

# SHIRE OF MENZIES

## BUDGET

### 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 community and enable them to enjoy a pleasant and healthy way of life.

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

|   | NOTE  | 2020/21<br>Budget | 2019/20<br>Actual | 2019/20<br>Budget |
|---|-------|-------------------|-------------------|-------------------|
|   |       | \$                | \$                | \$                |
| <b>Revenue</b>                                    |       |                   |                   |                   |
| Rates   | 1(a)  | 3,562,400         | 3,352,627         | 3,266,373         |
| Operating grants, subsidies and contributions     | 9(a)  | 1,515,687         | 2,706,390         | 2,137,567         |
| Fees and charges                                  | 8     | 192,830           | 212,030           | 242,047           |
| Interest earnings                                 | 11(a) | 211,640           | 242,751           | 233,789           |
| Other revenue                                     | 11(b) | 23,050            | 82,397            | 49,693            |
|   |       | 5,505,607         | 6,596,195         | 5,929,469         |
| <b>Expenses</b>                                   |       |                   |                   |                   |
| Employee costs                                    |       | (2,020,866)       | (1,844,687)       | (2,055,237)       |
| Materials and contracts                           |       | (2,307,568)       | (2,045,231)       | (2,129,633)       |
| Utility charges                                   |       | (80,588)          | (77,638)          | (86,147)          |
| Depreciation on non-current assets                | 5     | (2,225,431)       | (2,169,448)       | (1,986,269)       |
| Insurance expenses                                |       | (129,692)         | (121,790)         | (149,012)         |
| Other expenditure                                 |       | (580,435)         | (192,102)         | (436,155)         |
|   |       | (7,344,580)       | (6,450,896)       | (6,842,453)       |
| <b>Subtotal</b>                                   |       | (1,838,973)       | 145,299           | (912,984)         |
| Non-operating grants, subsidies and contributions | 9(b)  | 2,241,861         | 3,586,953         | 3,374,402         |
| Profit on asset disposals                         | 4(b)  | 0                 | 1,594             | 39,212            |
| Loss on asset disposals                           | 4(b)  | 0                 | (35,329)          | (35,336)          |
|   |       | 2,241,861         | 3,553,218         | 3,378,278         |
| <b>Net result</b>                                 |       | <b>402,888</b>    | <b>3,698,517</b>  | <b>2,465,294</b>  |
| <b>Other comprehensive income</b>                 |       |                   |                   |                   |
| Changes on revaluation of non-current assets      |       | 0                 | 0                 | 0                 |
| <b>Total other comprehensive income</b>           |       | <b>0</b>          | <b>0</b>          | <b>0</b>          |
| <b>Total comprehensive income</b>                 |       | <b>402,888</b>    | <b>3,698,517</b>  | <b>2,465,294</b>  |

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

**SHIRE OF MENZIES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**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 Menzies controls resources to carry on its functions have been included in the financial statements forming part of this budget.

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 13 to the budget.

**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 MENZIES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30 JUNE 2021**

|   | NOTE                     | 2020/21<br>Budget  | 2019/20<br>Actual  | 2019/20<br>Budget  |
|---|--------------------------|--------------------|--------------------|--------------------|
| <b>Revenue</b>                                    |                          | \$                 | \$                 | \$                 |
|   | 1,8,9(a),11(a),11(b)     |                    |                    |                    |
| Governance  |                          | 100                | 9,306              | 16,980             |
| General purpose funding                           |                          | 4,974,022          | 5,549,644          | 4,397,124          |
| Law, order, public safety                         |                          | 11,462             | 10,121             | 6,722              |
| Health  |                          | 300                | 450                | 1,300              |
| Housing   |                          | 65,700             | 86,831             | 100,600            |
| Community amenities                               |                          | 25,630             | 28,025             | 17,277             |
| Recreation and culture                            |                          | 800                | 16,730             | 800                |
| Transport   |                          | 198,034            | 642,410            | 1,133,391          |
| Economic services                                 |                          | 207,359            | 198,737            | 226,292            |
| Other property and services                       |                          | 22,200             | 53,941             | 28,983             |
|   |                          | <b>5,505,607</b>   | <b>6,596,195</b>   | <b>5,929,469</b>   |
| <b>Expenses excluding finance costs</b>           |                          |                    |                    |                    |
|   | 4(a),5,11(c),(d),(e),(f) |                    |                    |                    |
| Governance  |                          | (746,054)          | (892,421)          | (903,820)          |
| General purpose funding                           |                          | (421,679)          | (272,971)          | (225,840)          |
| Law, order, public safety                         |                          | (75,511)           | (112,741)          | (116,855)          |
| Health  |                          | (46,337)           | (37,058)           | (128,587)          |
| Housing   |                          | (270,951)          | (175,337)          | (157,257)          |
| Community amenities                               |                          | (326,485)          | (316,322)          | (315,359)          |
| Recreation and culture                            |                          | (767,059)          | (860,122)          | (953,595)          |
| Transport   |                          | (2,820,848)        | (2,290,753)        | (2,317,201)        |
| Economic services                                 |                          | (1,258,356)        | (884,750)          | (1,317,284)        |
| Other property and services                       |                          | (611,300)          | (608,421)          | (406,655)          |
|   |                          | <b>(7,344,580)</b> | <b>(6,450,896)</b> | <b>(6,842,453)</b> |
| <b>Subtotal</b>                                   |                          | <b>(1,838,973)</b> | <b>145,299</b>     | <b>(912,984)</b>   |
| Non-operating grants, subsidies and contributions | 9(b)                     | 2,241,861          | 3,586,953          | 3,374,402          |
| Profit on disposal of assets                      | 4(b)                     | 0                  | 1,594              | 39,212             |
| (Loss) on disposal of assets                      | 4(b)                     | 0                  | (35,329)           | (35,336)           |
|   |                          | <b>2,241,861</b>   | <b>3,553,218</b>   | <b>3,378,278</b>   |
| <b>Net result</b>                                 |                          | <b>402,888</b>     | <b>3,698,517</b>   | <b>2,465,294</b>   |
| <b>Other comprehensive income</b>                 |                          |                    |                    |                    |
| Changes on revaluation of non-current assets      |                          | 0                  | 0                  | 0                  |
| <b>Total other comprehensive income</b>           |                          | <b>0</b>           | <b>0</b>           | <b>0</b>           |
| <b>Total comprehensive income</b>                 |                          | <b>402,888</b>     | <b>3,698,517</b>   | <b>2,465,294</b>   |

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

**SHIRE OF MENZIES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**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.

Includes the members of Council and the administrative support available to the Council for the provision of the governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific Shire services.

**GENERAL PURPOSE FUNDING**

To collect revenue to allow for the provision of services.

The reporting of the Shire's general rating income and the recognition of the Western Australian Grants Commission payment together with interest on investments and costs associated with the collection of funds.

**LAW, ORDER, PUBLIC SAFETY**

To provide services to help ensure a safer and environmentally conscious community.

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

**HEALTH**

To provide an operational framework for environmental and community health.

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

**EDUCATION AND WELFARE**

To provide services to disadvantages persons, the elderly, children and youth.

Expenditure to assist in the education of the children and youth within the Shire.

**HOUSING**

To provide and maintain housing.

Income and expenditure associated with the provision of housing to staff and others.

**COMMUNITY AMENITIES**

To provide services required by the community.

Rubbish collections services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

**RECREATION AND CULTURE**

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

The reporting of income and expenditure associated with the Town Hall, library and recreation area, oval and reserves operated by the Shire.

**TRANSPORT**

To provide safe, effective and efficient transport services to the community.

Construction and maintenance of roads, grids, footpaths, depots, cycleways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting and the maintenance of the Shire's airstrips.

**ECONOMIC SERVICES**

To help promote the Shire and its economic well being.

The reporting of income and expenditure including the operation of Shire's caravan park and administration of the Building Code of Australia.

**OTHER PROPERTY AND SERVICES**

To monitor and control Shire's overheads operating accounts.

Involves the expenditure and allocation of employee overheads and plant costs. Also included is the accounting for private works, salary and wages reconciliation and other incomes and expenditures not included elsewhere.

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

|  | NOTE | 2020/21<br>Budget  | 2019/20<br>Actual  | 2019/20<br>Budget  |
|--|------|--------------------|--------------------|--------------------|
|  |      | \$                 | \$                 | \$                 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                |      |                    |                    |                    |
| <b>Receipts</b>  |      |                    |                    |                    |
| Rates  |      | 3,562,400          | 3,345,257          | 3,266,373          |
| Operating grants, subsidies and contributions              |      | 1,515,687          | 2,721,114          | 2,137,567          |
| Fees and charges   |      | 192,830            | 212,030            | 242,047            |
| Interest earnings  |      | 211,640            | 242,751            | 233,789            |
| Goods and services tax                                     |      | 0                  | 53,142             | 256,579            |
| Other revenue  |      | 23,050             | 82,397             | 49,693             |
|  |      | <b>5,505,607</b>   | <b>6,656,691</b>   | <b>6,186,048</b>   |
| <b>Payments</b>  |      |                    |                    |                    |
| Employee costs   |      | (2,020,866)        | (1,780,187)        | (2,055,237)        |
| Materials and contracts                                    |      | (2,307,568)        | (2,110,494)        | (1,993,257)        |
| Utility charges  |      | (80,588)           | (77,638)           | (86,147)           |
| Interest expenses  |      | 0                  | (155,998)          | 0                  |
| Insurance expenses   |      | (129,692)          | (121,790)          | (149,012)          |
| Goods and services tax                                     |      | 0                  | 0                  | (256,579)          |
| Other expenditure  |      | (580,435)          | (192,102)          | (436,155)          |
|  |      | <b>(5,119,149)</b> | <b>(4,438,209)</b> | <b>(4,976,387)</b> |
| <b>Net cash provided by (used in) operating activities</b> | 3    | <b>386,458</b>     | <b>2,218,482</b>   | <b>1,209,661</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                |      |                    |                    |                    |
| Payments for purchase of property, plant & equipment       | 4(a) | (2,084,500)        | (1,478,666)        | (2,612,085)        |
| Payments for construction of infrastructure                | 4(a) | (4,091,000)        | (2,479,882)        | (3,077,088)        |
| Non-operating grants, subsidies and contributions          |      | 2,241,861          | 3,586,953          | 3,374,402          |
| Proceeds from sale of plant and equipment                  | 4(b) | 0                  | 222,901            | 250,911            |
| <b>Net cash provided by (used in) investing activities</b> |      | <b>(3,933,639)</b> | <b>(148,694)</b>   | <b>(2,063,860)</b> |
| <b>Net increase (decrease) in cash held</b>                |      | <b>(3,547,181)</b> | <b>2,069,788</b>   | <b>(854,199)</b>   |
| Cash at beginning of year                                  |      | 12,703,555         | 10,633,767         | 10,632,087         |
| <b>Cash and cash equivalents at the end of the year</b>    | 3    | <b>9,156,374</b>   | <b>12,703,555</b>  | <b>9,777,888</b>   |

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

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

|  | NOTE       | 2020/21<br>Budget | 2019/20<br>Actual | 2019/20<br>Budget |
|--|------------|-------------------|-------------------|-------------------|
|  |            | \$                | \$                | \$                |
| <b>OPERATING ACTIVITIES</b>  |            |                   |                   |                   |
| <b>Net current assets at start of financial year - surplus/(deficit)</b> |            | 811,748           | 1,994,974         | 2,262,666         |
|  |            | 811,748           | 1,994,974         | 2,262,666         |
| <b>Revenue from operating activities (excluding rates)</b>               |            |                   |                   |                   |
| Governance   |            | 100               | 9,306             | 16,980            |
| General purpose funding  |            | 1,411,622         | 2,197,017         | 1,130,751         |
| Law, order, public safety  |            | 11,462            | 10,121            | 6,722             |
| Health   |            | 300               | 450               | 1,300             |
| Housing  |            | 65,700            | 86,831            | 100,600           |
| Community amenities  |            | 25,630            | 28,025            | 17,277            |
| Recreation and culture   |            | 800               | 16,730            | 800               |
| Transport  |            | 198,034           | 644,004           | 1,172,603         |
| Economic services  |            | 207,359           | 198,737           | 226,292           |
| Other property and services  |            | 22,200            | 53,941            | 28,983            |
|  |            | 1,943,207         | 3,245,162         | 2,702,308         |
| <b>Expenditure from operating activities</b>                             |            |                   |                   |                   |
| Governance   |            | (746,054)         | (892,421)         | (903,820)         |
| General purpose funding  |            | (421,679)         | (272,971)         | (225,840)         |
| Law, order, public safety  |            | (75,511)          | (112,741)         | (116,855)         |
| Health   |            | (46,337)          | (37,058)          | (128,587)         |
| Housing  |            | (270,951)         | (175,337)         | (157,257)         |
| Community amenities  |            | (326,485)         | (316,322)         | (315,359)         |
| Recreation and culture   |            | (767,059)         | (860,122)         | (953,595)         |
| Transport  |            | (2,820,848)       | (2,326,082)       | (2,352,537)       |
| Economic services  |            | (1,258,356)       | (884,750)         | (1,317,284)       |
| Other property and services  |            | (611,300)         | (608,421)         | (406,655)         |
|  |            | (7,344,580)       | (6,486,225)       | (6,877,789)       |
| Non-cash amounts excluded from operating activities                      | 2 (a)(i)   | 2,225,431         | 2,192,745         | 1,982,393         |
| <b>Amount attributable to operating activities</b>                       |            | (2,364,194)       | 946,656           | 69,578            |
| <b>INVESTING ACTIVITIES</b>  |            |                   |                   |                   |
| Non-operating grants, subsidies and contributions                        | 9(b)       | 2,241,861         | 3,586,953         | 3,374,402         |
| Purchase property, plant and equipment                                   | 4(a)       | (2,084,500)       | (1,478,666)       | (2,612,085)       |
| Purchase and construction of infrastructure                              | 4(a)       | (4,091,000)       | (2,479,882)       | (3,077,088)       |
| Proceeds from disposal of assets   | 4(b)       | 0                 | 222,901           | 250,911           |
| <b>Amount attributable to investing activities</b>                       |            | (3,933,639)       | (148,694)         | (2,063,860)       |
| <b>FINANCING ACTIVITIES</b>  |            |                   |                   |                   |
| Transfers to cash backed reserves (restricted assets)                    | 7(a)       | (100,000)         | (3,616,133)       | (4,658,077)       |
| Transfers from cash backed reserves (restricted assets)                  | 7(a)       | 2,835,433         | 277,292           | 3,377,435         |
| <b>Amount attributable to financing activities</b>                       |            | 2,735,433         | (3,338,841)       | (1,280,642)       |
| <b>Budgeted deficiency before general rates</b>                          |            | (3,562,400)       | (2,540,879)       | (3,274,924)       |
| <b>Estimated amount to be raised from general rates</b>                  | 1          | 3,562,400         | 3,352,627         | 3,266,373         |
| <b>Net current assets at end of financial year - surplus/(deficit)</b>   | 2 (a)(iii) | <b>0</b>          | <b>811,748</b>    | <b>(8,551)</b>    |

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

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

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**SHIRE OF MENZIES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**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 |
|--|-----------|----------------------|-------------------|-------------------------------|--------------------------------|-----------------------------|--------------------------------|------------------------------|------------------------------|
|  | \$        |                      | \$                | \$                            | \$                             | \$                          | \$                             | \$                           | \$                           |
| <b>Differential general rate or general rate</b> |           |                      |                   |                               |                                |                             |                                |                              |                              |
| <b>Gross rental valuations</b>                   |           |                      |                   |                               |                                |                             |                                |                              |                              |
| GRV Vacant                                       | 0.08640   | 4                    | 20,956            | 1,811                         | 0                              | 0                           | 1,811                          | 1,811                        | 1,811                        |
| GRV General                                      | 0.08620   | 29                   | 2,490,652         | 214,694                       | 0                              | 0                           | 214,694                        | 214,694                      | 214,694                      |
| <b>Unimproved valuations</b>                     |           |                      |                   |                               |                                |                             |                                |                              |                              |
| UV Mining Lease                                  | 0.16550   | 223                  | 15,475,383        | 2,561,176                     | 50,000                         | 0                           | 2,611,176                      | 2,430,616                    | 2,349,951                    |
| UV Exploration Lease                             | 0.15000   | 280                  | 3,117,012         | 467,552                       | 0                              | 0                           | 467,552                        | 420,983                      | 412,726                      |
| UV Prospecting                                   | 0.14770   | 174                  | 426,802           | 63,039                        | 0                              | 0                           | 63,039                         | 53,882                       | 56,148                       |
| UV Pastoral                                      | 0.08290   | 20                   | 817,244           | 67,750                        | 0                              | 0                           | 67,750                         | 60,861                       | 60,861                       |
| UV Other   | 0.08290   | 61                   | 301,300           | 24,978                        | 0                              | 0                           | 24,978                         | 24,978                       | 24,948                       |
| <b>Sub-Totals</b>                                |           | <b>791</b>           | <b>22,649,349</b> | <b>3,401,000</b>              | <b>50,000</b>                  | <b>0</b>                    | <b>3,451,000</b>               | <b>3,207,825</b>             | <b>3,121,139</b>             |
| <b>Minimum</b>                                   | <b>\$</b> |                      |                   |                               |                                |                             |                                |                              |                              |
| <b>Minimum payment</b>                           |           |                      |                   |                               |                                |                             |                                |                              |                              |
| <b>Gross rental valuations</b>                   |           |                      |                   |                               |                                |                             |                                |                              |                              |
| GRV Vacant                                       | 200       | 200                  | 41,081            | 40,000                        | 0                              | 0                           | 40,000                         | 40,280                       | 40,000                       |
| GRV General                                      | 200       | 11                   | 15,313            | 2,200                         | 0                              | 0                           | 2,200                          | 3,487                        | 3,487                        |
| <b>Unimproved valuations</b>                     |           |                      |                   |                               |                                |                             |                                |                              |                              |
| UV Mining Lease                                  | 200       | 60                   | 49,994            | 12,000                        | 0                              | 0                           | 12,000                         | 19,020                       | 19,020                       |
| UV Exploration Lease                             | 200       | 187                  | 186,850           | 37,400                        | 0                              | 0                           | 37,400                         | 53,480                       | 53,200                       |
| UV Prospecting                                   | 200       | 89                   | 71,442            | 17,800                        | 0                              | 0                           | 17,800                         | 25,048                       | 26,040                       |
| UV Pastoral                                      | 200       | 7                    | 14,377            | 1,400                         | 0                              | 0                           | 1,400                          | 2,536                        | 2,536                        |
| UV Other   | 200       | 3                    | 6,700             | 600                           | 0                              | 0                           | 600                            | 951                          | 951                          |
| <b>Sub-Totals</b>                                |           | <b>557</b>           | <b>385,757</b>    | <b>111,400</b>                | <b>0</b>                       | <b>0</b>                    | <b>111,400</b>                 | <b>144,802</b>               | <b>145,234</b>               |
|  |           | <b>1,348</b>         | <b>23,035,106</b> | <b>3,512,400</b>              | <b>50,000</b>                  | <b>0</b>                    | <b>3,562,400</b>               | <b>3,352,627</b>             | <b>3,266,373</b>             |
| <b>Total amount raised from general rates</b>    |           |                      |                   |                               |                                |                             | <b>3,562,400</b>               | <b>3,352,627</b>             | <b>3,266,373</b>             |

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

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

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

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

**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 |
|--------------------|------------|------------------------------|-------------------------------|-----------------------------|
|                    |            | \$                           | %                             | %                           |
| <b>Option one</b>  |            |                              |                               |                             |
| Pay in full        | 27/08/2020 | 0                            | 0.0%                          | 8.0%                        |
| <b>Option two</b>  |            |                              |                               |                             |
| First Instalment   | 27/08/2020 | 0                            | 0.0%                          | 8.0%                        |
| Second Instalment  | 27/10/2020 | 10                           | 5.5%                          | 8.0%                        |
| Third Instalment   | 11/01/2021 | 10                           | 5.5%                          | 8.0%                        |
| Fourth Instalment  | 11/03/2021 | 10                           | 5.5%                          | 8.0%                        |

|   | 2020/21 Budget revenue | 2019/20 Actual revenue | 2019/20 Budget revenue |
|---|------------------------|------------------------|------------------------|
|   | \$                     | \$                     | \$                     |
| Instalment plan admin charge revenue            | 5,500                  | 4,795                  | 10,040                 |
| Instalment plan interest earned                 | 5,500                  | 4,973                  | 8,667                  |
| Unpaid rates and service charge interest earned | 91,140                 | 85,507                 | 98,622                 |
|   | 102,140                | 95,275                 | 117,329                |

**(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 Vacant                                    | Vacant lots within the townsite of Menzies | The majority of the properties rates GRV are vacant lots. The minimum of \$200 has been set for these vacant lots. This represents a contribution to the community of \$3.85 per week, which although below expectation is considered fair to encourage owners of vacant blocks in town to retain ownership and not hand the blocks back into the Shire. | The reason for differentially rating this category is to meet the criteria of the Local Government Act 1995, which does not allow for a minimum rate exceeding \$200 per lot where the number of lots which attract the minimum rate is greater than 50% of the properties in the category (being GRV).        |
| UV Mining, Exploration and Prospecting Leases | Mining tenements                           | Mining, Exploration and Prospecting Leases are rated differentially to reflect the nature of the lease. Prospecting leases attract a lower minimum and rate in the dollar (RID) to acknowledge that these leases are not, for the most part, income producing.   | As per previous years, the differential rate for the UV Pastoral and Other has been set taking into account issues of rating equity including capacity to pay. The Pastoral and Other sector are increasingly taking opportunities afforded to them to diversify, and it is believed that the capacity to pay. |

**(d) Differential Minimum Payment**

| Description                               | Characteristics   | Objects   | Reasons   |
|---|---|---|---|
| All properties charged a minimum payment. | Properties with a value below a designated threshold will attract a minimum charge. | The setting of minimum rates within rating categories is an important method of ensuring that all properties contribute an equitable rate amount. | A minimum rate for UV Mining, Exploration and Prospecting categories has been set lower than other rating categories to reflect the Shire's goal to encourage mining in the district. |

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

**1. RATES AND SERVICE CHARGES (CONTINUED)**

**(e) Specified Area Rate**

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

**(f) Service Charges**

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

**(g) Waivers or concessions**

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

**SHIRE OF MENZIES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**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**

|  | 2020/21<br>Budget<br>30 June 2021 | 2019/20<br>Actual<br>30 June 2020 | 2019/20<br>Budget<br>30 June 2020 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Less: Profit on asset disposals  | 0                                 | (1,594)                           | (39,212)                          |
| Less: Movement in employee liabilities associated with restricted cash | 0                                 | (10,438)                          | 0                                 |
| Add: Loss on disposal of assets  | 0                                 | 35,329                            | 35,336                            |
| Add: Depreciation on assets  | 2,225,431                         | 2,169,448                         | 1,986,269                         |
| <b>Non cash amounts excluded from operating activities</b>             | <b>2,225,431</b>                  | <b>2,192,745</b>                  | <b>1,982,393</b>                  |

**(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  | (9,100,654)        | (11,836,087)        | (9,777,888)        |
| Add: Current liabilities not expected to be cleared at end of year<br>- Employee benefit provisions | 129,659            | 129,659             | 0                  |
| <b>Total adjustments to net current assets</b>  | <b>(8,970,995)</b> | <b>(11,706,428)</b> | <b>(9,777,888)</b> |

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

**(iii) Composition of estimated net current assets**

**Current assets**

|  | 2020/21<br>Budget<br>30 June 2021 | 2019/20<br>Actual<br>30 June 2020 | 2019/20<br>Budget<br>30 June 2020 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Cash and cash equivalents- unrestricted              | 55,720                            | 867,468                           | 0                                 |
| Cash and cash equivalents - restricted               |                                   |                                   |                                   |
| Cash backed reserves                                 | 9,100,654                         | 11,836,087                        | 9,777,888                         |
| Receivables  | 668,014                           | 668,014                           | 808,324                           |
| Inventories  | 12,916                            | 12,916                            | 13,654                            |
|  | <b>9,837,304</b>                  | <b>13,384,485</b>                 | <b>10,599,866</b>                 |
| <b>Less: current liabilities</b>                     |                                   |                                   |                                   |
| Trade and other payables                             | (736,650)                         | (736,650)                         | (830,529)                         |
| Provisions   | (129,659)                         | (129,659)                         | 0                                 |
|  | <b>(866,309)</b>                  | <b>(866,309)</b>                  | <b>(830,529)</b>                  |
| <b>Net current assets</b>                            | <b>8,970,995</b>                  | <b>12,518,176</b>                 | <b>9,769,337</b>                  |
| <b>Less: Total adjustments to net current assets</b> | <b>(8,970,995)</b>                | <b>(11,706,428)</b>               | <b>(9,777,888)</b>                |
| <b>Closing funding surplus / (deficit)</b>           | <b>0</b>                          | <b>811,748</b>                    | <b>(8,551)</b>                    |

**SHIRE OF MENZIES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**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 Menzies 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 Menzies contributes to a number of superannuation funds on behalf of employees.

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

**TRADE AND OTHER RECEIVABLES**

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

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

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

**EMPLOYEE BENEFITS**

**Short-term employee benefits**

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

**LEASE LIABILITIES**

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

**SHIRE OF MENZIES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**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<br>Budget | 2019/20<br>Actual | 2019/20<br>Budget |
|---|-------------------|-------------------|-------------------|
|   | \$                | \$                | \$                |
| Cash at bank and on hand  | 9,156,374         | 12,703,555        | 0                 |
| Term deposits   | 0                 | 0                 | 9,777,888         |
|   | 9,156,374         | 12,703,555        | 9,777,888         |
| - Unrestricted cash and cash equivalents  | 55,720            | 867,468           | 0                 |
| - Restricted cash and cash equivalents  | 9,100,654         | 11,836,087        | 9,777,888         |
|   | 9,156,374         | 12,703,555        | 9,777,888         |
| The following restrictions have been imposed by regulation or other externally imposed requirements on cash and cash equivalents: |                   |                   |                   |
| Leave reserve   | 206,413           | 204,689           | 204,609           |
| Building Reserve  | 1,702,386         | 2,777,045         | 1,496,257         |
| Plant Reserve   | 1,901,735         | 1,957,365         | 1,516,517         |
| Roads Reserve   | 2,175,679         | 2,752,496         | 2,451,887         |
| Main Street Reserve   | 141,373           | 140,192           | 130,137           |
| Staff Amenities Reserve   | 159,412           | 574,565           | 575,392           |
| TV Reserve  | 18,862            | 18,712            | 17,848            |
| Caravan Park Reserve  | 284,210           | 430,584           | 419,762           |
| Bitumen Reserve   | 608,166           | 603,087           | 602,929           |
| Rates Creditors Reserve   | 51,303            | 50,875            | 50,855            |
| Niagara Dam Reserve   | 1,175,434         | 1,249,909         | 1,285,371         |
| Swimming Pool Reserve   | 302,149           | 299,625           | 299,586           |
| Waste Management Reserve  | 59,818            | 59,319            | 59,278            |
| Former Post Office Reserve  | 11,141            | 417,624           | 367,460           |
| Commercial Enterprise Reserve   | 100,857           | 100,000           | 100,000           |
| Land Purchase Reserve   | 201,716           | 200,000           | 200,000           |
|   | 9,100,654         | 11,836,087        | 9,777,888         |
| <b>Reconciliation of net cash provided by operating activities to net result</b>  |                   |                   |                   |
| <b>Net result</b>   | 402,888           | 3,698,517         | 2,465,294         |
| Depreciation  | 5                 | 2,225,431         | 2,169,448         |
| (Profit)/loss on sale of asset  | 4(b)              | 0                 | 33,735            |
| (Increase)/decrease in receivables  |                   | 0                 | 60,496            |
| (Increase)/decrease in inventories  |                   | 0                 | (2,210)           |
| Increase/(decrease) in payables   |                   | 0                 | (144,113)         |
| Increase/(decrease) in employee provisions  |                   | 0                 | (10,438)          |
| Non-operating grants, subsidies and contributions   |                   | (2,241,861)       | (3,374,402)       |
| <b>Net cash from operating activities</b>   | 386,458           | 2,218,482         | 1,209,661         |

**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 MENZIES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**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<br>Budget total | 2019/20<br>Actual total | 2019/20<br>Budget total |
|---|-------------------|-----------|------------------------|---------------------------|-----------|----------------------|-----------------------------------|-------------------------|-------------------------|-------------------------|
|   | Governance        | Housing   | Community<br>amenities | Recreation<br>and culture | Transport | Economic<br>services | Other<br>property and<br>services |                         |                         |                         |
|   | \$                | \$        | \$                     | \$                        | \$        | \$                   | \$                                | \$                      | \$                      |                         |
| <b><i>Property, Plant and Equipment</i></b> |                   |           |                        |                           |           |                      |                                   |                         |                         |                         |
| Buildings - non-specialised                 | 0                 | 1,155,500 | 10,000                 | 400,000                   | 0         | 325,000              | 50,000                            | 1,940,500               | 667,643                 | 1,076,000               |
| Buildings - specialised                     | 0                 | 0         | 0                      | 0                         | 0         | 0                    | 0                                 | 0                       | 0                       | 786,000                 |
| Furniture and equipment                     | 0                 | 0         | 0                      | 0                         | 0         | 0                    | 0                                 | 0                       | 0                       | 45,000                  |
| Plant and equipment                         | 35,000            | 0         | 0                      | 0                         | 25,000    | 0                    | 84,000                            | 144,000                 | 811,023                 | 705,085                 |
|   | 35,000            | 1,155,500 | 10,000                 | 400,000                   | 25,000    | 325,000              | 134,000                           | 2,084,500               | 1,478,666               | 2,612,085               |
| <b><i>Infrastructure</i></b>                |                   |           |                        |                           |           |                      |                                   |                         |                         |                         |
| Infrastructure - roads                      | 0                 | 0         | 0                      | 0                         | 2,772,000 | 0                    | 0                                 | 2,772,000               | 2,175,389               | 2,193,438               |
| Infrastructure - footpaths                  | 0                 | 0         | 0                      | 0                         | 200,000   | 0                    | 0                                 | 200,000                 | 0                       | 100,000                 |
| Infrastructure - other                      | 0                 | 0         | 120,000                | 40,000                    | 125,000   | 822,000              | 12,000                            | 1,119,000               | 304,493                 | 783,650                 |
|   | 0                 | 0         | 120,000                | 40,000                    | 3,097,000 | 822,000              | 12,000                            | 4,091,000               | 2,479,882               | 3,077,088               |
| <b>Total acquisitions</b>                   | 35,000            | 1,155,500 | 130,000                | 440,000                   | 3,122,000 | 1,147,000            | 146,000                           | 6,175,500               | 3,958,548               | 5,689,173               |

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 MENZIES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**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<br>Budget<br>Net Book<br>Value | 2020/21<br>Budget<br>Sale<br>Proceeds | 2020/21<br>Budget<br>Profit | 2020/21<br>Budget<br>Loss | 2019/20<br>Actual<br>Net Book<br>Value | 2019/20<br>Actual<br>Sale<br>Proceeds | 2019/20<br>Actual<br>Profit | 2019/20<br>Actual<br>Loss | 2019/20<br>Budget<br>Net Book<br>Value | 2019/20<br>Budget<br>Sale<br>Proceeds | 2019/20<br>Budget<br>Profit | 2019/20<br>Budget<br>Loss |
|--------------------------------------|--|---------------------------------------|-----------------------------|---------------------------|--|---------------------------------------|-----------------------------|---------------------------|--|---------------------------------------|-----------------------------|---------------------------|
|                                      | \$                                     | \$                                    | \$                          | \$                        | \$                                     | \$                                    | \$                          | \$                        | \$                                     | \$                                    | \$                          | \$                        |
| <b>By Program</b>                    |  |                                       |                             |                           |  |                                       |                             |                           |  |                                       |                             |                           |
| Transport                            | 0                                      | 0                                     | 0                           | 0                         | 256,636                                | 222,901                               | 1,594                       | (35,329)                  | 247,035                                | 250,911                               | 39,212                      | (35,336)                  |
|                                      | 0                                      | 0                                     | 0                           | 0                         | 256,636                                | 222,901                               | 1,594                       | (35,329)                  | 247,035                                | 250,911                               | 39,212                      | (35,336)                  |
| <b>By Class</b>                      |  |                                       |                             |                           |  |                                       |                             |                           |  |                                       |                             |                           |
| <i>Property, Plant and Equipment</i> |  |                                       |                             |                           |  |                                       |                             |                           |  |                                       |                             |                           |
| Plant and equipment                  | 0                                      | 0                                     | 0                           | 0                         | 256,636                                | 222,901                               | 1,594                       | (35,329)                  | 247,035                                | 250,911                               | 39,212                      | (35,336)                  |
|                                      | 0                                      | 0                                     | 0                           | 0                         | 256,636                                | 222,901                               | 1,594                       | (35,329)                  | 247,035                                | 250,911                               | 39,212                      | (35,336)                  |

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 MENZIES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**5. ASSET DEPRECIATION**

|                                  | <b>2020/21<br/>Budget</b> | <b>2019/20<br/>Actual</b> | <b>2019/20<br/>Budget</b> |
|----------------------------------|---------------------------|---------------------------|---------------------------|
|                                  | \$                        | \$                        | \$                        |
| <b>By Program</b>                |                           |                           |                           |
| Governance                       | 15,451                    | 0                         | 0                         |
| Law, order, public safety        | 4,805                     | 4,804                     | 5,515                     |
| Housing                          | 119,611                   | 119,559                   | 121,852                   |
| Community amenities              | 12,745                    | 8,625                     | 9,097                     |
| Recreation and culture           | 105,165                   | 105,103                   | 50,783                    |
| Transport                        | 1,180,050                 | 1,180,050                 | 1,145,192                 |
| Economic services                | 154,054                   | 103,020                   | 209,244                   |
| Other property and services      | 633,550                   | 648,287                   | 444,586                   |
|                                  | <b>2,225,431</b>          | <b>2,169,448</b>          | <b>1,986,269</b>          |
| <b>By Class</b>                  |                           |                           |                           |
| Buildings - non-specialised      | 121,194                   | 118,971                   | 121,253                   |
| Buildings - specialised          | 270,614                   | 265,651                   | 249,253                   |
| Furniture and equipment          | 15,907                    | 15,615                    | 48,133                    |
| Plant and equipment              | 517,059                   | 492,408                   | 349,567                   |
| Infrastructure - roads           | 1,131,261                 | 1,110,514                 | 1,091,120                 |
| Infrastructure - footpaths       | 7,670                     | 7,529                     | 7,024                     |
| Infrastructure - other           | 154,933                   | 152,092                   | 79,175                    |
| Infrastructure - parks and ovals | 6,793                     | 6,668                     | 40,744                    |
|                                  | <b>2,225,431</b>          | <b>2,169,448</b>          | <b>1,986,269</b>          |

**SIGNIFICANT ACCOUNTING POLICIES**

**DEPRECIATION**

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

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

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

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

|                                  |                 |
|----------------------------------|-----------------|
| Buildings - non-specialised      | 20 to 50 years  |
| Buildings - specialised          | 20 to 50 years  |
| Furniture and equipment          | 4 to 10 years   |
| Plant and equipment              | 5 to 15 years   |
| Infrastructure - roads           | Not depreciated |
| Infrastructure - footpaths       | 20 years        |
| Infrastructure - other           | 80 years        |
| Infrastructure - parks and ovals | 30 to 75 years  |

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

**6. INFORMATION ON BORROWINGS**

**(a) Borrowing repayments**

The Shire has not budgeted to have any borrowings for the year ended 30 June 2021 and did not have or budget to have any borrowings for the year ended 30 June 2020

**(a) New borrowings - 2020/21**

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

**(b) 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.

**(c) Credit Facilities**

**Undrawn borrowing facilities  
credit standby arrangements**  
Bank overdraft limit  
Bank overdraft at balance date  
Credit card limit  
Credit card balance at balance date  
**Total amount of credit unused**

| <b>2020/21<br/>Budget</b> | <b>2019/20<br/>Actual</b> | <b>2019/20<br/>Budget</b> |
|---------------------------|---------------------------|---------------------------|
| \$                        | \$                        | \$                        |
| 0                         | 0                         | 0                         |
| 0                         | 0                         | 0                         |
| 0                         | 0                         | 20,000                    |
| 0                         | 0                         | 0                         |
| <b>0</b>                  | <b>0</b>                  | <b>20,000</b>             |

**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 MENZIES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**7. CASH BACKED RESERVES**

**(a) Cash Backed Reserves - Movement**

|                                   | 2020/21<br>Budget<br>Opening<br>Balance | 2020/21<br>Budget<br>Transfer to | 2020/21<br>Budget<br>Transfer<br>(from) | 2020/21<br>Budget<br>Closing<br>Balance | 2019/20<br>Actual<br>Opening<br>Balance | 2019/20<br>Actual<br>Transfer to | 2019/20<br>Actual<br>Transfer<br>(from) | 2019/20<br>Actual<br>Closing<br>Balance | 2019/20<br>Budget<br>Opening<br>Balance | 2019/20<br>Budget<br>Transfer to | 2019/20<br>Budget<br>Transfer<br>(from) | 2019/20<br>Budget<br>Closing<br>Balance |
|-----------------------------------|---|----------------------------------|---|---|---|----------------------------------|---|---|---|----------------------------------|---|---|
|                                   | \$                                      | \$                               | \$                                      | \$                                      | \$                                      | \$                               | \$                                      | \$                                      | \$                                      | \$                               | \$                                      | \$                                      |
| (a) Leave reserve                 | 204,689                                 | 1,724                            | 0                                       | 206,413                                 | 201,643                                 | 3,046                            | 0                                       | 204,689                                 | 201,643                                 | 2,966                            | 0                                       | 204,609                                 |
| (b) Building Reserve              | 2,777,045                               | 23,774                           | (1,098,433)                             | 1,702,386                               | 2,298,078                               | 581,259                          | (102,292)                               | 2,777,045                               | 2,298,078                               | 980,179                          | (1,782,000)                             | 1,496,257                               |
| (c) Plant Reserve                 | 1,957,365                               | 16,370                           | (72,000)                                | 1,901,735                               | 1,395,073                               | 562,292                          | 0                                       | 1,957,365                               | 1,395,073                               | 557,229                          | (435,785)                               | 1,516,517                               |
| (d) Roads Reserve                 | 2,752,496                               | 23,183                           | (600,000)                               | 2,175,679                               | 1,529,390                               | 1,223,106                        | 0                                       | 2,752,496                               | 1,529,390                               | 1,222,497                        | (300,000)                               | 2,451,887                               |
| (e) Main Street Reserve           | 140,192                                 | 1,181                            | 0                                       | 141,373                                 | 138,105                                 | 2,087                            | 0                                       | 140,192                                 | 138,105                                 | 2,032                            | (10,000)                                | 130,137                                 |
| (f) Staff Amenities Reserve       | 574,565                                 | 4,847                            | (420,000)                               | 159,412                                 | 74,299                                  | 500,266                          | 0                                       | 574,565                                 | 74,299                                  | 1,151,093                        | (650,000)                               | 575,392                                 |
| (g) TV Reserve                    | 18,712                                  | 150                              | 0                                       | 18,862                                  | 17,589                                  | 1,123                            | 0                                       | 18,712                                  | 17,589                                  | 259                              | 0                                       | 17,848                                  |
| (h) Caravan Park Reserve          | 430,584                                 | 3,626                            | (150,000)                               | 284,210                                 | 434,027                                 | 6,557                            | (10,000)                                | 430,584                                 | 434,027                                 | 6,385                            | (20,650)                                | 419,762                                 |
| (i) Bitumen Reserve               | 603,087                                 | 5,079                            | 0                                       | 608,166                                 | 397,088                                 | 205,999                          | 0                                       | 603,087                                 | 397,088                                 | 205,841                          | 0                                       | 602,929                                 |
| (j) Rates Creditors Reserve       | 50,875                                  | 428                              | 0                                       | 51,303                                  | 50,118                                  | 757                              | 0                                       | 50,875                                  | 50,118                                  | 737                              | 0                                       | 50,855                                  |
| (k) Niagara Dam Reserve           | 1,249,909                               | 10,525                           | (85,000)                                | 1,175,434                               | 1,349,520                               | 20,389                           | (120,000)                               | 1,249,909                               | 1,349,520                               | 19,851                           | (84,000)                                | 1,285,371                               |
| (l) Swimming Pool Reserve         | 299,625                                 | 2,524                            | 0                                       | 302,149                                 | 98,142                                  | 201,483                          | 0                                       | 299,625                                 | 98,142                                  | 201,444                          | 0                                       | 299,586                                 |
| (m) Waste Management Reserve      | 59,319                                  | 499                              | 0                                       | 59,818                                  | 102,766                                 | 1,553                            | (45,000)                                | 59,319                                  | 102,766                                 | 1,512                            | (45,000)                                | 59,278                                  |
| (n) Former Post Office Reserve    | 417,624                                 | 3,517                            | (410,000)                               | 11,141                                  | 411,408                                 | 6,216                            | 0                                       | 417,624                                 | 411,408                                 | 6,052                            | (50,000)                                | 367,460                                 |
| (o) Commercial Enterprise Reserve | 100,000                                 | 857                              | 0                                       | 100,857                                 | 0                                       | 100,000                          | 0                                       | 100,000                                 | 0                                       | 100,000                          | 0                                       | 100,000                                 |
| (p) Land Purchase Reserve         | 200,000                                 | 1,716                            | 0                                       | 201,716                                 | 0                                       | 200,000                          | 0                                       | 200,000                                 | 0                                       | 200,000                          | 0                                       | 200,000                                 |
|                                   | 11,836,087                              | 100,000                          | (2,835,433)                             | 9,100,654                               | 8,497,246                               | 3,616,133                        | (277,292)                               | 11,836,087                              | 8,497,246                               | 4,658,077                        | (3,377,435)                             | 9,777,888                               |

**(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                 | Perpetual               | To be used to fund annual and long service leave requirements                          |
| (b) Building Reserve              | Perpetual               | To be used for the purchase of major plant.  |
| (c) Plant Reserve                 | Perpetual               | To be used for the acquisition of future buildings and renovation of existing building |
| (d) Roads Reserve                 | Perpetual               | To be use to fund major road works   |
| (e) Main Street Reserve           | Perpetual               | Established for the beautification of the main street                                  |
| (f) Staff Amenities Reserve       | Perpetual               | Established for the purpose of providing staff housing and amenities                   |
| (g) TV Reserve                    | Perpetual               | To be used to fund upgrades to the rebroadcasting equipment.                           |
| (h) Caravan Park Reserve          | Perpetual               | Established for the purpose of providing upgrades to the caravanpark.                  |
| (i) Bitumen Reserve               | Perpetual               | Established to fund resealing of roads   |
| (j) Rates Creditors Reserve       | Perpetual               | Established for future rates claims  |
| (k) Niagara Dam Reserve           | Perpetual               | Established for ongoing upgrade of Niagara Dam valve workings and other maintenance    |
| (l) Swimming Pool Reserve         | Perpetual               | To be used to fund upgrades to the swimming pool.                                      |
| (m) Waste Management Reserve      | Perpetual               | Provide for the statutory reinstatement and development of the reserve.                |
| (n) Former Post Office Reserve    | Perpetual               | For restoration and maintenance of the Former Post Office.                             |
| (o) Commercial Enterprise Reserve | Perpetual               | To fund an activity or purchase with a view to producing a profit.                     |
| (p) Land Purchase Reserve         | Perpetual               | To be used for purchase of selective properties with developmental potential.          |

**(c) Cash Backed Reserves - Change in Use**

The Shire has resolved to make the following changes in the use of part of the money in a reserve account. This money is to be used or set aside for a purpose other than the purpose for which the account was established.

| Cash Backed Reserve | Proposed new purpose of the reserve | Objects of changing of the reserve  | Reasons for changing the use of the reserve   | 2020/21<br>Budget<br>amount to<br>be used | 2020/21<br>Budget<br>amount<br>change of<br>purpose |
|---------------------|-------------------------------------|---|---|---|---|
| Water Park Reserve  | Swimming Pool                       | To assist the Tjuntjunjarra community to achieve funding for a swimming pool. | Initially the Tjuntjunjarra Aboriginal Corporation required funding for a Water Park, that is why the Reserve Fund was established. The community is now seeking to have a Swimming pool rather than a Water Park, hence the change to the reserve purpose. | \$ 0                                      | \$ 302,149  |

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

**8. FEES & CHARGES REVENUE**

|                             | 2020/21<br>Budget | 2019/20<br>Actual | 2019/20<br>Budget |
|-----------------------------|-------------------|-------------------|-------------------|
|                             | \$                | \$                | \$                |
| General purpose funding     | 6,500             | 13,661            | 10,040            |
| Law, order, public safety   | 800               | 710               | 200               |
| Health                      | 300               | 450               | 1,300             |
| Housing                     | 65,700            | 86,831            | 100,600           |
| Community amenities         | 25,630            | 28,025            | 15,215            |
| Recreation and culture      | 500               | 0                 | 800               |
| Economic services           | 91,300            | 82,353            | 113,892           |
| Other property and services | 2,100             | 0                 | 0                 |
|                             | 192,830           | 212,030           | 242,047           |

**9. GRANT REVENUE**

|  | Unspent grants, subsidies and contributions liability |                             |  |                                    |                                      | Grants, subsidies and contributions revenue |                   |                   |
|--|---|-----------------------------|--|------------------------------------|--------------------------------------|---|-------------------|-------------------|
|  | Liability<br>1 July 2020                              | Increase<br>in<br>Liability | Liability<br>Reduction<br>(As revenue) | Total<br>Liability<br>30 June 2021 | Current<br>Liability<br>30 June 2021 | 2020/21<br>Budget                           | 2019/20<br>Actual | 2019/20<br>Budget |
| By Program:  | \$  | \$                          | \$                                     | \$                                 | \$                                   | \$  | \$                | \$                |
| <b>(a) Operating grants, subsidies and contributions</b>     |   |                             |  |                                    |                                      |   |                   |                   |
| General purpose funding                                      | 0   | 0                           | 0                                      | 0                                  | 0                                    | 1,197,422                                   | 1,943,165         | 886,654           |
| Law, order, public safety                                    | 0   | 0                           | 0                                      | 0                                  | 0                                    | 6,522                                       | 5,271             | 6,522             |
| Transport  | 0   | 0                           | 0                                      | 0                                  | 0                                    | 196,034                                     | 621,410           | 1,132,391         |
| Economic services  | 0   | 0                           | 0                                      | 0                                  | 0                                    | 115,709                                     | 115,984           | 112,000           |
| Other property and services                                  | 0   | 0                           | 0                                      | 0                                  | 0                                    | 0   | 20,560            | 0                 |
|  | 0   | 0                           | 0                                      | 0                                  | 0                                    | 1,515,687                                   | 2,706,390         | 2,137,567         |
| <b>(b) Non-operating grants, subsidies and contributions</b> |   |                             |  |                                    |                                      |   |                   |                   |
| Recreation and culture                                       | 0   | 0                           | 0                                      | 0                                  | 0                                    | 200,000                                     | 25,570            | 25,570            |
| Transport  | 0   | 0                           | 0                                      | 0                                  | 0                                    | 1,494,406                                   | 3,440,795         | 2,962,832         |
| Economic services  | 0   | 0                           | 0                                      | 0                                  | 0                                    | 547,455                                     | 120,588           | 386,000           |
|  | 0   | 0                           | 0                                      | 0                                  | 0                                    | 2,241,861                                   | 3,586,953         | 3,374,402         |
| <b>Total</b>   | 0   | 0                           | 0                                      | 0                                  | 0                                    | 3,757,548                                   | 6,293,343         | 5,511,969         |

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

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

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

**11. OTHER INFORMATION**

|   | <b>2020/21<br/>Budget</b> | <b>2019/20<br/>Actual</b> | <b>2019/20<br/>Budget</b> |
|---|---------------------------|---------------------------|---------------------------|
|   | \$                        | \$                        | \$                        |
| <b>The net result includes as revenues</b>  |                           |                           |                           |
| <b>(a) Interest earnings</b>  |                           |                           |                           |
| Investments   |                           |                           |                           |
| - Reserve funds   | 100,000                   | 130,000                   | 125,000                   |
| - Other funds   | 15,000                    | 22,271                    | 1,500                     |
| Other interest revenue (refer note 1b)  | 96,640                    | 90,480                    | 107,289                   |
|   | <b>211,640</b>            | <b>242,751</b>            | <b>233,789</b>            |
| * The Shire has resolved to charge interest under section 6.13 for the late payment of any amount of money at 5%. |                           |                           |                           |
| <b>(b) Other revenue</b>  |                           |                           |                           |
| Reimbursements and recoveries   | 23,050                    | 82,397                    | 49,693                    |
|   | <b>23,050</b>             | <b>82,397</b>             | <b>49,693</b>             |
| <b>The net result includes as expenses</b>  |                           |                           |                           |
| <b>(c) Auditors remuneration</b>  |                           |                           |                           |
| Audit services  | 45,000                    | 74,000                    | 45,000                    |
|   | <b>45,000</b>             | <b>74,000</b>             | <b>45,000</b>             |
| <b>(d) Elected members remuneration</b>   |                           |                           |                           |
| Meeting fees  | 75,870                    | 70,764                    | 75,870                    |
| Mayor/President's allowance   | 19,864                    | 19,864                    | 19,864                    |
| Deputy Mayor/President's allowance  | 4,966                     | 4,966                     | 4,966                     |
| Travelling expenses   | 25,000                    | 20,189                    | 37,000                    |
| Telecommunications allowance  | 7,700                     | 7,333                     | 7,700                     |
|   | <b>133,400</b>            | <b>123,116</b>            | <b>145,400</b>            |
| <b>(e) Write offs</b>   |                           |                           |                           |
| General rate  | 200,000                   | 85,954                    | 50,000                    |
|   | <b>200,000</b>            | <b>85,954</b>             | <b>50,000</b>             |
| <b>(f) Low Value lease expenses</b>   |                           |                           |                           |
| Office equipment  | 4,488                     | 4,488                     | 4,488                     |
|   | <b>4,488</b>              | <b>4,488</b>              | <b>4,488</b>              |

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

**12. INTERESTS IN JOINT ARRANGEMENTS**

The Shire together with the City of Kalgoorlie Boulder, Shires of Coolgardie, Dundas, Esperance, Laverton, Leonora, Ngaanyatjarraku, Ravensthorpe and Wiluna have a joint arrangement, classified as a joint operation with regards to the provision of a Regional Records Service. Management have determined this as a joint operation.

The assets included in the joint venture are one tenth share

|                           | <b>2020/21<br/>Budget</b> | <b>2019/20<br/>Actual</b> | <b>2019/20<br/>Budget</b> |
|---------------------------|---------------------------|---------------------------|---------------------------|
|                           | \$                        | \$                        | \$                        |
| <b>Non-current assets</b> |                           |                           |                           |
| Land and buildings        | 0                         | 69,500                    | 66,500                    |
|                           | 0                         | 69,500                    | 66,500                    |
| Furniture and equipment   | 0                         | 3582                      | 6204                      |
| Plant and equipment       | 0                         | 7204                      | 2982                      |
| Light vehicles            | 0                         | 2650                      | 2100                      |

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

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

**13. 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.