

SHIRE OF WYNDHAM EAST KIMBERLEY

AMENDED BUDGET

FOR THE YEAR ENDED 30 JUNE 2019

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SHIRE'S VISION

To be a thriving community with opportunities for all.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2019**

BY NATURE OR TYPE

	NOTE	2018/19 Amended Budget	2018/19 Original Budget	2017/18 Actual	2017/18 Budget
		\$	\$	\$	\$
Revenue					
Rates	1	10,426,634	10,426,634	10,440,859	10,376,869
Operating grants, subsidies and contributions	9	2,302,374	2,374,374	4,208,107	2,165,090
Fees and charges	8	7,957,001	7,957,001	7,801,522	8,073,733
Interest earnings	10(a)	514,184	514,184	441,675	427,396
Other revenue	10(b)	432,986	432,986	545,444	413,500
		21,633,179	21,705,179	23,437,607	21,456,588
Expenses					
Employee costs		(11,411,608)	(11,427,688)	(11,119,700)	(11,371,809)
Materials and contracts		(6,173,023)	(6,119,538)	(4,810,387)	(5,924,085)
Utility charges		(979,078)	(979,078)	(1,011,892)	(968,536)
Depreciation on non-current assets	5	(6,144,866)	(6,144,866)	(6,431,309)	(7,374,526)
Interest expenses	10(d)	(203,746)	(203,746)	(221,627)	(258,076)
Insurance expenses		(463,520)	(463,520)	(459,096)	(571,777)
Other expenditure		(1,308,961)	(1,305,961)	(1,239,172)	(1,403,961)
		(26,684,802)	(26,644,397)	(25,293,183)	(27,872,770)
		(5,051,623)	(4,939,218)	(1,855,576)	(6,416,182)
Non-operating grants, subsidies and contributions	9	7,877,054	8,108,635	11,800,586	11,448,756
Profit on asset disposals	4(b)	45,876	45,876	35,045	62,325
Loss on asset disposals	4(b)	(135,649)	(135,649)	(139,125)	(42,074)
Net result		2,735,658	3,079,644	9,840,931	5,052,825
Other comprehensive income		0	0	11,452,649	0
Total other comprehensive income		0	0	11,452,649	0
Total comprehensive income		2,735,658	3,079,644	21,293,580	5,052,825

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

FOR THE YEAR ENDED 30TH JUNE 2019

BASIS OF PREPARATION

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. Material accounting policies which have been adopted in the preparation of this budget are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the budget has also 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 Wyndham East Kimberley 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 Shire funds (for example, loans and transfers between Funds) have been eliminated.

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

2017/18 FORECAST BALANCES

Balances shown in this budget as 2017/18 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES RATES

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

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. Exclude 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.

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.

REVENUES (CONTINUED)

FEES AND CHARGES

Revenues (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, rebates etc.

EXPENSES

EMPLOYEE COSTS

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

MATERIALS AND CONTRACTS

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

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

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

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation expense raised on all classes of assets.

INTEREST EXPENSES

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

OTHER EXPENDITURE

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2019

BY PROGRAM

		2018/19 Amended Budget	2018/19 Original Budget	2017/18 Actual	2017/18 Budget
	NOTE				
Revenue	1, 8, 9, 10(a),(b)	\$	\$	\$	\$
Governance		47,551	47,551	39,708	25,800
General purpose funding		12,889,615	12,889,615	14,605,919	12,585,980
Law, order, public safety		468,486	468,486	468,764	447,171
Health		85,000	85,000	83,989	95,117
Education and welfare		11,500	11,500	11,575	11,242
Housing		146,280	146,280	130,631	165,540
Community amenities		2,823,441	2,895,441	2,978,350	3,008,715
Recreation and culture		671,484	671,484	745,001	764,343
Transport		4,365,322	4,365,322	4,189,940	4,212,880
Economic services		89,500	89,500	52,188	115,800
Other property and services		35,000	35,000	131,542	24,000
		21,633,179	21,705,179	23,437,607	21,456,588
Expenses excluding finance costs	5,10(c),(e),(f)				
Governance		(760,383)	(750,383)	(895,522)	(1,137,467)
General purpose funding		(298,312)	(298,312)	(163,417)	(409,693)
Law, order, public safety		(1,156,524)	(1,156,524)	(1,127,766)	(1,086,626)
Health		(289,036)	(289,036)	(318,817)	(289,992)
Education and welfare		(193,528)	(153,528)	(147,164)	(242,445)
Housing		(461,179)	(461,179)	(454,659)	(566,101)
Community amenities		(4,726,795)	(4,726,795)	(4,096,116)	(4,690,275)
Recreation and culture		(6,634,785)	(6,647,380)	(6,372,303)	(6,752,513)
Transport		(10,490,358)	(10,490,358)	(9,824,582)	(10,899,466)
Economic services		(594,999)	(591,999)	(460,004)	(705,106)
Other property and services		(875,157)	(875,157)	(1,211,206)	(835,009)
		(26,481,056)	(26,440,651)	(25,071,556)	(27,614,693)
Finance costs	6, 10(d)				
Governance		(115,596)	(115,596)	(116,727)	(138,185)
Education and welfare		(7,107)	(7,107)	(9,589)	(13,157)
Housing		(1,561)	(1,561)	(2,790)	(3,475)
Community amenities		(60,671)	(60,671)	(67,680)	(74,887)
Recreation and culture		(9,787)	(9,787)	(15,195)	(17,978)
Transport		(9,024)	(9,024)	(9,646)	(10,394)
		(203,746)	(203,746)	(221,627)	(258,076)
		(5,051,623)	(4,939,218)	(1,855,576)	(6,416,181)
Non-operating grants, subsidies and contributions	9	7,877,054	8,108,635	11,800,587	11,448,756
Profit on disposal of assets	4(b)	45,876	45,876	35,045	62,325
(Loss) on disposal of assets	4(b)	(135,649)	(135,649)	(139,125)	(42,074)
Net result		2,735,658	3,079,644	9,840,931	5,052,826
Other comprehensive income					
Changes on revaluation of non-current assets		0	0	11,452,649	0
Total other comprehensive income		0	0	11,452,649	0
				0	
Total comprehensive income		2,735,658	3,079,644	21,293,580	5,052,826

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2019**

BY NATURE OR TYPE

	NOTE	2018/19 Amended Budget	2018/19 Original Budget	2017/18 Actual	2017/18 Budget
		\$		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts					
Rates		10,061,702	10,061,702	10,374,431	9,339,182
Operating grants, subsidies and contributions		979,178	1,023,579	3,737,417	2,165,090
Fees and charges		7,957,001	7,957,001	7,801,522	8,073,733
Interest earnings		514,184	514,184	441,675	427,396
Goods and services tax		2,499,454	2,521,918	1,975,959	1,818,029
Other revenue		432,986	432,986	545,444	413,500
		<u>22,444,505</u>	<u>22,511,370</u>	<u>24,876,448</u>	<u>22,236,930</u>
Payments					
Employee costs		(11,411,608)	(11,427,688)	(10,136,022)	(11,371,809)
Materials and contracts		(6,173,023)	(6,119,538)	(4,427,491)	(5,924,085)
Utility charges		(979,078)	(979,078)	(1,011,892)	(968,536)
Interest expenses		(203,746)	(203,746)	(229,605)	(212,865)
Insurance expenses		(463,520)	(463,520)	(459,096)	(571,777)
Goods and services tax		(811,326)	(806,191)	(2,042,101)	(807,775)
Other expenditure		(1,308,961)	(1,305,961)	(1,239,172)	(1,403,961)
		<u>(21,351,262)</u>	<u>(21,305,722)</u>	<u>(19,545,379)</u>	<u>(21,260,808)</u>
Net cash provided by (used in) operating activities	3	1,093,243	1,205,648	5,331,069	976,122
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for purchase of property, plant & equipment	4(a)	(2,926,247)	(2,351,468)	(1,642,832)	(2,428,494)
Payments for construction of infrastructure	4(a)	(13,300,513)	(10,975,349)	(12,897,330)	(16,049,775)
Non-operating grants, subsidies and contributions used for the development of assets	9	7,877,054	8,108,635	11,800,586	11,448,756
Proceeds from sale of plant & equipment	4(b)	359,583	359,583	234,200	248,818
Net cash provided by (used in) investing activities		<u>(7,990,123)</u>	<u>(4,858,599)</u>	<u>(2,505,376)</u>	<u>(6,780,695)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of borrowings	6	(903,765)	(903,765)	(1,053,858)	(1,044,645)
Advances to community groups	6	0	0	(50,000)	(50,000)
Proceeds from self supporting loans	6(a)	9,576	9,576	3,919	2,128
Proceeds from new borrowings	6(b)	0	0	170,000	50,000
Net cash provided by (used in) financing activities		<u>(894,189)</u>	<u>(894,189)</u>	<u>(929,939)</u>	<u>(1,042,517)</u>
Net increase (decrease) in cash held		<u>(7,791,069)</u>	<u>(4,547,140)</u>	<u>1,895,755</u>	<u>(6,847,090)</u>
Cash at beginning of year		18,870,117	14,768,470	16,974,362	15,696,654
Cash and cash equivalents at the end of the year	3	<u>11,079,048</u>	<u>10,221,330</u>	<u>18,870,117</u>	<u>8,849,564</u>

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

**RATES SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2019**

BY REPORTING PROGRAM

		2018/19 Amended Budget	2018/19 Original Budget	2017/18 Actual	2017/18 Budget
	NOTE	\$	\$	\$	\$
OPERATING ACTIVITIES					
Net current assets at start of financial year - surplus/(deficit)	2	2,834,174	1,622,636	1,828,735	2,573,358
		2,834,174	1,622,636	1,828,735	2,573,358
Revenue from operating activities (excluding rates)					
Governance		47,551	47,551	39,708	25,800
General purpose funding		2,462,981	2,462,981	4,170,739	2,209,111
Law, order, public safety		468,486	468,486	468,764	447,171
Health		85,000	85,000	83,989	95,117
Education and welfare		11,500	11,500	11,575	11,242
Housing		146,280	146,280	130,631	165,540
Community amenities		2,823,441	2,895,441	2,978,350	3,008,715
Recreation and culture		671,484	671,484	745,001	764,343
Transport		4,374,727	4,374,727	4,189,940	4,215,656
Economic services		89,500	89,500	52,527	116,290
Other property and services		71,471	71,471	166,248	83,059
		11,252,421	11,324,421	13,037,472	11,142,044
Expenditure from operating activities					
Governance		(875,979)	(865,979)	(1,012,249)	(1,275,652)
General purpose funding		(298,312)	(298,312)	(163,417)	(409,693)
Law, order, public safety		(1,156,524)	(1,156,524)	(1,127,766)	(1,086,626)
Health		(289,036)	(289,036)	(318,817)	(289,992)
Education and welfare		(200,635)	(160,635)	(156,753)	(255,602)
Housing		(462,740)	(462,740)	(457,449)	(569,576)
Community amenities		(4,791,677)	(4,791,677)	(4,163,796)	(4,765,162)
Recreation and culture		(6,644,572)	(6,657,167)	(6,387,498)	(6,770,491)
Transport		(10,548,753)	(10,548,753)	(9,887,132)	(10,911,110)
Economic services		(594,999)	(591,999)	(460,004)	(705,106)
Other property and services		(957,224)	(957,224)	(1,297,427)	(875,833)
		(26,820,451)	(26,780,046)	(25,432,308)	(27,914,843)
Operating activities excluded from budget					
(Profit) on asset disposals	4(b)	(45,876)	(45,876)	(35,045)	(62,325)
Loss on disposal of assets	4(b)	135,649	135,649	139,125	42,074
Loss on revaluation of non current assets		0	0	(6,801)	0
Reversal of prior year loss on revaluation of assets		0	0	41,294	0
Depreciation on assets	5	6,144,866	6,144,866	6,431,309	7,374,526
Amount attributable to operating activities		(6,499,217)	(7,598,350)	(3,996,219)	(6,845,166)
INVESTING ACTIVITIES					
Non-operating grants, subsidies and contributions	9	7,877,054	8,108,635	11,800,586	11,448,756
Purchase property, plant and equipment	4(a)	(2,926,247)	(2,351,468)	(1,642,832)	(2,428,494)
Purchase and construction of infrastructure	4(a)	(13,300,513)	(10,975,349)	(12,897,330)	(16,049,775)
Proceeds from disposal of assets	4(a)	359,583	359,583	234,200	248,818
Amount attributable to investing activities		(7,990,123)	(4,858,599)	(2,505,376)	(6,780,695)
FINANCING ACTIVITIES					
Repayment of borrowings	6(a)	(903,765)	(903,765)	(1,053,858)	(1,044,645)
Proceeds from new borrowings	6(b)	0	0	170,000	50,000
Proceeds from self supporting loans	6(a)	9,576	9,576	3,919	2,128
Advances to community groups		0	0	(50,000)	(50,000)
Transfers to cash backed reserves (restricted assets)	7(a)	(1,468,810)	(1,471,252)	(10,166,696)	(5,469,067)
Transfers from cash backed reserves (restricted assets)	7(a)	6,425,704	4,395,756	9,997,224	9,760,575
Amount attributable to financing activities		4,062,705	2,030,315	(1,099,411)	3,248,991
Budgeted deficiency before general rates		(10,426,634)	(10,426,634)	(7,601,006)	(10,376,870)
Estimated amount to be raised from general rates	1	10,426,634	10,426,634	10,435,180	10,376,870
Net current assets at end of financial year - surplus/(deficit)	2	0	0	2,834,174	0

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

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

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in \$	Number of properties	Rateable value \$	2018/19 Budgeted rate revenue \$	2018/19 Budgeted interim rates \$	2018/19 Budgeted back rates \$	2018/19 Budgeted total revenue \$	2017/18 Forecast Revenue \$
Differential general rate or general rate								
Gross rental value valuations								
GRV - Residential	0.1449	1,673	32,309,061	4,681,583	0	0	4,681,583	4,637,337
GRV - Other Vacant	0.2247	28	311,950	70,095	0	0	70,095	73,288
GRV - Commercial	0.1429	171	12,828,756	1,833,229	0	0	1,833,229	1,827,565
GRV - Industrial	0.1389	168	7,451,495	1,035,013	0	0	1,035,013	1,036,997
Unimproved value valuations								
UV - Rural Residential	0.0110	185	45,908,000	504,988	0	0	504,988	504,988
UV - Pastoral	0.0570	22	5,885,680	335,484	0	0	335,484	335,495
UV - Commercial/Industrial	0.0077	42	11,899,760	91,628	0	0	91,628	92,406
UV - Rural Agriculture 1	0.0116	81	61,152,309	709,367	0	0	709,367	701,595
UV - Rural Agriculture 2	0.0101	109	34,018,000	343,582	0	0	343,582	343,561
UV - Mining	0.2740	37	1,733,988	475,113	0	0	475,113	458,467
UV - Exploration and Prospecting	0.1369	24	386,299	52,884	0	0	52,884	54,844
UV - Other	0.0065	3	8,525,000	55,413	0	0	55,413	55,413
Sub-Totals		2,543	222,410,298	10,188,379	0	0	10,188,379	10,121,954
Minimum payment								
Minimum \$								
Gross rental value valuations								
GRV - Residential	1,112.00	0	0	28,912	0	0	28,912	47,816
GRV - Other Vacant	1,112.00	26	144,949	108,976	0	0	108,976	105,640
GRV - Commercial	1,112.00	98	77,285	16,680	0	0	16,680	22,240
GRV - Industrial	1,112.00	15	30,275	10,008	0	0	10,008	7,784
Unimproved value valuations								
UV - Rural Residential	1,112.00	9	0	0	0	0	0	0
UV - Pastoral	1,112.00	-	0	0	0	0	0	0
UV - Commercial/Industrial	1,112.00	1	17,471	1,112	0	0	1,112	1,112
UV - Rural Agriculture 1	1,112.00	20	320,200	22,240	0	0	22,240	22,240
UV - Rural Agriculture 2	1,112.00	1	10,000	1,112	0	0	1,112	1,112
UV - Mining	1,112.00	-	0	0	0	0	0	0
UV - Exploration and Prospecting	1,112.00	33	52,516	36,696	0	0	36,696	34,472
UV - Other	310.00	22	26,957	6,820	0	0	6,820	6,820
UV - Other	1,112.00	0	0	0	0	0	0	0
Sub-Totals		225	897,714	232,556	0	0	232,556	249,236
Ex gratia rates				5,699			5,699	5,679
Interim Rates				0			0	63,157
Discounts/concessions (Refer note 1(g))				0			0	0
Total amount raised from general rates		2,768	223,308,012	10,420,935	0	0	10,426,634	10,440,026
Specified area rates (Refer note 1(e))				0			0	0
Total rates							10,426,634	10,440,026

All land (other than exempt land) in the Shire of Wyndham East Kimberley is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire of Wyndham East Kimberley. The general rates detailed for the 2018/19 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 rate(s) has/have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of local government services/facilities.

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

2. NET CURRENT ASSETS

	Note	2018/19 Amended Budget	2018/19 Original Budget	2017/18 Actual	2017/18 Budget
		\$	\$	\$	\$
Composition of estimated net current assets					
Current assets					
Cash - unrestricted	3	99,180	(621,662)	997,455	(1,591,082)
Cash - restricted reserves	3	10,979,868	10,842,992	17,872,662	10,440,646
Receivables		2,871,295	2,265,260	2,871,296	2,251,876
Inventories		8,732	14,702	8,732	20,753
		13,959,075	12,501,292	21,750,145	11,122,193
Less: current liabilities					
Trade and other payables		(2,969,632)	(1,658,300)	(2,969,632)	(683,676)
Long term borrowings		(779,306)	(779,306)	(903,765)	(875,550)
Provisions		(1,055,023)	(981,564)	(1,055,023)	(856,660)
		(4,803,961)	(3,419,170)	(4,928,420)	(2,415,886)
Unadjusted net current assets		9,155,114	9,082,122	16,821,725	8,706,307
Adjustments					
Less: Cash - restricted reserves	3	(10,979,868)	(10,842,992)	(15,936,763)	(10,440,646)
Less: Current loans - clubs / institutions		(9,575)	0	(9,576)	2,128
Add: Current portion of borrowings		779,306	779,306	903,765	875,550
Add: Current liabilities not expected to be cleared at end of year		1,055,023	981,564	1,055,023	856,660
Adjusted net current assets - surplus/(deficit)		0	0	2,834,174	0

Reason for Adjustments

The differences between the net current assets at the end of each financial year in the rate setting statement and net current assets detailed above arise from amounts which have been excluded when calculating the budget deficiency in accordance with *Local Government (Financial Management) Regulation 32* as movements for these items have been funded within the budget estimates. These differences are disclosed as adjustments above.

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

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

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.

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

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:

	2018/19 Amended Budget	2018/19 Original Budget	2017/18 Actual	2017/18 Budget
	\$	\$	\$	\$
Cash - unrestricted	99,180	(621,662)	997,455	(1,591,082)
Cash - restricted	10,979,868	10,842,992	17,872,662	10,440,645
	11,079,048	10,221,330	18,870,117	8,849,563
The following restrictions have been imposed by regulation or other externally imposed requirements:				
Waste Management	733,109	708,157	656,284	977,670
Airport General	5,428,727	5,631,147	6,083,339	5,069,593
Plant and Equipment	108,547	53,556	303,581	53,034
Parking	126,224	126,154	123,978	123,339
Non-Potable water	16,462	0	75,102	2,725
East Kimberley Tourism	180,955	179,294	160,056	167,463
Foreshore	438,812	439,039	442,791	237,256
Staff Entitlement	143,857	122,443	141,298	119,710
Recreation Hardcourts	28,186	28,155	57,151	56,856
Bio Security	267,335	267,189	262,579	261,225
Childcare	208,716	208,030	193,707	191,847
Parks	145,225	285,599	278,775	337,888
Footpaths	241,391	252,836	286,207	296,077
Asset Management	569,105	987,988	624,399	925,722
Goornig Farmlands Roads Reserve	574,216	573,747	564,000	561,011
Unspent Grants and Loans Reserve	296,192	155,966	2,421,927	407,578
Contiguous Local Authority Group (CLAG)	0	0	2,491	0
Kununurra Youth Hub	59,532	44,291	48,160	38,736
Regional Price Preference	188,820	206,549	185,461	3,932
Drainage Reserve	603,282	534,259	680,581	608,982
Capital Works Reserve	222,373	38,593	1,961,095	0
	10,979,869	10,842,992	15,936,763	10,440,645
Reconciliation of net cash provided by operating activities to net result				
Net result	2,735,658	3,079,644	9,840,931	5,052,826
Depreciation	6,144,866	6,144,866	6,431,309	7,374,526
(Profit)/loss on sale of asset	89,773	89,773	104,080	(20,251)
Loss on revaluation of non current assets	0	0	0	0
(Increase)/decrease in receivables	0	0	(603,260)	(27,434)
(Increase)/decrease in inventories	0	0	5,970	0
Increase/(decrease) in payables	0	0	1,311,332	45,211
Increase/(decrease) in employee provisions	0	0	41,294	0
Grants/contributions for the development of assets	(7,877,054)	(8,108,635)	(11,800,587)	(11,448,756)
Net cash from operating activities	1,093,243	1,205,648	5,331,069	976,122

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.

5,331,069

Bank overdrafts are shown as short term borrowings in current liabilities in Note 2 - Net Current Assets.

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

2. NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

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 Wyndham East Kimberley 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.

PROVISIONS

Provisions are recognised when the Shire of Wyndham East Kimberley 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 Wyndham East Kimberley contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Wyndham East Kimberley contributes are defined contribution plans.

EMPLOYEE BENEFITS

Short-term employee benefits

Provision is made for the Shire of Wyndham East Kimberley'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 Wyndham East Kimberley'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 Wyndham East Kimberley'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.

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

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program											2018/19 Amended Budget	2018/19 Original Budget	
	Governance	General purpose funding	Law, order, public safety	Health	Education and welfare	Housing	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Property, Plant and Equipment														
Land - freehold land	0	0	0	0	0	0	0	0	0	0	0	0	148,579	100,000
Land - vested in and under the control of Council	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings - non-specialised	0	0	0	0	0	0	4,500	0	0	0	0	0	113,500	0
Buildings - specialised	0	0	20,000	0	0	0	30,000	120,000	0	0	0	0	170,000	55,000
Furniture and equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plant and equipment	0	0	0	0	0	0	25,950	194,600	1,046,678	0	0	0	2,494,168	2,196,468
Property, plant and equipment WIP	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	20,000	0	0	0	174,029	314,600	1,190,678	0	0	0	2,926,247	2,351,468
Infrastructure														
Infrastructure - Roads	0	0	0	0	0	0	0	0	5,888,641	0	0	0	5,888,641	3,886,299
Infrastructure - Footpaths	0	0	0	0	0	0	0	0	189,000	0	0	0	189,000	160,000
Infrastructure - Drainage	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Parks and ovals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Other	0	0	800,000	0	0	0	50,000	679,050	644,500	0	0	0	2,173,550	2,170,050
Infrastructure - Water supply	0	0	0	0	0	0	0	129,322	0	0	0	0	129,322	119,000
Infrastructure - Airfields	0	0	0	0	0	0	0	290,000	0	0	0	0	290,000	140,000
Infrastructure - Bridges	0	0	0	0	0	0	0	4,630,000	0	0	0	0	4,630,000	4,500,000
Infrastructure - WIP	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	800,000	0	0	0	50,000	808,372	11,642,141	0	0	0	13,300,513	10,975,349
Land Held for Resale														
Land held for resale	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total acquisitions	0	0	820,000	0	0	0	224,029	1,122,972	12,832,819	0	0	0	16,226,760	13,326,817

A detailed breakdown of acquisitions on an individual asset basis can be found in the budget report in the agenda for the Ordinary Council Meeting of 26 June 2018.

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

4. FIXED ASSETS (CONTINUED)

(b) Disposals of Assets

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

	Net book value	Sale proceeds	2018/19 Budget		2017/18 Forecast		2017/18 Budget	
			Profit	Loss	Profit	Loss	Profit	Loss
By Program								
Community amenities	19,526	15,315	0	(4,211)	0	0	0	0
Transport	119,079	79,113	9,405	(49,371)	0	(37,835)	2,776	(1,250)
Economic services	0	0	0	0	0	0	490	0
Other property and services	310,751	265,155	36,471	(82,067)	35,045	(101,290)	59,059	(40,824)
	449,356	359,583	45,876	(135,649)	35,045	(139,125)	62,325	(42,074)
By Class								
<u>Property, Plant and Equipment</u>	449,356	359,583	45,876	(135,649)	35,045	(139,125)	62,325	(42,074)
Plant and equipment	449,356	359,583	45,876	(135,649)	35,045	(139,125)	62,325	(42,074)

5. ASSET DEPRECIATION

By Program

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

	2018/19 Budget	2017/18 Forecast	2017/18 Budget
	\$	\$	\$
15,843	18,049	24,126	
4,256	4,816	8,438	
64,710	73,238	101,675	
176,302	199,536	304,264	
115,403	134,694	190,130	
1,321,782	1,393,776	1,780,558	
3,745,078	3,868,470	4,112,283	
40,787	46,162	53,482	
660,705	692,571	799,567	
6,144,866	6,431,311	7,374,523	
1,384,798	1,384,798	2,123,546	
146,079	146,079	337,676	
454,245	454,245	393,682	
2,091,399	2,233,127	2,397,178	
85,474	85,474	145,827	
219,977	219,977	219,329	
797,976	797,976	791,101	
567,695	567,695	569,572	
397,223	397,223	396,615	
6,144,866	6,286,594	7,374,526	

By Class

Buildings - non-specialised
Furniture and equipment
Plant and equipment
Infrastructure - Roads
Infrastructure - Footpaths
Infrastructure - Drainage
Infrastructure - Other
Infrastructure - Airfields
Infrastructure - Bridges

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 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.

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.

DEPRECIATION (CONTINUED)

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

Buildings - non-specialised	10-140 Years
Buildings - specialised	10-140 Years
Furniture and equipment	3-20 Years
Plant and equipment	3-13 Years
Property, plant and equipment WIP	0 Years
Infrastructure - Roads	10-120 Years
Infrastructure - Footpaths	45-80 Years
Infrastructure - Drainage	75 Years
Infrastructure - Parks and ovals	0 Years
Infrastructure - Other	10-120 Years
Infrastructure - Water supply	0 Years
Infrastructure - Airfields	25-120 Years
Infrastructure - Bridges	100 Years
Infrastructure - WIP	0 Years

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

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Principal 30-Jun-18	New loans	Principal repayments		Principal outstanding		Interest repayments	
			2018/19 Budget	2017/18 Forecast	2018/19 Budget	2017/18 Forecast	2018/19 Budget	2017/18 Forecast
Law, order, public safety								
Administration Building Land	122,425	0	59,404	0	63,021	122,425	7,441	11,084
Administration Building Loan	1,242,457	0	258,114	0	984,343	1,242,457	55,743	63,878
Administration Building	1,096,046	0	142,899	0	953,147	1,096,046	52,412	41,764
Education and welfare								
Kununurra Childcare Centre	108,361	0	71,134	0	37,227	108,361	7,107	9,589
Housing								
Staff Housing	7,991	0	7,992	0	(1)	7,991	250	968
Staff Housing	31,692	0	15,555	0	16,137	31,692	1,311	1,822
Community amenities								
KNW Youth Centre	0	0	0	0	(1)	0	1	1,815
Liquid Waste Facility	(1)	0	0	0	(1)	(1)	0	2,857
Waste Management	1,100,278	0	164,823	0	935,455	1,100,278	56,496	58,681
Drainage	81,142	0	12,155	0	68,987	81,142	4,174	4,326
Kununurra Leisure Gym Equipment	108,657	0	23,111	0	85,546	108,657	3,412	2,105
Recreation and culture								
KNX Aquatic Centre Refurbishment	44,655	0	44,654	0	1	44,655	1,396	5,406
WYVN Recreation Centre	18,731	0	18,731	0	0	18,731	587	2,268
Multi Purpose Courts	46,993	0	46,992	0	1	46,993	2,337	4,812
Ord River Sport Club	50,000	0	9,469	0	40,531	50,000	2,055	604
Transport								
Building and Infrastructure	222,487	0	28,732	0	193,755	222,487	9,024	9,647
	4,281,914	0	903,765	0	3,378,149	4,281,914	203,746	221,627
	4,281,914	0	903,765	0	3,378,149	4,281,914	203,746	221,627

All borrowing repayments, other than Self Supporting Loans, will be financed by general purpose revenue.
The self supporting loan(s) repayment will be fully reimbursed.

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

6. INFORMATION ON BORROWINGS (CONTINUED)

(b) New borrowings - 2018/19

The Shire does not intend to undertake any new borrowings for the year ended 30th June 2019

(c) Unspent borrowings

Loan Details	Purpose of the loan	Year loan taken	Amount b/fwd	2017/18 Forecast balance	Amount as at 30 June 2019
L126	Waste Managem	16/05/2014	\$ 488,370	\$ 402,927	\$ 112,642
L128	Drainage	16/05/2014	18,661	0	0
			507,031	402,927	112,642

(d) Credit Facilities

	2018/19 Budget	2017/18 Forecast	2017/18 Budget
Undrawn borrowing facilities credit standby arrangements	\$	\$	\$
Bank overdraft limit	2,500,000	2,500,000	2,500,000
Bank overdraft at balance date	0	0	0
Credit card limit	55,000	55,000	55,000
Estimated Credit card balance at balance date	(15,000)	(15,000)	(15,000)
Total amount of credit unused	2,540,000	2,540,000	2,540,000
Loan facilities			
Loan facilities in use at balance date	3,378,149	4,281,914	0
Unused loan facilities at balance date	112,642	0	0

Overdraft details	Purpose overdraft was established	Year overdraft established	Amount b/fwd	2017/18 Budget	Amount as at 30 June 2018
			\$	\$	\$
\$2.5 million	To cover expenditure associated with flood event in February 2014	2014/15	0	0	0
			0	0	0

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.

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

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2018/19 Budget Opening Balance	2018/19 Budget Transfer to	2018/19 Budget Transfer (from)	2018/19 Budget Closing Balance	2017/18 Actual Opening Balance	2017/18 Actual Transfer to	2017/18 Actual (from)	2017/18 Actual Balance	2017/18 Budget Opening Balance	2017/18 Budget Transfer to	2017/18 Budget Transfer (from)	2017/18 Budget Closing Balance
Waste Management	\$ 656,284	\$ 277,598	\$ (200,773)	\$ 733,109	\$ 527,664	\$ 474,079	\$ (345,459)	\$ 656,284	\$ 801,635	\$ 569,245	\$ (393,209)	\$ 977,670
Airport General	6,083,339	806,066	(1,460,678)	5,428,727	5,736,144	849,446	(502,251)	6,083,339	5,496,028	715,654	(1,142,089)	5,069,593
Plant and Equipment	303,581	30,499	(225,533)	108,547	2,993	1,026,802	(726,214)	303,581	2,976	50,058	0	53,034
Parking	123,978	2,246	0	126,224	121,659	2,319	0	123,978	120,961	2,378	0	123,339
Non-Potable water	75,102	1,360	(60,000)	16,462	73,698	1,404	0	75,102	79,806	1,569	(78,650)	2,725
East Kimberley Tourism	160,056	27,899	(7,000)	180,955	150,637	12,871	(3,452)	160,056	154,427	13,036	0	167,463
Foreshore	442,791	106,021	(110,000)	438,812	340,709	102,082	0	442,791	291,023	101,233	(155,000)	237,256
Staff Entitlement	141,298	2,559	0	143,857	118,081	23,217	0	141,298	117,402	2,308	0	119,710
Recreation Hardcourts	57,151	1,035	(30,000)	28,186	56,082	1,069	0	57,151	55,760	1,096	0	56,856
Bio Security	262,579	4,756	0	267,335	257,668	4,911	0	262,579	256,189	5,036	0	261,225
Chilicare	193,707	15,009	0	208,716	178,727	14,980	0	193,707	177,123	14,724	0	191,847
Parks	278,775	5,050	(138,600)	145,225	333,287	6,351	(60,863)	278,775	331,374	6,514	0	337,888
Footpaths	286,207	5,184	(50,000)	241,391	292,046	5,565	(11,404)	286,207	290,369	5,708	0	296,077
Asset Management	624,399	11,310	(66,604)	569,105	1,002,180	21,020	(398,801)	624,399	958,700	(32,978)	0	925,722
Goomiy Farmlands Roads Reserve	564,000	10,216	0	574,216	558,039	5,961	0	564,000	555,511	5,500	0	561,011
Unspent Grants and Loans Reserve	2,421,927	0	(2,125,735)	296,192	3,318,222	4,270,218	(5,166,513)	2,421,927	3,424,733	3,565,178	(6,582,333)	407,578
Contiguous Local Authority Group (CLAG)	2,491	45	(2,536)	0	3,831	3,595	(4,935)	2,491	11,589	3,228	(14,817)	0
Kununurra Youth Hub	48,160	19,372	(8,000)	59,532	23,751	28,147	(3,738)	48,160	24,039	18,997	(4,300)	38,736
Regional Price Preference	185,461	3,359	0	188,820	199,189	7,255	(20,983)	185,461	0	3,932	0	3,932
Drainage Reserve	680,581	88,701	(166,000)	603,282	208,183	482,687	(10,289)	680,581	192,331	416,651	0	608,982
Capital Works Reserve	1,961,095	35,523	(1,774,245)	222,373	2,264,501	2,438,916	(2,742,322)	1,961,095	1,390,177	0	(1,390,177)	0
Municipal Property Revaluation Reserve	15,000	15,002	0	30,002	0	15,000	0	15,000	0	0	0	0
Election Expenditure Reserve	20,000	0	0	20,000	0	20,000	0	20,000	0	0	0	0
Property Reserve	338,801	0	0	338,801	0	338,801	0	338,801	0	0	0	0
Public Art Works Reserve	10,000	0	0	10,000	0	10,000	0	10,000	0	0	0	0
	\$ 15,936,763	\$ 1,468,810	\$ (6,425,704)	\$ 10,979,869	\$ 15,767,288	\$ 10,166,697	\$ (9,997,224)	\$ 15,936,763	\$ 14,732,154	\$ 5,469,067	\$ (9,760,575)	\$ 10,440,645

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

7. CASH BACKED RESERVES (CONTINUED)

(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
Waste Management	on going	To provide for the operation, maintenance, renewal and upgrade of existing and new waste management facilities within the Shire of Wyndham East Kimberley.
Airport General	on going	To provide for the operation, maintenance, renewal and upgrade of existing and new airport facilities within the Shire of Wyndham East Kimberley.
Plant and Equipment	on going	To provide for the plant management program.
Parking	on going	This Reserve is for the land purchase and/or the construction and maintenance of vehicle parking facilities with the Shire.
Non-Portable water	on going	This reserve is for the development of non-potable water supply in Wyndham.
Civic buildings	on going	To provide for the maintenance, renewal, upgrade of existing and new civic buildings within the Shire of Wyndham East Kimberley.
East Kimberley Tourism	on going	To hold lease and licence payments from occupiers of the Lake Kununurra Foreshore Reserve to provide for the implementation of specific actions outlined in the Lake Kununurra Foreshore and Aquatic Use Plan 2012.
Foreshore	on going	This reserve is to provide for Shire employee entitlements.
Staff Entitlement	on going	This Reserve is for purpose of providing for future capital upgrade of Recreational Hardcourts.
Recreation Hardcourts	on going	To hold funds for use in emergency situations that threaten the bio security of the East Kimberley.
Bio Security	on going	To hold lease payments from the Kununurra Childcare Centre to provide for the significant maintenance and renewal of the building.
Childcare	on going	To hold the funds from the sale of parks provided by the State to undertake major upgrades and to establish new parks and public open spaces in the Shire.
Parks	on going	This reserve is to hold funds not expended in any budget year to accumulate to cover any significant legal costs or expenses related to regulatory prosecution and enforcement.
Legal fees	on going	This reserve is to transfer fees from hire of Youth Buses to provide funds for repairs, maintenance and replacement of the youth buses.
Youth Bus	on going	This reserve is to transfer fees from hire of Youth Buses to provide funds for repairs, maintenance and replacement of the youth buses.
Footpaths	on going	To hold developer contributions for construction of footpaths after housing construction is completed in new subdivisions.
Asset Management	on going	To provide for the ongoing maintenance, renewal, upgrade, replacement or development of Shire owned assets within the Shire of Wyndham East Kimberley.
Gooming Farmlands Roads Reserve	on going	To provide for the second coat seal of roads within the Gooming Farmlands.
Unspent Grants and Loans Reserve	on going	To provide a mechanism for restricting prepaid grants, conditional unspent grants and loan proceeds unspent at a particular financial year where the expenditure will be undertaken in future years.
Contiguous Local Authority Group (CLAG)	on going	To hold funds received to be used for the ongoing management, funding and technical aspects of health-driven mosquito control in an effort to reduce the risk of mosquito-borne diseases within the boundaries of the Shire of Wyndham East Kimberley.
Kununurra Youth Hub	on going	To hold lease payments from Kununurra Youth Hub to provide for the maintenance, renewal and upgrade of the building in accordance with the lease conditions.
Regional Price Preference	on going	To fund the regional price preference applied, if any, for the procurement of goods and/or services that are supplied by a Regional Business in accordance with Council's Policy CP/FIN-32/17 <i>Regional Price Preference</i> .
Drainage Reserve	on going	To provide for the maintenance, renewal, upgrade of existing and new drainage Infrastructure within the Shire of Wyndham East Kimberley.
Capital Works Reserve	on going	To ensure that funds allocated to Capital Works Projects remain available for future Capital Works if amounts are not expended at the end of a financial year.
Municipal Property Revaluation Reserve	on going	To hold funds for the expenditure relating to Municipal property revaluation conducted every 4 years.
Election Expenditure Reserve	on going	To hold funds for the expenditure relating to Council Elections conducted every 2 years.

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

8. FEES & CHARGES REVENUE

	2018/19 Amended Budget	2018/19 Original Budget	2017/18 Actual	2017/18 Budget
	\$	\$	\$	\$
Governance	3,700	3,700	3,791	3,791
General purpose funding	38,000	38,000	34,851	34,850
Law, order, public safety	49,000	49,000	43,346	42,846
Health	82,000	82,000	79,941	79,941
Education and welfare	11,500	11,500	11,575	11,575
Housing	146,280	146,280	130,631	127,931
Community amenities	2,752,441	2,752,441	2,889,021	2,817,021
Recreation and culture	589,300	589,300	561,059	561,059
Transport	4,201,280	4,201,280	3,993,724	3,993,724
Economic services	83,500	83,500	45,307	45,307
Other property and services	0	0	8,276	8,276
	7,957,001	7,957,001	7,801,522	7,726,322

9. GRANT REVENUE

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

By Program:

Operating grants, subsidies and contributions

Governance	33,851	33,851	8,235	5,812
General purpose funding	1,911,981	1,911,981	3,689,099	3,689,099
Law, order, public safety	26,000	26,000	35,646	35,646
Health	3,000	3,000	3,516	3,516
Community amenities	71,000	143,000	89,329	89,329
Recreation and culture	81,000	81,000	182,527	182,527
Transport	146,042	146,042	176,546	176,615
Economic services	4,500	4,500	6,196	6,196
Other property and services	25,000	25,000	17,013	17,012
	2,302,374	2,374,374	4,208,107	4,205,752

Non-operating grants, subsidies and contributions

Law, order, public safety	800,000	800,000	0	0
Recreation and culture	470,413	470,413	57,340	57,340
Transport	6,606,641	6,838,222	11,743,247	11,743,246
	7,877,054	8,108,635	11,800,587	11,800,586

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

10. OTHER INFORMATION

	2018/19 Amended Budget	2018/19 Original Budget	2017/18 Forecast	2017/18 Budget
The net result includes as revenues	\$		\$	\$
(a) Interest earnings				
Investments				
- Reserve funds	298,000	298,000	232,584	220,800
- Other funds	66,184	66,184	53,600	94,596
Other interest revenue (refer note 1b)	150,000	150,000	155,491	112,000
	514,184	514,184	441,675	427,396
(b) Other revenue				
Reimbursements and recoveries	13,000	13,000	12,429	12,429
Other	419,986	419,986	468,070	401,071
	432,986	432,986	480,499	413,500
The net result includes as expenses				
(c) Auditors remuneration				
Audit services	35,850	35,850	24,815	31,050
Other services	25,650	25,650	25,050	25,650
	61,500	61,500	49,865	56,700
(d) Interest expenses (finance costs)				
Borrowings (refer note 6(a))	203,746	203,746	221,627	258,076
	203,746	203,746	221,627	258,076
(e) Elected members remuneration				
Meeting fees	150,389	150,389	158,395	158,395
Mayor/President's allowance	43,909	43,909	30,315	30,315
Deputy Mayor/President's allowance	10,977	10,977	7,579	7,579
Travelling expenses	1,000	1,000	1,000	1,000
Telecommunications allowance	21,000	21,000	14,913	14,913
	227,275	227,275	212,202	212,202
(f) Write offs				
General rate	152,412	152,412	0	152,412
Specified area rate	54,000	54,000	53,593	106,200
Fees and charges	102,036	102,036	7,711	108,999
	308,448	308,448	61,304	367,611

SIGNIFICANT ACCOUNTING POLICIES

LEASES

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Shire of Wyndham East Kimberley are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

11. MAJOR LAND TRANSACTIONS

It is not anticipated any land transactions or major land transactions will occur in 2018/19.

12. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated any trading undertakings or major trading undertakings will occur in 2018/19.

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

13. INTERESTS IN JOINT ARRANGEMENTS

It is not anticipated the Shire will be party to any joint venture arrangements during 2018/19.

14. TRUST FUNDS

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

Detail	Balance 30-Jun-18	Estimated amounts received	Estimated amounts paid	Estimated balance 30-Jun-19
	\$	\$	(\$)	\$
Housing Bond	1,000	0	0	1,000
ASIC - Airport Security Card	4,440	0	0	4,440
Footpath Bonds	44,590	0	0	44,590
Hall Hire Bonds - Kununurra Leisure Centre	9,550	0	0	9,550
Hall Hire Bonds - Peter Reid Memorial Hall	240	0	0	240
Wyndham Port Hall Bond	9,750	0	0	9,750
Kununurra Youth Centre Bond	2,250	0	0	2,250
Other	4,110	0	0	4,110
Public Open Space Contributions	433,557	0	0	433,557
Building Services Levy	12,418	0	0	12,418
Building & Construction Industry Training Fund	19,194	0	0	19,194
Terminal Security Access Cards	635	0	0	635
Health Application Fee	245	0	0	245
	541,979	0	0	541,979

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

**15. SIGNIFICANT ACCOUNTING POLICIES - OTHER
INFORMATION**

GOODS AND SERVICES TAX (GST)

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

ROUNDING OFF FIGURES

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

COMPARATIVE FIGURES

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

BUDGET COMPARATIVE FIGURES

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

REVENUE RECOGNITION

Rates, grants, donations and other contributions are recognised as revenues when the Shire of Wyndham East Kimberley obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.