) Interpretive Centre Reserve	1,891,226	4,271	-	1,895,497	1,872,501	18,725	-	1,891,226	1,872,500	15,355	-	1,887,855
(k) Roads -Second / Final Seals Reserve	1,744,746	3,940	-	1,748,686	1,727,471	17,275	-	1,744,746	1,727,471	14,165	-	1,741,636
(l) Lloyd'S Revitalisation Reserve	1,777,598	4,014	-	1,781,612	1,556,137	221,461	-	1,777,598	1,556,136	12,760	-	1,568,896
(m) Industrial Park Reserve	849,842	1,919	-	851,761	841,428	8,414	-	849,842	841,428	6,900	-	848,328
(n) Swimming Pool Reserve	152,184	345	(150,000)	2,529	101,172	51,012	-	152,184	101,172	50,830	-	152,002
(o) Covid-19 Emergency Response/Cashflow Supplement	-	483	-	214,483	-	214,000	-	214,000	-	214,000	-	214,000
	21,371,196	1,959,690	(450,000)	22,880,886	21,280,349	1,190,847	(1,100,000)	21,371,196	21,280,347	918,180	(900,000)	21,298,527

(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) Leave Reserve	Ongoing	- To used to fund annual and long service leave requirements.
(b) Plant Reserve	Ongoing	- To be used for the acquisition of major plant on an ongoing basis.
(c) Building Reserve	Ongoing	- To be used for the future building requirements for Council purposes.
(d) Shire Water Reserve	Ongoing	- To be used for capital water requirements of parks and gardens administered by the Shire.
(e) Airport Runway Reserve	Ongoing	- To be used to fund the future construction requirements of the airport runway.
(f) Airport Reserve	Ongoing	- To be used to fund the capital improvements of the airport infrastructure.
(g) Transport Reserve	Ongoing	- To be used to fund the expansion of the road network that cannot be met by operating income.
(h) 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.
(i) Reseals & Rejuvenation Reserve	Ongoing	- To be used to fund reseals and rejuvenation of sealed roads.
(j) Interpretive Centre Reserve	Ongoing	- To be used to acquire and refurbish the Interpretive Centre.
(k) Roads -Second / Final Seals Reserve	Ongoing	- To be used to fund final seals to roads that have previously been primer sealed.
(l) Lloyd'S Revitalisation Reserve	Ongoing	- To be used to fund the renovations and building works as per Meeka Revitalisation plan at Lloyd's building.
(m) Industrial Park Reserve	Ongoing	- To be used to fund the development of a new industrial park within the Shire.
(n) Swimming Pool Reserve	Ongoing	- To be used to fund retiling the swimming pool basins.
(o) Covid-19 Emergency Response/Cashflow Supplement	30/06/2021	- To be used to provide assistance to local businesses and provision of critical services during the Covid-19 pandemic

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

8. FEES & CHARGES REVENUE

	2021/22 Budget	2020/21 Actual	2020/21 Budget
General purpose funding	\$ 14,600	\$ 11,896	\$ 15,100
Law, order, public safety	4,000	2,553	4,000
Health	5,831	2,880	5,831
Housing	25,000	28,197	25,000
Community amenities	138,426	112,542	139,797
Recreation and culture	75,452	30,330	103,026
Transport	979,620	1,349,107	959,525
Economic services	52,120	24,781	104,562
Other property and services	10,400	7,487	27,400
	1,305,450	1,569,775	1,384,241

9. GRANT REVENUE

	Unspent grants, subsidies and contributions liability					Grants, subsidies and contributions revenue		
	Liability 1 July 2021	Increase in Liability	Liability Reduction (As revenue)	Total Liability 30 June 2022	Current Liability 30 June 2022	2021/22 Budget	2020/21 Actual	2020/21 Budget
By Program:	\$	\$	\$	\$	\$	\$	\$	\$
(a) Operating grants, subsidies and contributions								
General purpose funding	0	0	0	0	0	1,588,711	3,696,120	1,594,477
Law, order, public safety	0	0	0	0	0	12,100	17,685	10,345
Education and welfare	0	0	0	0	0	121,810	113,559	121,814
Recreation and culture	0	0	0	0	0	70,000	0	20,000
Transport	0	0	0	0	0	326,400	309,157	317,864
Economic services	0	0	0	0	0	6,000	0	6,000
	0	0	0	0	0	2,125,021	4,136,521	2,070,499
(b) Non-operating grants, subsidies and contributions								
Recreation and culture	0	0	0	0	0	572,908	10,515	583,423
Transport	0	0	0	0	0	13,011,483	7,634,885	18,539,392
Economic services	0	0	0	0	0	70,000	0	0
	0	0	0	0	0	13,654,391	7,645,400	19,122,815
Total	0	0	0	0	0	15,779,412	11,781,921	21,193,314

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

10. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	May be refunded as set by State legislation	On payment and issue of the licence, registration or approval
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On payment
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refunds limited to exceptional circumstances - not usually provided	Adopted by council annually	Based on timing of issue of the associated access rights	Returns limited to repayment of transaction price	On payment and issue of access card
Fees and charges for other goods and services	Cemetery services, library fees, rental income, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, Diesel fuel and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Reimbursements	On- charge of expenses & 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

11. OTHER INFORMATION

The net result includes as revenues

(a) Interest earnings

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Investments			
- Reserve funds	48,263	213,804	174,499
- Other funds	6,000	3,082	6,000
Other interest revenue (refer note 1b)	78,540	79,943	86,545
	132,803	296,829	267,044

(b) Other revenue

Reimbursements and recoveries	246,548	301,237	229,202
Other	97,973	65,753	91,853
	344,521	366,990	321,055

The net result includes as expenses

(c) Auditors remuneration

Audit services	45,000	31,300	45,000
	45,000	31,300	45,000

(d) Elected members remuneration

Meeting fees	52,200	36,900	48,000
President's allowance	20,000	20,000	20,000
Deputy President's allowance	5,000	5,000	5,000
Travelling expenses	16,109	5,357	16,109
	93,309	67,257	89,109

(e) Write offs

General	10,000	62,415	10,000
	10,000	62,415	10,000

12. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

AIR BP

(a) Details

The Shire acts as an agent for Air BP providing aviation fuel to customers at the airport. Council provides the service to ensure the ongoing viability of regular public transport flights to Meekatharra. The figures below are included in the Shire's Financial Statements.

(b) Statement of Comprehensive Income

	2020/21 Actual	2021/22 Budget	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast
	\$	\$	\$	\$	\$	\$	\$
Revenue							
Fuel Sales and Retainer	127,075	135,000	135,000	135,000	135,000	135,000	135,000
	127,075	135,000	135,000	135,000	135,000	135,000	135,000
Expenditure							
Fuel Costs and Contract expenses	131,144	150,666	135,000	135,000	135,000	135,000	135,000
	131,144	150,666	135,000	135,000	135,000	135,000	135,000
NET RESULT	(4,069)	(15,666)	0	0	0	0	0
TOTAL COMPREHENSIVE INCOME	(4,069)	(15,666)	0	0	0	0	0

13. INTERESTS IN JOINT ARRANGEMENTS

It is not anticipated the Shire will be party to any joint venture arrangements during 2021/22.

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 Meekatharra's interests in the assets liabilities revenue and expenses of joint operations are included in the respective line items of the financial statements.

14. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION

GOODS AND SERVICES TAX (GST)

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

ROUNDING OFF FIGURES

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

COMPARATIVE FIGURES

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

BUDGET COMPARATIVE FIGURES

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