



ANNUAL BUDGET

For the Period Ending 30 June 2021



SHIRE OF MUKINBUDIN

BUDGET

ADOPTED 18 AUGUST 2020

FOR THE YEAR ENDED 30 JUNE 2021

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

The Shire will endeavour to provide the community services and facilities to meet the needs of the members of the community and enable them to enjoy a pleasant and healthy way of life.

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

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	1,241,478	1,227,769	1,234,526
Operating grants, subsidies and contributions	10(a)	1,057,275	1,844,842	1,000,966
Fees and charges	9	624,385	547,813	543,829
Interest earnings	12(a)	33,500	34,978	32,100
Other revenue	12(b)	61,022	84,611	80,757
		3,017,660	3,740,013	2,892,178
Expenses				
Employee costs		(1,305,916)	(1,203,788)	(1,297,626)
Materials and contracts		(1,041,629)	(996,967)	(1,111,607)
Utility charges		(269,619)	(257,220)	(252,568)
Depreciation on non-current assets	5	(1,657,180)	(1,648,073)	(1,605,372)
Interest expenses	12(d)	(50,125)	(39,711)	(28,583)
Insurance expenses		(124,855)	(113,804)	(110,109)
Other expenditure		(102,653)	(89,989)	(99,475)
		(4,551,977)	(4,349,552)	(4,505,340)
Subtotal				
		(1,534,317)	(609,539)	(1,613,162)
Non-operating grants, subsidies and contributions	10(b)	2,311,219	1,247,022	1,720,698
Profit on asset disposals	4(b)	10,500	13,360	0
Loss on asset disposals	4(b)	(2,800)	(5,500)	(5,000)
		2,318,919	1,254,882	1,715,698
Net result				
		784,602	645,343	102,536
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income				
		784,602	645,343	102,536

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

SHIRE OF MUKINBUDIN

FOR THE YEAR ENDED 30 JUNE 2021

BASIS OF PREPARATION

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

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

2019/20 ACTUAL BALANCES

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

CHANGE IN ACCOUNTING POLICIES

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

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

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

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

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

SERVICE CHARGES

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

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

PROFIT ON ASSET DISPOSAL

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

REVENUES (CONTINUED)

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

FEES AND CHARGES

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

INTEREST EARNINGS

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

OTHER REVENUE / INCOME

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

EXPENSES

EMPLOYEE COSTS

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

MATERIALS AND CONTRACTS

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

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

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

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

INTEREST EXPENSES

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

OTHER EXPENDITURE

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

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

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
Revenue	1,9,10(a),12(a),12(b)	\$	\$	\$
Governance		0	0	1,200
General purpose funding		2,080,878	2,943,668	2,061,509
Law, order, public safety		27,771	23,026	26,371
Health		34,300	25,937	33,164
Education and welfare		8,082	12,651	17,850
Housing		265,593	234,509	225,790
Community amenities		128,221	81,351	106,197
Recreation and culture		30,446	29,140	38,922
Transport		149,775	143,830	147,884
Economic services		235,353	169,282	175,341
Other property and services		57,241	76,619	57,950
		3,017,660	3,740,013	2,892,178
Expenses excluding finance costs	4(a),5,12(c),(e),(f),(g)			
Governance		(415,058)	(345,750)	(415,035)
General purpose funding		(109,135)	(89,066)	(87,295)
Law, order, public safety		(101,790)	(104,690)	(101,275)
Health		(128,987)	(130,209)	(134,179)
Education and welfare		(93,865)	(88,855)	(96,743)
Housing		(288,162)	(312,415)	(330,299)
Community amenities		(302,658)	(234,150)	(289,360)
Recreation and culture		(757,563)	(739,154)	(848,122)
Transport		(1,875,244)	(1,896,643)	(1,788,030)
Economic services		(376,106)	(268,780)	(334,228)
Other property and services		(53,284)	(100,129)	(52,191)
		(4,501,852)	(4,309,841)	(4,476,757)
Finance costs	.7,6(a),12(d)			
Education and welfare		(5,521)	(2,853)	(836)
Housing		(27,717)	(16,823)	(8,924)
Recreation and culture		(977)	(2,068)	(1,983)
Economic services		(5,455)	(4,688)	(4,665)
Other property and services		(10,455)	(13,279)	(12,175)
		(50,125)	(39,711)	(28,583)
Subtotal		(1,534,317)	(609,539)	(1,613,162)
Non-operating grants, subsidies and contributions	10(b)	2,311,219	1,247,022	1,720,698
Profit on disposal of assets	4(b)	10,500	13,360	0
(Loss) on disposal of assets	4(b)	(2,800)	(5,500)	(5,000)
		2,318,919	1,254,882	1,715,698
Net result		784,602	645,343	102,536
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		784,602	645,343	102,536

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

SHIRE OF MUKINBUDIN
FOR THE YEAR ENDED 30 JUNE 2021

KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

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

OBJECTIVE

ACTIVITIES

GOVERNANCE

To provide a decision making process for the efficient allocation of scarce resources.

Administration and operation of facilities and services to members of Council; other costs that relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

To provide a decision making process for the efficient allocation of scarce resources.

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

To provide services to ensure a safer community.

Supervision of various by-laws, fire prevention, emergency services and animal control.

HEALTH

To provide an operational framework for good community health.

Food quality and pest control, immunisation services, inspection of abattoir and operation of child health clinic.

EDUCATION AND WELFARE

To provide appropriate care to the aged and disabled.

Provision of Home and Community Care, maintenance to playgroup and community resource centre buildings.

HOUSING

To provide adequate staff and community housing.

Maintenance of Staff and community housing, collection of various rents.

COMMUNITY AMENITIES

Provide services required by the Community.

Rubbish collection services, operation of tips, noise control, administration of the town planning scheme, maintenance of cemeteries, storm water drainage maintenance.

RECREATION AND CULTURE

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

Maintenance of halls, the aquatic centre, recreation centres and various reserves; operation of library.

TRANSPORT

To provide effective and efficient transport services to the Community.

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

ECONOMIC SERVICES

To help promote the shire and improve its economic wellbeing.

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

OTHER PROPERTY AND SERVICES

The provision of private works to the public and the maintenance of cost pools for plant, operating, public works overheads and administration costs

Private Works Operations, plant repairs and operation costs.

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

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,239,453	1,240,136	1,239,526
Operating grants, subsidies and contributions		954,002	1,908,233	1,015,966
Fees and charges		624,385	547,813	543,829
Interest earnings		33,500	34,978	32,100
Goods and services tax		326,907	307,256	259,505
Other revenue		61,022	84,611	80,757
		3,239,269	4,123,027	3,171,683
Payments				
Employee costs		(1,305,916)	(1,146,356)	(1,302,626)
Materials and contracts		(1,051,134)	(1,007,058)	(1,119,714)
Utility charges		(269,619)	(257,220)	(252,568)
Interest expenses		(50,125)	(39,711)	(22,583)
Insurance expenses		(124,855)	(113,804)	(110,109)
Goods and services tax		(326,907)	(326,907)	(266,505)
Other expenditure		(102,653)	(89,989)	(99,475)
		(3,231,209)	(2,981,045)	(3,173,580)
Net cash provided by (used in) operating activities	3	8,060	1,141,982	(1,897)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for development of land held for resale	4(a)	0	(8,802)	(10,830)
Payments for purchase of works in progress		0	(11,628)	0
Payments for purchase of property, plant & equipment	4(a)	(778,284)	(2,486,661)	(2,530,670)
Payments for construction of infrastructure	4(a)	(2,494,485)	(1,395,458)	(1,515,600)
Non-operating grants, subsidies and contributions		2,311,219	1,247,022	1,720,698
Proceeds from sale of land held for resale	4(b)	0	70,000	0
Proceeds from sale of plant and equipment	4(b)	247,910	260,189	364,000
Net cash provided by (used in) investing activities		(713,640)	(2,325,338)	(1,972,402)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(203,007)	(165,592)	(137,910)
Principal elements of lease payments	7	(9,027)	(8,764)	0
Payments for financial assets at amortised cost - term deposits		0	0	(9,027)
Proceeds from new borrowings	6(b)	120,000	960,000	960,000
Net cash provided by (used in) financing activities		(92,034)	785,644	813,063
Net increase (decrease) in cash held		(797,614)	(397,712)	(1,161,236)
Cash at beginning of year		1,425,534	1,823,246	1,783,853
Cash and cash equivalents at the end of the year	3	627,920	1,425,534	622,617

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

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

NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
OPERATING ACTIVITIES			
Net current assets at start of financial year - surplus/(deficit)	702,248	1,103,212	1,092,129
	702,248	1,103,212	1,092,129
Revenue from operating activities (excluding rates)			
Governance	0	0	1,200
General purpose funding	857,267	1,710,456	835,893
Law, order, public safety	27,771	23,026	26,371
Health	34,300	25,937	33,164
Education and welfare	8,082	12,651	17,850
Housing	265,593	234,509	225,790
Community amenities	128,221	81,351	106,197
Recreation and culture	30,446	29,140	38,922
Transport	160,275	154,030	147,884
Economic services	235,353	169,282	175,341
Other property and services	57,241	79,779	57,950
	1,804,549	2,520,161	1,666,562
Expenditure from operating activities			
Governance	(415,058)	(345,750)	(415,035)
General purpose funding	(109,135)	(89,066)	(87,295)
Law, order, public safety	(101,790)	(104,690)	(101,275)
Health	(128,987)	(130,209)	(134,179)
Education and welfare	(99,386)	(91,708)	(97,579)
Housing	(315,879)	(329,238)	(339,223)
Community amenities	(302,658)	(234,150)	(289,360)
Recreation and culture	(758,540)	(741,722)	(850,105)
Transport	(1,878,044)	(1,896,643)	(1,793,030)
Economic services	(381,561)	(273,468)	(338,893)
Other property and services	(63,739)	(118,408)	(64,366)
	(4,554,777)	(4,355,052)	(4,510,340)
Non-cash amounts excluded from operating activities	2 (a)(i) 1,649,480	1,614,163	1,610,372
Amount attributable to operating activities	(398,500)	882,484	(141,277)
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions	10(b) 2,311,219	1,247,022	1,720,698
Purchase land held for resale	4(a) 0	(8,802)	(10,830)
Purchase works in progress	0	(11,628)	0
Purchase property, plant and equipment	4(a) (778,284)	(2,486,661)	(2,530,670)
Purchase and construction of infrastructure	4(a) (2,494,485)	(1,395,458)	(1,515,600)
Proceeds from disposal of assets	4(b) 247,910	330,189	364,000
Amount attributable to investing activities	(713,640)	(2,325,338)	(1,972,402)
FINANCING ACTIVITIES			
Repayment of borrowings	6(a) (203,007)	(165,592)	(137,910)
Principal elements of finance lease payments	7 (9,027)	(8,764)	(9,027)
Proceeds from new borrowings	6(b) 120,000	960,000	960,000
Transfers to cash backed reserves (restricted assets)	8(a) (130,910)	(188,054)	(239,000)
Transfers from cash backed reserves (restricted assets)	8(a) 111,473	314,300	314,000
Amount attributable to financing activities	(111,471)	911,890	888,063
Budgeted deficiency before general rates	(1,223,611)	(530,964)	(1,225,616)
Estimated amount to be raised from general rates	1 1,223,611	1,233,212	1,225,616
Net current assets at end of financial year - surplus/(deficit)	2 (a)(iii) 0	702,248	0

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

SHIRE OF MUKINBUDIN
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FOR THE YEAR ENDED 30 JUNE 2021

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

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2020/21 Budgeted rate revenue	2020/21 Budgeted interim rates	2020/21 Budgeted back rates	2020/21 Budgeted total revenue	2019/20 Actual total revenue	2019/20 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
General rate									
Gross rental valuations									
GRV - Residential	0.184236	150	1,105,684	203,707	0	0	203,707	207,671	203,515
GRV - Vacant	0.184236	1	16,000	2,948	0	0	2,948	3,159	2,948
Unimproved valuations									
UV - Rural	0.022174	211	44,336,000	983,106	0	0	983,106	989,049	986,593
UV - Mining	0.022174	0	0	0	2,000	500	2,500	0	0
Sub-Totals		362	45,457,684	1,189,761	2,000	500	1,192,261	1,199,879	1,193,056
Minimum									
Minimum payment									
	\$								
Gross rental valuations									
GRV - Residential	440	18	13,624	7,920	0	0	7,920	8,360	8,360
GRV - Vacant	440	7	2,221	3,080	0	0	3,080	2,200	2,200
Unimproved valuations									
UV - Rural	550	32	289,600	17,600	0	0	17,600	17,600	16,500
UV - Mining	550	5	39,780	2,750	0	0	2,750	5,173	5,500
Sub-Totals		62	345,225	31,350	0	0	31,350	33,333	32,560
		424	45,802,909	1,221,111	2,000	500	1,223,611	1,233,212	1,225,616
Total amount raised from general rates							1,223,611	1,233,212	1,225,616
Movement in excess rates							0	(23,310)	(10,000)
Ex-gratia rates							17,867	17,867	18,910
Total rates							1,241,478	1,227,769	1,234,526

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

The general rates detailed for the 2020/21 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year. Due to COVID-19 there was no change in the rate in the dollar from the previous financial year.

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

1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	29/09/2020			8.0%
Option two				
First instalment	29/09/2020			8.0%
Second instalment	30/11/2020	15	5.5%	8.0%
Third instalment	1/02/2021	15	5.5%	8.0%
Fourth instalment	6/04/2021	15	5.5%	8.0%

	2020/21 Budget revenue	2019/20 Actual revenue	2019/20 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	2,220	2,025	2,220
Instalment plan interest earned	2,500	2,130	2,500
Unpaid rates and service charge interest earned	5,000	5,781	5,000
ESL non-payment penalty interest	200	194	200
	9,920	10,130	9,920

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(c) Specified Area Rate

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

(d) Service Charges

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

1. RATES AND SERVICE CHARGES (CONTINUED)

(e) Rates discounts

The Shire will not offer a discount for the year ended 30 June 2021.

(f) Waivers or concessions

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

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

2 (a). NET CURRENT ASSETS

Items excluded from calculation of budgeted deficiency

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

(i) Operating activities excluded from budgeted deficiency

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

Adjustments to operating activities

Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
	\$	\$	\$
Less: Profit on asset disposals	4(b) (10,500)	(13,360)	0
Add: Loss on disposal of assets	4(b) 2,800	5,500	5,000
Add: Change in accounting policies	0	(26,050)	0
Add: Depreciation on assets	5 1,657,180	1,648,073	1,605,372
Non cash amounts excluded from operating activities	1,649,480	1,614,163	1,610,372

(ii) Current assets and liabilities excluded from budgeted deficiency

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

Adjustments to net current assets

Less: Cash - restricted reserves	3 (506,604)	(487,167)	(532,413)
Less: Current assets not expected to be received at end of year			
- Land held for resale	0	0	(10,830)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	116,470	199,477	813,063
- Current portion of lease liabilities	375	9,402	0
- Employee benefit provisions	88,387	88,387	98,075
Total adjustments to net current assets	(301,372)	(189,901)	367,895

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

2 (a). NET CURRENT ASSETS (CONTINUED)

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

	Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
		\$	\$	\$
(iii) Composition of estimated net current assets				
Current assets				
Cash and cash equivalents- unrestricted	3	121,316	836,114	90,204
Cash and cash equivalents - restricted				
Cash backed reserves	3	506,604	487,167	532,413
Unspent grants, subsidies and contributions	10	0	102,253	0
Receivables		143,564	140,519	102,181
Other Assets		8,336	8,336	0
Inventories		1,505	950	11,600
		781,325	1,575,339	736,398
Less: current liabilities				
Trade and other payables		(274,721)	(283,671)	(193,155)
Contract liabilities		0	(102,253)	0
Lease liabilities		(375)	(9,402)	0
Long term borrowings		(116,470)	(199,477)	(813,063)
Provisions		(88,387)	(88,387)	(98,075)
		(479,953)	(683,190)	(1,104,293)
Net current assets		301,372	892,149	(367,895)
Less: Total adjustments to net current assets	2 (a)(ii)	(301,372)	(189,901)	367,895
Closing funding surplus / (deficit)		0	702,248	0

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

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 Mukinbudin 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 Mukinbudin contributes to a number of superannuation funds on behalf of employees.

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

LEASE LIABILITIES

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

TRADE AND OTHER RECEIVABLES

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

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

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

EMPLOYEE BENEFITS

Short-term employee benefits

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

LAND HELD FOR RESALE

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

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

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

CONTRACT LIABILITIES

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

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

3. RECONCILIATION OF CASH

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

Note	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Cash at bank and on hand	627,920	1,425,534	622,617
	627,920	1,425,534	622,617
- Unrestricted cash and cash equivalents	121,316	836,114	90,204
- Restricted cash and cash equivalents	506,604	589,420	532,413
	627,920	1,425,534	622,617
The following restrictions have been imposed by regulation or other externally imposed requirements on cash and cash equivalents:			
Leave reserve	128,402	141,755	141,358
Plant Reserve	989	36,989	37,470
Building & Residential Land Reserve	181,993	137,583	183,165
Senior Housing Reserve	21,362	20,862	20,774
Swimming Pool Reserve	141,186	118,186	117,936
Roadworks Reserve	32,672	31,792	31,710
Unspent grants, subsidies and contributions	10 0	102,253	0
	506,604	589,420	532,413
Reconciliation of net cash provided by operating activities to net result			
Net result	784,602	645,343	102,536
Depreciation	5 1,657,180	1,648,073	1,605,372
(Profit)/loss on sale of asset	4(b) (7,700)	(7,860)	5,000
(Increase)/decrease in receivables	(3,045)	(20,292)	13,000
(Increase)/decrease in inventories	(555)	1,064	0
Increase/(decrease) in payables	(8,950)	46,473	(7,107)
Increase/(decrease) in contract liabilities	(102,253)	76,203	(28,107)
Change in accounting policies transferred to retained surplus (refer to Note 15)	0	0	28,107
Non-operating grants, subsidies and contributions	(2,311,219)	(1,247,022)	(1,720,698)
Net cash from operating activities	8,060	1,141,982	(1,897)

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

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program									2020/21 Budget total	2019/20 Actual total	2019/20 Budget total
	Law, order, public safety	Health	Education and welfare	Housing	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<u>Property, Plant and Equipment</u>												
Land - freehold land	0	0	0	0	0	0	0	0	0	0	13,636	0
Buildings - non-specialised	0	0	0	85,000	0	0	0	0	0	85,000	904,165	801,500
Buildings - specialised	17,692	40,910	124,270	0	0	65,200	0	120,000	0	368,072	965,478	1,157,910
Furniture and equipment	0	0	0	0	0	0	0	0	5,712	5,712	36,247	36,260
Plant and equipment	0	0	0	0	0	0	124,500	15,000	180,000	319,500	567,135	535,000
	17,692	40,910	124,270	85,000	0	65,200	124,500	135,000	185,712	778,284	2,486,661	2,530,670
<u>Infrastructure</u>												
Infrastructure - roads	0	0	0	0	0	0	2,100,485	0	0	2,100,485	1,315,683	1,427,600
Infrastructure - footpaths	0	0	0	0	0	0	0	0	0	0	51,540	44,000
Infrastructure - parks & ovals	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - other	0	0	0	0	13,000	361,000	10,000	10,000	0	394,000	28,235	44,000
	0	0	0	0	13,000	361,000	2,110,485	10,000	0	2,494,485	1,395,458	1,515,600
<u>Land Held for Resale</u>												
Land held for resale	0	0	0	0	0	0	0	0	0	0	8,802	10,830
Total acquisitions	17,692	40,910	124,270	85,000	13,000	426,200	2,234,985	145,000	185,712	3,272,769	3,890,921	4,057,100

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

4. FIXED ASSETS

(b) Disposals of Assets

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

	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss	2019/20 Actual Net Book Value	2019/20 Actual Sale Proceeds	2019/20 Actual Profit	2019/20 Actual Loss	2019/20 Budget Net Book Value	2019/20 Budget Sale Proceeds	2019/20 Budget Profit	2019/20 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Health	40,910	40,910	0	0	0	0	0	0	75,000	75,000	0	0
Recreation and culture	0	0	0	0	500	0	0	(500)	0	0	0	0
Transport	22,300	30,000	10,500	(2,800)	70,000	80,200	10,200	0	70,000	65,000	0	(5,000)
Economic services	0	0	0	0	0	0	0	0	47,000	47,000	0	0
Other property and services	177,000	177,000	0	0	251,829	249,989	3,160	(5,000)	177,000	177,000	0	0
	240,210	247,910	10,500	(2,800)	322,329	330,189	13,360	(5,500)	369,000	364,000	0	(5,000)
By Class												
<u>Property, Plant and Equipment</u>												
Land - freehold land	0	0	0	0	0	0	0	0	47,000	47,000	0	0
Buildings - specialised	40,910	40,910	0	0	0	0	0	0	75,000	75,000	0	0
Plant and equipment	199,300	207,000	10,500	(2,800)	247,329	260,189	13,360	(500)	247,000	242,000	0	(5,000)
<u>Land Held for Resale</u>												
Land held for resale	0	0	0	0	75,000	70,000	0	(5,000)	0	0	0	0
	240,210	247,910	10,500	(2,800)	322,329	330,189	13,360	(5,500)	369,000	364,000	0	(5,000)

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

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

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

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

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

By Class

Buildings - non-specialised
Buildings - specialised
Furniture and equipment
Plant and equipment
Infrastructure - roads
Infrastructure - footpaths
Infrastructure - parks & ovals
Infrastructure - other

2020/21 Budget	2019/20 Actual	2019/20 Budget
\$	\$	\$
381	398	0
42,630	42,577	42,564
8,477	8,467	8,477
28,490	28,463	23,863
1,661	1,659	1,661
155,110	154,993	155,606
1,275,828	1,274,242	1,222,148
19,035	19,011	22,137
125,568	118,263	128,916
1,657,180	1,648,073	1,605,372
28,652	28,495	25,891
82,270	81,818	81,921
22,374	22,251	8,577
133,020	132,289	158,509
1,232,069	1,225,298	1,172,959
33,535	33,351	32,165
29,444	29,282	29,104
95,816	95,289	96,246
1,657,180	1,648,073	1,605,372

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 commissioned and 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 least at every financial year-end.

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.

Depreciation rates are to be set so the actual depreciation expense is an accurate measure of use, wear and tear or obsolescence over time.

As a guide only the major depreciation periods that may be used for each class of depreciable asset are:

Buildings	30 to 50 years
Buildings - specialised	50 to 80 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	100 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	60 to 80 years
gravel sheet	12 years
Formed roads	
formation	not depreciated
pavement	60 to 80 years
Kerbing	60 years
Infrastructure - footpaths (slab)	40 - 70 years
Infrastructure - parks & ovals	19 - 50 years
Infrastructure - other	17 - 40 years
Sewerage piping	100 years
Water supply piping & drainage systems	80 years

AMORTISATION

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

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

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

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

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan		Interest Rate	Budget Principal 1 July 2020	2020/21	2020/21	Budget	2020/21	Actual Principal 1 July 2019	2019/20	2019/20	Actual	2019/20	Budget Principal 1 July 2019	2019/20	2019/20	Budget	2019/20
	Number	Institution			Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2021	Budget Interest Repayments		Actual New Loans	Actual Principal Repayments	Principal outstanding 30 June 2020	Actual Interest Repayments		Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2020	Budget Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Education and welfare																		
CRC	109	WATC*	5.85%	7,249	0	(7,249)	0	(390)	14,091	0	(6,842)	7,249	(847)	14,091	0	(6,843)	7,248	(836)
Child Care Centre	125	WATC*	1.96%	194,233	0	(11,704)	182,529	(5,131)	0	200,000	(5,767)	194,233	(2,006)	0	200,000	0	200,000	0
Housing																		
8 Gimlett Way	124	WATC*	3.02%	225,790	0	(23,676)	202,114	(8,218)	248,767	0	(22,977)	225,790	(9,074)	248,767	0	(22,977)	225,790	(8,924)
GROH Houses	126	WATC*	1.96%	738,085	0	(44,476)	693,609	(19,499)	0	760,000	(21,915)	738,085	(7,749)	0	760,000	0	760,000	0
Recreation and culture																		
Bowling Club	108	WATC*	5.85%	17,686	0	(17,686)	0	(977)	34,382	0	(16,696)	17,686	(2,068)	34,383	0	(16,695)	17,688	(1,983)
Economic services																		
Mukinbudin Cafe	119	WATC*	5.19%	73,055	0	(8,903)	64,152	(4,195)	81,513	0	(8,458)	73,055	(4,688)	81,513	0	(8,458)	73,055	(4,665)
Loan 127 - Caravan	127	WATC*	1.70%	0	120,000	(3,530)	116,470	(1,260)				0					0	
Park House, 22 Earl Drive																		
Other property and services																		
Vibe Roller MBL 1677	118	WATC*	5.09%	25,313	0	(16,662)	8,651	(1,304)	41,158	0	(15,845)	25,313	(2,215)	41,158	0	(15,845)	25,313	(2,169)
Skid Steer MBL 1724	120	WATC*	4.57%	30,472	0	(7,110)	23,362	(1,524)	37,268	0	(6,796)	30,472	(1,879)	37,266	0	(6,796)	30,470	(1,859)
Grader MBL 95	121	WATC*	2.78%	113,510	0	(36,797)	76,713	(3,718)	149,305	0	(35,795)	113,510	(4,933)	149,306	0	(35,795)	113,511	(4,830)
Roller MBL 811	122	WATC*	2.78%	61,763	0	(20,022)	41,741	(2,023)	81,240	0	(19,477)	61,763	(2,684)	81,240	0	(19,477)	61,763	(2,628)
Tractor MBL 244	123	WATC*	3.32%	13,308	0	(5,192)	8,116	(506)	18,332	0	(5,024)	13,308	(704)	18,332	0	(5,024)	13,308	(689)
				1,500,464	120,000	(203,007)	1,417,457	(48,745)	706,056	960,000	(165,592)	1,500,464	(38,847)	706,056	960,000	(137,910)	1,528,146	(28,583)
				1,500,464	120,000	(203,007)	1,417,457	(48,745)	706,056	960,000	(165,592)	1,500,464	(38,847)	706,056	960,000	(137,910)	1,528,146	(28,583)

* WA Treasury Corporation

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

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

6. INFORMATION ON BORROWINGS

(b) New borrowings - 2020/21

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
				%	\$	\$	\$	\$
Loan 127 - Caravan Park House, 22 Earl Drive	WATC	Debenture	15 years	1.7%	120,000	16,298	120,000	0
					120,000	16,298	120,000	0

- Total Interest & Charges is estimated and includes the WATC Loan Guarantee Fee.
- The Interest rate is estimated and includes the 0.7% WATC Loan Guarantee Fee.

(c) Unspent borrowings

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

(d) Credit Facilities

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit	250,000	250,000	250,000
Bank overdraft at balance date	0	0	0
Credit card limit	5,000	5,000	5,000
Credit card balance at balance date	0	(1,219)	0
Total amount of credit unused	255,000	253,781	255,000
Loan facilities			
Loan facilities in use at balance date	1,417,457	1,500,464	1,528,146

Overdraft details	Purpose overdraft was established	Year overdraft established	Amount b/fwd 1 July 2020	2020/21 Budgeted Increase/ (Decrease)	Amount as at 30th June 2021
			\$	\$	\$
Bendigo Bank	To cover shortfalls in cash flows when required	2010	250,000	0	250,000
			250,000	0	250,000

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

7. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget	2020/21	Budget	2020/21	Actual	2019/20	Actual	2019/20	Budget	2019/20	Budget	2019/20	Budget	2019/20	
					Lease Principal 1 July 2020	Budget New Leases	Lease Principal Repayments 30 June 2021	Lease Principal Repayments		Principal 1 July 2019	Actual New Leases	Lease repayments 30 June 2020		Actual Lease repayments	Principal 1 July 2019	Budget New Leases		Lease repayments 30 June 2020	Principal outstanding 30 June 2020
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Other property and services																			
Computer Equipment	1	Wallis	9.42%	4 Yrs	12,690	0	(9,027)	3,663	(1,380)	21,454	0	(8,764)	12,690	(864)	20,955	0	(9,027)	11,928	0
					12,690	0	(9,027)	3,663	(1,380)	21,454	0	(8,764)	12,690	(864)	20,955	0	(9,027)	11,928	0

SIGNIFICANT ACCOUNTING POLICIES

LEASES

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

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

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

8. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2020/21 Budget Opening Balance	2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance	2019/20 Actual Opening Balance	2019/20 Actual Transfer to	2019/20 Actual Transfer (from)	2019/20 Actual Closing Balance	2019/20 Budget Opening Balance	2019/20 Budget Transfer to	2019/20 Budget Transfer (from)	2019/20 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave reserve	141,755	3,620	(16,973)	128,402	138,718	3,037	0	141,755	138,718	2,640	0	141,358
(b) Plant Reserve	36,989	58,500	(94,500)	989	237,789	89,500	(290,300)	36,989	237,790	89,680	(290,000)	37,470
(c) Building & Residential Land Reserve	137,583	44,410	0	181,993	89,365	72,218	(24,000)	137,583	83,365	123,800	(24,000)	183,165
(d) Senior Housing Reserve	20,862	500	0	21,362	20,415	447	0	20,862	20,414	360	0	20,774
(e) Swimming Pool Reserve	118,186	23,000	0	141,186	96,016	22,170	0	118,186	96,016	21,920	0	117,936
(f) Roadworks Reserve	31,792	880	0	32,672	31,110	682	0	31,792	31,110	600	0	31,710
	487,167	130,910	(111,473)	506,604	613,413	188,054	(314,300)	487,167	607,413	239,000	(314,000)	532,413

(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 be used to fund annual and long service leave requirements.
(b) Plant Reserve	Ongoing	To be used for the renewal, upgrade or purchase of new or used mobile plant and vehicles.
(c) Building & Residential Land Reserve	Ongoing	To be used for the renewal, upgrade, replacement and new construction of new buildings and associated infrastructure, to assist finance of building loans, future expansion and land development, and proceeds from the sale of subdivision blocks.
(d) Senior Housing Reserve	Ongoing	To be used for the renewal, upgrade, replacement and new construction of additional Aged Units and their maintenance. The surplus/deficit after rent and maintenance has been carried out for the financial year is to be transferred into/from (if required) the reserve.
(e) Swimming Pool Reserve	Ongoing	To be used for the renewal, upgrade, replacement and new construction for the Swimming Pool and associated infrastructure. \$20,000 per year plus interest is to be transferred to this reserve.
(f) Roadworks Reserve	Ongoing	To be used for the renewal, upgrade, replacement and new construction of streets, roads, bridges, footpaths and storm water drainage.

SHIRE OF MUKINBUDIN
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FOR THE YEAR ENDED 30 JUNE 2021

9. FEES & CHARGES REVENUE

	2020/21 Budget	2019/20 Actual	2019/20 Budget
General purpose funding	\$ 7,220	\$ 17,257	\$ 6,220
Law, order, public safety	4,600	4,154	2,700
Health	500	0	500
Education and welfare	5,450	5,134	6,600
Housing	320,968	231,945	218,536
Community amenities	64,605	81,351	79,573
Recreation and culture	29,414	27,159	37,690
Transport	300	273	400
Economic services	178,878	168,219	172,060
Other property and services	12,450	12,321	19,550
	624,385	547,813	543,829

10. GRANT REVENUE

	Unspent grants, subsidies and contributions liability				Grants, subsidies and contributions revenue			
	Liability 1 July 2020	Increase in Liability	Liability Reduction (As revenue)	Total Liability 30 June 2021	Current Liability 30 June 2021	2020/21 Budget	2019/20 Actual	2019/20 Budget
By Program:	\$	\$	\$	\$	\$	\$	\$	\$
(a) Operating grants, subsidies and contributions								
General purpose funding	0	0	0	0	0	798,730	1,663,263	788,713
Law, order, public safety	0	18,971	(18,971)	0	0	18,971	13,909	18,971
Health	0	0	0	0	0	33,800	25,995	32,664
Education and welfare	92	1,092	(1,184)	0	0	1,092	1,372	3,510
Community amenities	0	63,616	(63,616)	0	0	63,616	0	26,624
Recreation and culture	0	0	0	0	0	0	1,114	0
Transport	0	0	0	0	0	131,975	128,984	128,984
Economic services	47,616	0	(47,616)	0	0	1,000	0	1,000
Other property and services	0	0	0	0	0	8,091	10,205	500
	47,708	83,679	(131,387)	0	0	1,057,275	1,844,842	1,000,966
(b) Non-operating grants, subsidies and contributions								
Law, order, public safety	0	100,000	(100,000)	0	0	100,000	0	90,658
Health	54,545	40,910	(95,455)	0	0	40,910	13,636	75,000
Education and welfare	0	218,376	(218,376)	0	0	218,376	454,476	672,852
Recreation and culture	0	363,585	(363,585)	0	0	363,585	48,607	68,451
Transport	0	1,578,348	(1,578,348)	0	0	1,578,348	730,303	813,737
Economic services	0	10,000	(10,000)	0	0	10,000	0	0
	54,545	2,311,219	(2,365,764)	0	0	2,311,219	1,247,022	1,720,698
Total	102,253	2,394,898	(2,497,151)	0	0	3,368,494	3,091,864	2,721,664

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

	Budget Closing Balance 30 June 2021	Actual Balance 30 June 2020
Unspent grants, subsidies and contributions	0	102,253
	0	102,253

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

11. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

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

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

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

12. OTHER INFORMATION

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	12,500	13,053	12,000
- Other funds	13,300	13,820	12,400
Other interest revenue (refer note 1b)	7,700	8,105	7,700
	33,500	34,978	32,100
* The Shire has resolved to charge interest under section 6.13 for the late payment of any amount of money at 5%.			
(b) Other revenue			
Reimbursements and recoveries	8,922	21,403	28,357
Other	52,100	63,208	52,400
	61,022	84,611	80,757
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	38,000	38,000	39,800
Other services	1,800	1,841	0
	39,800	39,841	39,800
(d) Interest expenses (finance costs)			
Borrowings (refer Note 6(a))	48,745	38,847	28,583
Interest expense on lease liabilities	1,380	864	0
	50,125	39,711	28,583
(e) Elected members remuneration			
Meeting fees	32,301	28,712	32,301
President's allowance	10,000	10,000	10,000
Deputy President's allowance	2,500	2,500	2,500
Travelling expenses	4,500	3,763	4,500
Telecommunications allowance	4,500	3,221	4,500
	53,801	48,196	53,801
(f) Write offs			
General rate	2,500	5,366	4,500
	2,500	5,366	4,500
(g) Low Value lease expenses			
Office equipment - Laptop	1,020	1,020	1,020
	1,020	1,020	1,020

13. INTERESTS IN JOINT ARRANGEMENTS

The Shire of Mukinbudin is involved in the following Joint Venture agreements with the Department of Housing & Works.

- 1 Lot 64 (12) White Street and Lot 69 (6) Lansdell St Houses
- 2 Lot 8 (42) Cruickshank Road Units
- 3 Lot 27 (20) Maddock Street Aged Units 1 & 2
- 4 Lot 28 (18) and Part Lot 29 (16) Maddock Street Aged Units 3,4,5 & 6
- 5 Part Lot 29 (16) Maddock Street Aged Units 7 & 8
- 6 Lot 25 (24) Maddock Street Aged Units 9 & 10

It is not anticipated the Shire will be party to any joint venture arrangements during 2020/21.

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 Mukinbudin'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.