

SHIRE OF WYNDHAM EAST KIMBERLEY

# BUDGET

FOR THE YEAR ENDED 30 JUNE 2020

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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 2020**

**BY NATURE OR TYPE**

	NOTE	2019/20 Budget	2018/19 Forecast Actual	2018/19 Budget
		\$	\$	\$
<b>Revenue</b>				
Rates	1(a)	10,428,336	10,408,614	10,426,634
Operating grants, subsidies and contributions	9	2,230,000	4,142,287	2,374,374
Fees and charges	8	8,645,680	7,694,012	7,957,001
Interest earnings	10(a)	590,823	618,932	514,184
Other revenue	10(b)	378,500	451,491	432,986
		22,273,339	23,315,336	21,705,179
<b>Expenses</b>				
Employee costs		(11,478,651)	(10,462,374)	(11,427,688)
Materials and contracts		(5,871,335)	(5,605,696)	(6,119,538)
Utility charges		(1,097,650)	(1,062,252)	(979,078)
Depreciation on non-current assets	5	(6,400,706)	(6,621,253)	(6,144,866)
Interest expenses	10(d)	(157,108)	(203,746)	(203,746)
Insurance expenses		(456,500)	(455,064)	(463,520)
Other expenditure		(2,351,419)	(1,094,741)	(1,305,961)
		(27,813,369)	(25,505,126)	(26,644,397)
<b>Subtotal</b>				
		(5,540,030)	(2,189,790)	(4,939,218)
Non-operating grants, subsidies and contributions	9	3,697,977	7,334,380	8,108,635
Profit on asset disposals	4(b)	13,769	0	45,876
Loss on asset disposals	4(b)	(16,180)	(102,000)	(135,649)
		3,695,566	7,232,380	8,018,862
<b>Net result</b>				
		<b>(1,844,464)</b>	<b>5,042,590</b>	<b>3,079,644</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>(1,844,464)</b>	<b>5,042,590</b>	<b>3,079,644</b>

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

**FOR THE YEAR ENDED 30TH JUNE 2020****BASIS OF PREPARATION**

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

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

**THE LOCAL GOVERNMENT REPORTING ENTITY**

All funds through which the Shire of 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 those Funds (for example, loans and transfers between Funds) have been eliminated.

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

**2018/19 ACTUAL BALANCES**

Balances shown in this budget as 2018/19 Actual are estimates as forecast at the time of budget preparation and are subject to final adjustments.

**CHANGE IN ACCOUNTING POLICIES**

On the 1 July 2019 the following new accounting policies are to be adopted and have impacted on the preparation of the budget:

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

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

**KEY TERMS AND DEFINITIONS - NATURE OR TYPE****REVENUES  
RATES**

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

**SERVICE CHARGES**

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

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

**PROFIT ON ASSET DISPOSAL**

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

**REVENUES (CONTINUED)****OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS**

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

**NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS**

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

**FEES AND CHARGES**

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

**INTEREST EARNINGS**

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

**OTHER REVENUE / INCOME**

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

**EXPENSES****EMPLOYEE COSTS**

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

**MATERIALS AND CONTRACTS**

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

**UTILITIES (GAS, ELECTRICITY, WATER, ETC.)**

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

**INSURANCE**

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

**LOSS ON ASSET DISPOSAL**

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

**DEPRECIATION ON NON-CURRENT ASSETS**

Depreciation expense raised on all classes of assets.

**INTEREST EXPENSES**

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

**OTHER EXPENDITURE**

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

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30TH JUNE 2020**
**BY REPORTING PROGRAM**

	NOTE	2019/20 Budget	2018/19 Forecast Actual	2018/19 Budget
<b>Revenue</b>	1, 8, 9, 10(a),(b)	\$	\$	\$
Governance		25,100	19,026	47,551
General purpose funding		12,917,399	14,724,114	12,889,615
Law, order, public safety		419,400	420,829	468,486
Health		80,500	67,500	85,000
Education and welfare		11,500	11,526	11,500
Housing		143,880	120,107	146,280
Community amenities		2,841,000	2,923,989	2,895,441
Recreation and culture		655,060	618,016	671,484
Transport		5,039,500	4,226,757	4,365,322
Economic services		105,000	78,500	89,500
Other property and services		35,000	104,972	35,000
		22,273,339	23,315,336	21,705,179
<b>Expenses excluding finance costs</b>	5,10(c)(e)(f)(g)			
Governance		(655,149)	(542,445)	(750,383)
General purpose funding		(315,675)	(294,069)	(298,312)
Law, order, public safety		(1,167,190)	(1,124,659)	(1,156,524)
Health		(296,002)	(255,158)	(289,036)
Education and welfare		(160,459)	(116,149)	(153,528)
Housing		(340,219)	(367,895)	(461,179)
Community amenities		(4,633,220)	(4,056,416)	(4,726,795)
Recreation and culture		(6,206,194)	(5,860,610)	(6,647,380)
Transport		(11,023,873)	(11,075,850)	(10,490,358)
Economic services		(1,895,911)	(694,751)	(591,999)
Other property and services		(962,371)	(913,378)	(875,157)
		(27,656,261)	(25,301,380)	(26,440,651)
<b>Finance costs</b>	6, 10(d)			
Governance		(92,114)	(115,596)	(115,596)
Education and welfare		(1,247)	(7,107)	(7,107)
Housing		(556)	(1,561)	(1,561)
Community amenities		(51,157)	(60,671)	(60,671)
Recreation and culture		(4,254)	(9,787)	(9,787)
Transport		(7,780)	(9,024)	(9,024)
		(157,108)	(203,746)	(203,746)
<b>Subtotal</b>		(5,540,030)	(2,189,790)	(4,939,218)
Non-operating grants, subsidies and contributions	9	3,697,977	7,334,380	8,108,635
Profit on disposal of assets	4(b)	13,769	0	45,876
(Loss) on disposal of assets	4(b)	(16,180)	(102,000)	(135,649)
		3,695,566	7,232,380	8,018,862
<b>Net result</b>		<b>(1,844,464)</b>	<b>5,042,590</b>	<b>3,079,644</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>(1,844,464)</b>	<b>5,042,590</b>	<b>3,079,644</b>

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

## FOR THE YEAR ENDED 30TH JUNE 2020

**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****GOVERNANCE**

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

**ACTIVITIES**

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

**GENERAL PURPOSE FUNDING**

To collect revenue to allow for the provision of services

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

To provide services to help ensure a safer and environmentally safer 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, pest control and waste disposal compliance.

**EDUCATION AND WELFARE**

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

Operation of youth services, support of day care centres and assistance to other voluntary services.

**HOUSING**

To provide and maintain staff and residential housing.

Provision of staff and residential housing.

**COMMUNITY AMENITIES**

To provide services required by the community.

Rubbish collection services, operation of landfill sites, litter control, administration of the town planning schemes, maintenance of cemeteries, maintenance of rest centres and storm water drainage maintenance.

**RECREATION AND CULTURE**

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

Maintenance of halls, aquatic centres, recreation centres and various reserves; operation of library and community development services.

**TRANSPORT**

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

Construction and maintenance of streets, roads and bridges; cleaning and lighting of streets, traffic lights, depot maintenance, and the provision and operation of airport services.

**ECONOMIC SERVICES**

To help promote the shire and its economic wellbeing.

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

**OTHER PROPERTY AND SERVICES**

To monitor and control council's overheads and operating accounts.

Private works operation, plant repairs, operations and administrative costs.

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

**BY NATURE OR TYPE**

	NOTE	2019/20 Budget	2018/19 Forecast Actual	2018/19 Budget
		\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		10,428,336	10,408,614	10,061,702
Operating grants, subsidies and contributions		734,784	2,180,070	1,023,579
Fees and charges		8,645,680	7,694,012	7,957,001
Interest earnings		590,823	618,932	514,184
Goods and services tax		2,472,906	2,783,992	2,521,918
Other revenue		378,500	451,491	432,986
		23,251,029	24,137,111	22,511,370
<b>Payments</b>				
Employee costs		(11,478,651)	(10,462,374)	(11,427,688)
Materials and contracts		(5,871,335)	(5,605,696)	(6,119,538)
Utility charges		(1,097,650)	(1,062,252)	(979,078)
Interest expenses		(157,108)	(203,746)	(203,746)
Insurance expenses		(456,500)	(455,064)	(463,520)
Goods and services tax		(977,690)	(821,775)	(806,191)
Other expenditure		(2,351,419)	(1,094,741)	(1,305,961)
		(22,390,353)	(19,705,648)	(21,305,722)
<b>Net cash provided by (used in) operating activities</b>	3	860,676	4,431,463	1,205,648
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	4(a)	(1,023,000)	(1,353,995)	(2,351,468)
Payments for construction of infrastructure	4(a)	(7,803,720)	(11,820,021)	(10,975,349)
Non-operating grants, subsidies and contributions used for the development of assets	9	3,697,977	7,334,380	8,108,635
Proceeds from sale of plant & equipment	4(b)	105,000	349,393	359,583
<b>Net cash provided by (used in) investing activities</b>		(5,023,743)	(5,490,244)	(4,858,599)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(779,311)	(903,766)	(903,765)
Proceeds from self supporting loans	6(a)	9,837	9,576	9,576
<b>Net cash provided by (used in) financing activities</b>		(769,474)	(894,190)	(894,189)
<b>Net increase (decrease) in cash held</b>		(4,932,541)	(1,952,971)	(4,547,140)
Cash at beginning of year		16,917,002	18,870,117	14,768,470
<b>Cash and cash equivalents at the end of the year</b>	3	<b>11,984,461</b>	<b>16,917,146</b>	<b>10,221,330</b>

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

**RATES SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2020**
**BY REPORTING PROGRAM**

	NOTE	2019/20 Budget	2018/19 Forecast Actual	2018/19 Budget
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	2 (b)(i)	4,421,685	2,834,174	1,622,636
		4,421,685	2,834,174	1,622,636
<b>Revenue from operating activities (excluding rates)</b>				
Governance		25,100	19,026	47,551
General purpose funding		2,489,063	4,315,500	2,462,981
Law, order, public safety		419,400	420,829	468,486
Health		80,500	67,500	85,000
Education and welfare		11,500	11,526	11,500
Housing		143,880	120,107	146,280
Community amenities		2,841,000	2,923,989	2,895,441
Recreation and culture		655,060	618,016	671,484
Transport		5,040,265	4,226,757	4,374,727
Economic services		105,000	78,500	89,500
Other property and services		48,004	104,972	71,471
		11,858,772	12,906,722	11,324,421
<b>Expenditure from operating activities</b>				
Governance		(747,263)	(658,041)	(865,979)
General purpose funding		(315,675)	(294,069)	(298,312)
Law, order, public safety		(1,167,190)	(1,124,659)	(1,156,524)
Health		(296,002)	(255,158)	(289,036)
Education and welfare		(161,706)	(123,256)	(160,635)
Housing		(340,775)	(369,456)	(462,740)
Community amenities		(4,684,377)	(4,117,087)	(4,791,677)
Recreation and culture		(6,210,448)	(5,870,397)	(6,657,167)
Transport		(11,047,833)	(11,084,874)	(10,548,753)
Economic services		(1,895,911)	(694,751)	(591,999)
Other property and services		(962,371)	(1,015,378)	(957,224)
		(27,829,551)	(25,607,126)	(26,780,046)
Non-cash amounts excluded from operating activities	2 (b)(ii)	6,403,117	6,723,253	6,234,639
<b>Amount attributable to operating activities</b>		(5,145,977)	(3,142,977)	(7,598,350)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	9	3,697,977	7,334,380	8,108,635
Purchase property, plant and equipment	4(a)	(1,023,000)	(1,353,995)	(2,351,468)
Purchase and construction of infrastructure	4(a)	(7,803,720)	(11,820,021)	(10,975,349)
Proceeds from disposal of assets	4(b)	105,000	349,393	359,583
<b>Amount attributable to investing activities</b>		(5,023,743)	(5,490,244)	(4,858,599)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(779,311)	(903,766)	(903,765)
Proceeds from self supporting loans	6(a)	9,837	9,576	9,576
Transfers to cash backed reserves (restricted assets)	7(a)	(2,280,029)	(2,154,914)	(1,471,252)
Transfers from cash backed reserves (restricted assets)	7(a)	2,790,888	5,695,395	4,395,756
<b>Amount attributable to financing activities</b>		(258,615)	2,646,291	2,030,315
<b>Budgeted deficiency before general rates</b>		(10,428,335)	(5,986,930)	(10,426,634)
<b>Estimated amount to be raised from general rates</b>	1	10,428,335	10,408,614	10,426,634
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2 (b)(i)	<b>0</b>	<b>4,421,685</b>	<b>0</b>

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 2020

## 1. RATES AND SERVICE CHARGES

## (a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2019/20 Budgeted rate revenue	2019/20 Budgeted total revenue	2018/19 Actual total revenue	2018/19 Budget total revenue
	\$		\$	\$	\$	\$	\$
<b>Differential general rate or general rate</b>							
<b>Gross rental valuations</b>							
GRV Residential	0.1449	1,672	32,210,989	4,667,372	4,667,372	4,681,583	4,681,583
GRV Other Vacant	0.2247	26	293,900	66,039	66,039	70,095	70,095
GRV Commercial	0.1429	171	12,828,756	1,833,229	1,833,229	1,833,229	1,833,229
GRV Industrial	0.1389	168	7,451,495	1,035,013	1,035,013	1,035,013	1,035,013
GRV Rural Residential	0.1449	22	252,356	36,566	36,566	0	0
<b>Unimproved valuations</b>							
UV Rural Residential	0.0110	200	49,776,000	547,536	547,536	504,988	504,988
UV Pastoral	0.0570	20	5,463,978	311,447	311,447	335,484	335,484
UV Commercial/Industrial	0.0077	45	12,728,580	98,010	98,010	91,628	91,628
UV Rural Agriculture 1/ UV Agric	0.0116	80	60,732,309	704,495	704,495	709,367	709,367
UV Rural Agriculture 2/ UV Hortic	0.0101	94	29,978,000	302,778	302,778	343,582	343,582
UV Mining	0.2740	37	1,733,988	475,113	475,113	475,113	475,113
UV Mining - Exploration & Prospe	0.1369	25	441,909	60,497	60,497	52,884	52,884
UV Other	0.0065	4	8,825,000	57,363	57,363	55,413	55,413
<b>Sub-Totals</b>		2,564	222,717,260	10,195,458	10,195,458	10,188,379	10,188,379
<b>Minimum</b>	<b>\$</b>						
<b>Minimum payment</b>							
<b>Gross rental valuations</b>							
GRV Residential	1,112.00	22	126,649	24,464	24,464	28,912	28,912
GRV Other Vacant	1,112.00	94	210,836	104,528	104,528	108,976	108,976
GRV Commercial	1,112.00	15	77,285	16,680	16,680	16,680	16,680
GRV Industrial	1,112.00	9	30,275	10,008	10,008	10,008	10,008
GRV Rural Residential	1,112.00	4	18,300	4,448	4,448	0	0
<b>Unimproved valuations</b>							
UV Rural Residential	1,112.00	-	-	0	0	0	0
UV Pastoral	1,112.00	1	17,471	1,112	1,112	1,112	1,112
UV Commercial/Industrial	1,112.00	20	320,200	22,240	22,240	22,240	22,240
UV Rural Agriculture 1/ UV Agric	1,112.00	1	10,000	1,112	1,112	1,112	1,112
UV Rural Agriculture 2/ UV Hortic	1,112.00			0	0	0	0
UV Mining	1,112.00	32	52,076	35,584	35,584	36,696	36,696
UV Mining - Exploration & Prospe	310.00	19	22,205	5,890	5,890	6,820	6,820
UV Other	1,112.00	1	150,000	1,112	1,112	0	0
<b>Sub-Totals</b>		218	1,035,297	227,178	227,178	232,556	232,556
		2,782	223,752,557	10,422,636	10,422,636	10,420,935	10,420,935
Ex gratia rates					5,699	5,679	5,699
Other							
<b>Total amount raised from general rates</b>					10,428,335	10,426,614	10,426,634
Interim rates adjustment						(18,000)	0
<b>Total rates</b>					10,428,335	10,408,614	10,426,634

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 2019/20 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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



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

1. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
<b>Option one</b>				
Single full payment	23/08/2019	0	0.00%	9%
<b>Option two</b>				
First instalment	23/08/2019	\$12.00	5.50%	9%
Second instalment	10/01/2020	\$12.00	5.50%	9%
<b>Option three</b>				
First instalment	23/08/2019	\$12.00	5.50%	9%
Second instalment	25/10/2019	\$12.00	5.50%	9%
Third instalment	10/01/2019	\$12.00	5.50%	9%
Fourth instalment	13/03/2019	\$12.00	5.50%	9%

	2019/20 Budget revenue	2018/19 Actual revenue	2018/19 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	20,000	20,000	23,000
Instalment plan interest earned	42,000	41,748	50,000
Unpaid rates and service charge interest earned	158,000	172,000	100,000
	220,000	233,748	173,000

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

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

**(c) Specified Area Rate**

The Shire did not raise specified area rates for the year ended 30th June 2020.

**(c) Service Charges**

The Shire did not raise service charges for the year ended 30th June 2020.

**(d) Waivers or concessions**

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2020.

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

## 2 (a). NET CURRENT ASSETS

		2019/20 Budget 30 June 2020	2019/20 Budget 01 July 2019	2018/19 Estimated Actual 30 June 2019	2018/19 Budget 30 June 2019
	Note	\$	\$	\$	\$
<b>Composition of estimated net current assets</b>					
<b>Current assets</b>					
Cash - unrestricted	3	99,035	4,520,718	4,520,718	(621,662)
Cash - restricted reserves	3	11,885,426	12,396,284	12,396,284	10,842,992
Receivables		2,864,614	2,864,614	2,864,614	2,265,260
Inventories		8,732	8,732	8,732	14,702
		14,857,807	19,790,348	19,790,348	12,501,292
<b>Less: current liabilities</b>					
Trade and other payables		(2,969,632)	(2,969,632)	(2,969,632)	(1,658,300)
Long term borrowings		(124,456)	(903,767)	(903,767)	(779,306)
Provisions		(1,055,023)	(1,055,023)	(1,055,023)	(981,564)
		(4,149,111)	(4,928,422)	(4,928,422)	(3,419,170)
<b>Net current assets</b>		<b>10,708,696</b>	<b>14,861,926</b>	<b>14,861,926</b>	<b>9,082,122</b>

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

2 (b). NET CURRENT ASSETS (CONTINUED)

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

Operating activities excluded from budgeted deficiency

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

Note	2019/20		2018/19	2018/19
	Budget 30 June 2020	Budget 01 July 2019	Estimated Actual 30 June 2019	Budget 30 June 2019
	\$	\$	\$	\$
<b>(i) Current assets and liabilities excluded from budgeted deficiency</b>				
<b>Net current assets</b>	2	10,708,696	14,861,926	14,861,926
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement.				
<b>Adjustments to net current assets</b>				
Less: Cash - restricted reserves	3	(11,885,426)	(12,396,284)	(12,396,284)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		124,456	903,767	903,767
- Employee benefit provisions		1,055,023	1,055,023	1,055,023
Add: Movement in provisions between current and non-current provisions		(2,749)	(2,747)	(2,747)
<b>Adjusted net current assets - surplus/(deficit)</b>		0	4,421,685	4,421,685
<b>(ii) Operating activities excluded from budgeted deficiency</b>				
The following non-cash revenue or expenditure has been excluded from operating activities within the Rate Setting Statement.				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	4(b)	(13,769)	0	0
Add: Loss on disposal of assets	4(b)	16,180	102,000	102,000
Add: Loss on revaluation of non current assets		0	0	0
Add: Depreciation on assets	5	6,400,706	6,621,253	6,621,253
<b>Non cash amounts excluded from operating activities</b>		6,403,117	6,723,253	6,723,253

**(iii) Reason for adjustment to Adjusted net current assets - surplus/(deficit) on 1 July 2019**

The Shire has elected to retrospectively apply the cumulative effect of applying AASB 1058 Income of Not-for-Profit Entities at the date of initial application of the standard, being 1 July 2019. The impact of applying the standard was to recognise unspent grants and contributions for construction of recognisable non-financial assets controlled by the Shire as a liability. The opening budgeted surplus/deficit on 1 July 2019 has been amended accordingly from the estimated actual closing surplus/deficit.

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

**2 (c). NET CURRENT ASSETS (CONTINUED)**

**SIGNIFICANT ACCOUNTING POLICIES**

**CURRENT AND NON-CURRENT CLASSIFICATION**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire'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 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.

**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 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.

**TRADE AND OTHER RECEIVABLES**

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

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

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

**CONTRACT LIABILITIES**

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

**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 2020**

**3. RECONCILIATION OF CASH**

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

	<b>2019/20 Budget</b>	<b>2018/19 Forecast Actual</b>	<b>2018/19 Budget</b>
	\$	\$	\$
Cash - unrestricted	99,035	4,520,718	(621,662)
Cash - restricted	11,885,426	12,396,284	10,842,992
	<b>11,984,461</b>	<b>16,917,002</b>	<b>10,221,330</b>
The following restrictions have been imposed by regulation or other externally imposed requirements:			
Waste Management	1,418,678	1,111,659	708,157
Airport General	5,686,327	5,791,307	5,631,147
Plant and Equipment	122,257	108,361	53,556
Parking	128,356	126,148	126,154
Non-Potable water	16,786	16,497	0
East Kimberley Tourism	112,081	104,257	179,294
Foreshore	515,219	524,048	439,039
Staff Entitlement	146,287	143,771	122,443
Recreation Hardcourts	9,169	58,151	28,155
Bio Security	271,850	267,174	267,189
Childcare	223,773	208,622	208,030
Parks	217,393	213,654	285,599
Footpaths	245,437	241,216	252,836
Asset Management	537,429	577,326	987,988
Goomig Farmlands Roads Reserve	583,913	573,870	573,747
Unspent Grants and Loans Reserve	270,001	801,883	155,966
Kununurra Youth Hub	59,017	49,353	44,291
Regional Price Preference	192,009	188,707	206,549
Drainage Reserve	540,674	433,095	534,259
Capital Works Reserve	180,805	431,667	38,593
Municipal Property Revaluation Reserve	45,793	30,263	0
Election Expenditure Reserve	1,056	40,350	0
Property Reserve	350,763	344,730	0
Public Art Work Reserve	10,353	10,175	0
	<b>11,885,426</b>	<b>12,396,284</b>	<b>10,842,992</b>
<b>Reconciliation of net cash provided by operating activities to net result</b>			
<b>Net result</b>	<b>(1,844,466)</b>	<b>5,042,590</b>	<b>3,079,644</b>
Depreciation	6,400,706	6,621,253	6,144,866
(Profit)/loss on sale of asset	2,411	102,000	89,773
Grants/contributions for the development of assets	<b>(3,697,977)</b>	<b>(7,334,380)</b>	<b>(8,108,635)</b>
<b>Net cash from operating activities</b>	<b>860,674</b>	<b>4,431,463</b>	<b>1,205,648</b>

**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.

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

## 4. FIXED ASSETS

## (a) Acquisition of Assets

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

Asset class	Reporting program											2019/20 Budget total	2018/19 Forecast Actual	2018/19 Budget total	
	Governanc e	General purpose funding	Law, order, public safety	Health	Education and welfare	Housing	Community amenities	Recreation and culture	Transport	Economic services	Other property and services				
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<i>Property, Plant and Equipment</i>															
Land - freehold land	-	-	-	-	-	-	-	-	-	-	-	-	-	2,712	100,000
Land - vested in and under the control of Cour	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings - non-specialised	-	-	10,000	-	-	-	-	70,000	-	-	-	-	80,000	18,967	-
Buildings - specialised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	55,000
Furniture and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant and equipment	-	-	-	-	-	-	-	75,000	73,000	-	795,000	-	943,000	1,332,316	2,196,468
Work in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	10,000	-	-	-	-	145,000	73,000	-	795,000	-	1,023,000	1,353,995	2,351,468
<i>Infrastructure</i>															
Infrastructure - Roads and carparks	-	-	-	-	-	-	-	300,000	5,185,893	-	-	-	5,485,893	4,588,479	3,886,299
Infrastructure - Footpaths	-	-	-	-	-	-	-	-	868,600	-	-	-	868,600	233,890	160,000
Infrastructure - Drainage	-	-	-	-	-	-	99,360	-	-	-	-	-	99,360	157,591	-
Infrastructure - Other	-	-	135,089	-	-	-	551,778	151,000	-	-	-	-	837,867	1,397,929	2,170,050
Infrastructure - Airfields	-	-	-	-	-	-	-	-	512,000	-	-	-	512,000	802,604	140,000
Infrastructure -Bridges and culverts	-	-	-	-	-	-	-	-	-	-	-	-	-	4,639,527	4,500,000
Infrastructure - WIP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - parks and ovals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	119,000
	-	-	135,089	-	-	-	651,138	451,000	6,566,493	-	-	-	7,803,720	11,820,021	10,975,349
<b>Total acquisitions</b>	-	-	145,089	-	-	-	651,138	596,000	6,639,493	-	795,000	-	8,826,720	13,174,017	13,326,817

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

4. FIXED ASSETS (CONTINUED)

(b) Disposals of Assets

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

	2019/20 Budget Net Book Value	2019/20 Budget Sale Proceeds	2019/20 Budget Profit	2019/20 Budget Loss	2018/19 Actual Net Book Value	2018/19 Actual Sale Proceeds	2018/19 Actual Profit	2018/19 Forecast Actual Loss	2018/19 Budget Net Book Value	2018/19 Budget Sale Proceeds	2018/19 Budget Profit	2018/19 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>By Program</b>												
Community amenities		-	-	-		-	-	-	19,526	15,315	-	(4,211)
Transport	8,235	(7,180)	765	(16,180)		-	-	-	119,079	79,113	9,405	(49,371)
Other property and services	99,176	112,180	13,004	-	451,393	349,393	-	(102,000)	310,751	265,155	36,471	(82,067)
	107,411	105,000	13,769	(16,180)	451,393	349,393	-	(102,000)	449,356	359,583	45,876	(135,649)
<b>By Class</b>												
<u>Property, Plant and Equipment</u>												
Plant and equipment	107,411	105,000	13,769	(16,180)	451,393	349,393	-	(102,000)	449,356	359,583	45,876	(135,649)
	107,411	105,000	13,769	(16,180)	451,393	349,393	-	(102,000)	449,356	359,583	45,876	(135,649)



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

**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

**By Class**

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

2019/20 Budget	2018/19 Forecast Actual	2018/19 Budget
\$	\$	\$
13,871	13,871	15,843
6,569	6,569	4,256
45,262	45,262	64,710
88,167	88,167	176,302
105,759	105,759	115,403
1,142,755	1,152,062	1,321,782
4,306,139	4,582,081	3,745,078
60,155	20,996	40,787
632,031	606,488	660,705
<b>6,400,706</b>	<b>6,621,253</b>	<b>6,144,866</b>
469,320	462,942	649,594
531,171	531,171	735,204
113,013	73,463	146,079
436,229	411,077	454,245
2,582,904	2,875,051	2,091,399
142,441	133,508	85,474
350,200	350,200	219,977
553,707	569,392	797,976
703,199	742,227	567,695
518,522	472,222	397,223
<b>6,400,706</b>	<b>6,621,253</b>	<b>6,144,866</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.

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

Buildings - non-specialised	7-140 years
Buildings - specialised	7-140 years
Furniture and equipment	3-20 years
Plant and equipment	3-13 years
Infrastructure - Roads and car parks	10-120 years
Infrastructure - Footpaths	45-80 years
Infrastructure - Drainage	75 years
Infrastructure - Other	10-120 years
Infrastructure - Airfields	16-120 years
Infrastructure -Bridges and culverts	100 years

**DEPRECIATION (CONTINUED)**

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

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

**RECOGNITION OF ASSETS**

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

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	Budget	2019/20	2019/20	2019/20	Budget	Actual	2018/19	2018/19	2018/19	Actual	Budget	2018/19	2018/19	2018/19	Budget
	Principal 1 July 2019	Budget New loans	Budget Principal repayments	Budget Interest repayments	Principal outstanding 30 June 2020		Principal 1 July 2018	Actual New loans	Actual Principal repayments	Actual Interest repayments		Principal outstanding 30 June 2019	Principal 1 July 2018	Budget New loans	Budget Principal repayments
		\$	\$	\$	\$		\$	\$	\$		\$	\$	\$	\$	\$
<b>Law, order, public safety</b>															
Administration Building Land	63,020		63,022	3,408	(2)	122,424		59,404	7,441	63,020	122,425		59,404	7,441	63,021
Administration Building Loan	984,342		268,069	43,604	716,273	1,242,457		258,115	55,743	984,342	1,242,457		258,114	55,743	984,343
Administration Building	953,147		147,234	45,102	805,913	1,096,046		142,899	52,412	953,147	1,096,046		142,899	52,412	953,147
<b>Education and welfare</b>															
Kununurra Childcare Centre	37,228		37,227	1,247	1	108,362		71,134	7,107	37,228	108,361		71,134	7,107	37,227
<b>Housing</b>															
Staff Housing	(1)		0	0	(1)	7,991		7,992	250	(1)	7,991		7,992	250	(1)
Staff Housing	16,138		16,138	556	0	31,693		15,555	1,311	16,138	31,692		15,555	1,311	16,137
<b>Community amenities</b>															
KNW Youth Centre	0		0	0	0	0		0	1	0	0		0	1	0
Liquid Waste Facility	0		0	0	0	0		0	0	0	(1)		0	0	(1)
Waste Management	935,456		171,835	47,637	763,621	1,100,279		164,823	56,496	935,456	1,100,278		164,823	56,496	935,455
Drainage	68,987		12,673	3,520	56,314	81,142		12,155	4,174	68,987	81,142		12,155	4,174	68,987
<b>Recreation and culture</b>															
KNX Aquatic Centre Refurbishm	(1)		0	0	(1)	44,653		44,654	1,396	(1)	44,655		44,654	1,396	1
WYN Recreation Centre	1		0	0	1	18,732		18,731	587	1	18,731		18,731	587	0
Multi Purpose Courts	1		0	0	1	46,993		46,992	2,337	1	46,993		46,992	2,337	1
Ord River Sports Club	40,531		9,728	1,621	30,803	50,000		9,469	2,055	40,531	50,000		9,469	2,055	40,531
Kununurra Leisure Gym Equipm	85,546		23,691	2,633	61,855	108,657		23,111	3,412	85,546	108,657		23,111	3,412	85,546
<b>Transport</b>															
Building and Infrastructure	193,755		29,694	7,780	164,061	222,487		28,732	9,024	193,755	222,487		28,732	9,024	193,755
	3,337,619	0	769,583	155,487	2,568,036	4,231,916	0	894,297	201,691	3,337,619	4,231,914	0	894,296	201,691	3,337,618
<b>Self Supporting Loans</b>															
<b>Recreation and culture</b>															
Ord River Sports Club	40,531	0	9,728	1,621	30,803	50,000	0	9,469	2,055	40,531	50,000	0	9,469	2,055	40,531
	40,531	0	9,728	1,621	30,803	50,000	0	9,469	2,055	40,531	50,000	0	9,469	2,055	40,531
	3,378,150	0	779,311	157,108	2,598,839	4,281,916	0	903,766	203,746	3,378,150	4,281,914	0	903,765	203,746	3,378,149

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 2020

## 6. INFORMATION ON BORROWINGS (CONTINUED)

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

### (c) Unspent borrowings

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

### (d) Credit Facilities

	2019/20 Budget	2018/19 Forecast Actual	2018/19 Budget
	\$	\$	\$
<b>Undrawn borrowing facilities</b>			
<b>credit standby arrangements</b>			
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
Credit card balance at balance date	(15,000)	(15,000)	(15,000)
<b>Total amount of credit unused</b>	<b>2,540,000</b>	<b>2,540,000</b>	<b>2,540,000</b>
<b>Loan facilities</b>			
Loan facilities in use at balance date	2,598,839	3,378,150	3,378,149
Unused loan facilities at balance date			

Overdraft details	Purpose overdraft was established	Year overdraft established	Amount b/fwd 1 July 2019	2019/20 Budgeted Increase/ (Decrease)	Amount as at 30th June 2020
\$2.5 million	To cover expenditure associated with flood events	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 2020

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2019/20 Budget Opening Balance	2019/20 2019/20 Budget Transfer to	2019/20 Budget Transfer (from)	2019/20 Budget Closing Balance	2018/19 Actual Opening Balance	2018/19 2018/19 Actual Transfer to	2018/19 Actual Transfer (from)	2018/19 Forecast Actual Closing Balance	2018/19 Budget Opening Balance	2018/19 2018/19 Budget Transfer to	2018/19 Budget Transfer (from)	2018/19 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Waste Management	1,111,659	478,854	(171,835)	1,418,678	656,284	673,798	(218,423)	1,111,659	620,100	288,830	(200,773)	708,157
Airport General	5,791,307	1,440,020	(1,545,000)	5,686,327	6,083,339	777,259	(1,069,291)	5,791,307	5,836,235	801,590	(1,006,678)	5,631,147
Plant and Equipment	108,361	13,896	-	122,257	303,581	30,313	(225,533)	108,361	28,048	25,508	-	53,556
Parking	126,148	2,208	-	128,356	123,978	2,170	-	126,148	123,910	2,244	-	126,154
Non-Potable water	16,497	289	-	16,786	75,102	1,314	(59,920)	16,497	-	-	-	-
East Kimberley Tourism	104,257	41,824	(34,000)	112,081	160,056	22,801	(78,600)	104,257	158,424	27,870	(7,000)	179,294
Foreshore	524,048	91,171	(100,000)	515,219	442,791	89,507	(8,250)	524,048	443,014	106,025	(110,000)	439,039
Staff Entitlement	143,771	2,516	-	146,287	141,298	2,473	-	143,771	120,265	2,178	-	122,443
Recreation Hardcourts	58,151	1,018	(50,000)	9,169	57,151	1,000	-	58,151	57,120	1,035	(30,000)	28,155
Bio Security	267,174	4,676	-	271,850	262,579	4,595	-	267,174	262,435	4,754	-	267,189
Childcare	208,622	15,151	-	223,773	193,707	14,915	-	208,622	193,033	14,997	-	208,030
Parks	213,654	3,739	-	217,393	278,775	4,879	(70,000)	213,654	416,652	7,547	(138,600)	285,599
Footpaths	241,216	4,221	-	245,437	286,207	5,009	(50,000)	241,216	297,448	5,388	(50,000)	252,836
Asset Management	577,326	10,103	(50,000)	537,429	624,399	10,927	(58,000)	577,326	1,027,378	18,610	(58,000)	987,988
Goomig Farmlands Roads Reserve	573,870	10,043	-	583,913	564,000	9,870	-	573,870	563,539	10,208	-	573,747
Unspent Grants and Loans Reserve	801,883	-	(531,882)	270,001	2,421,927	390,357	(2,010,401)	801,883	2,186,251	110,000	(2,140,285)	155,966
Contiguous Local Authority Group (CL)	-	-	-	-	2,491	44	(2,535)	-	-	-	-	-
Kununurra Youth Hub	49,353	19,364	(9,700)	59,017	48,160	19,343	(18,150)	49,353	33,190	19,101	(8,000)	44,291
Regional Price Preference	188,707	3,302	-	192,009	185,461	3,246	-	188,707	202,874	3,675	-	206,549
Drainage Reserve	433,095	107,579	-	540,674	680,581	11,910	(259,396)	433,095	524,754	9,505	-	534,259
Capital Works Reserve	431,667	7,609	(258,471)	180,805	1,961,095	37,469	(1,566,897)	431,667	672,826	12,187	(646,420)	38,593
Municipal Property Revaluation Reser	30,263	15,530	-	45,793	15,001	15,263	-	30,263	-	-	-	-
Election Expenditure Reserve	40,350	706	(40,000)	1,056	20,000	20,350	-	40,350	-	-	-	-
Property Reserve	344,730	6,033	-	350,763	338,801	5,929	-	344,730	-	-	-	-
Public Art Work Reserve	10,175	178	-	10,353	10,000	175	-	10,175	-	-	-	-
	12,396,284	2,280,029	(2,790,888)	11,885,426	15,936,765	2,154,914	(5,695,395)	12,396,284	13,767,496	1,471,252	(4,395,756)	10,842,992

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

## 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 support for the Shire's Airport operations and facilities and to promote an expansion of airport operations and increased passenger numbers through the airport. These include normal operations, asset management, expansion of facilities, and operations and projects that support the strategic objectives for the airport.
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-Potable 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 provide for the maintenance, renewal, and upgrade of existing and new airport facilities within the Shire of Wyndham East Kimberley.
Foreshore	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.
Staff Entitlement	on going	This reserve is to provide for Shire employee entitlements.
Recreation Hardcourts	on going	This Reserve is for purpose of providing for future capital upgrade of Recreational Hardcourts.
Bio Security	on going	To hold funds for use in emergency situations that threaten the bio security of the East Kimberley.
Childcare	on going	To hold lease payments from the Kununurra Childcare Centre to provide for the significant maintenance and renewal of the building.
Parks	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.
Legal fees	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.
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.
Goomig Farmlands Roads Reserve	on going	To provide for the second coat seal of roads within the Goomig 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-3217 Regional Price Preference.
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.
Property Reserve	on going	To ensure that funds received from the disposal of properties after settling any property debt, are retained within the reserve and are used for the acquisition of land and /or buildings or the development of land under the control of the Shire.
Public Art Work Reserve	on going	To receipt LandCorp contributions towards the ongoing maintenance of the public artwork in the Coolbah / Chestnut subdivision.

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

**8. FEES & CHARGES REVENUE**

	<b>2019/20 Budget</b>	<b>2018/19 Forecast Actual</b>	<b>2018/19 Budget</b>
	\$	\$	\$
Governance	4,100	4,161	3,700
General purpose funding	34,000	33,000	38,000
Law, order, public safety	43,400	45,073	49,000
Health	77,500	65,500	82,000
Education and welfare	11,500	11,526	11,500
Housing	143,880	120,107	146,280
Community amenities	2,772,500	2,851,389	2,752,441
Recreation and culture	566,300	525,956	589,300
Transport	4,897,000	3,965,800	4,201,280
Economic services	95,500	71,500	83,500
	<b>8,645,680</b>	<b>7,694,012</b>	<b>7,957,001</b>

**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	10,000	4,866	33,851
General purpose funding	1,875,000	3,674,328	1,911,981
Law, order, public safety	36,000	36,436	26,000
Health	3,000	2,000	3,000
Community amenities	68,500	72,600	143,000
Recreation and culture	78,000	81,300	81,000
Transport	125,000	243,757	146,042
Economic services	9,500	7,000	4,500
Other property and services	25,000	20,000	25,000
	<b>2,230,000</b>	<b>4,142,287</b>	<b>2,374,374</b>

**Non-operating grants, subsidies and contributions**

Law, order, public safety	80,089	719,911	800,000
Recreation and culture	502,398	0	470,413
Transport	3,115,490	6,614,469	6,838,222
	<b>3,697,977</b>	<b>7,334,380</b>	<b>8,108,635</b>

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

10. OTHER INFORMATION

	2019/20 Budget	2018/19 Forecast Actual	2018/19 Budget
<b>The net result includes as revenues</b>	\$	\$	\$
<b>(a) Interest earnings</b>			
Investments			
- Reserve funds	285,900	300,500	298,000
- Other funds	100,923	101,184	61,184
Late payment of fees and charges *	4,000	3,500	5,000
Other interest revenue (refer note 1b)	200,000	213,748	150,000
	590,823	618,932	514,184
* 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	378,500	451,491	432,986
	378,500	451,491	432,986
<b>The net result includes as expenses</b>			
<b>(c) Auditors remuneration</b>			
Audit services	61,500	61,500	61,500
	61,500	61,500	61,500
<b>(d) Interest expenses (finance costs)</b>			
Borrowings (refer Note 6(a))	157,108	203,746	203,746
Interest expense on lease liabilities			
	157,108	203,746	203,746
<b>(e) Elected members remuneration</b>			
Meeting fees	151,492	150,389	150,389
Mayor/President's allowance	44,342	43,909	43,909
Deputy Mayor/President's allowance	11,085	10,977	10,977
Travelling expenses	20,000	20,000	1,000
Telecommunications allowance	21,600	21,600	21,000
	248,519	246,875	227,275
<b>(f) Write offs</b>			
General rate	152,412	152,412	152,412
Write offs and waivers-waste disposal	65,000	82,295	54,000
Fees and charges	102,036	102,036	102,036
	319,448	336,743	308,448

**SIGNIFICANT ACCOUNTING POLICIES**

**LEASES**

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

At the commencement date, a lessee shall recognise a right-of-use asset and a lease liability.

At the commencement date, a lessee shall measure the right-of-use asset at cost.

**LEASES (CONTINUED)**

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

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

**11. MAJOR LAND TRANSACTIONS, TRADING UNDERTAKINGS AND INTERESTS IN JOINT ARRAN**

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

**12. INTERESTS IN JOINT ARRANGEMENTS**

It is not anticipated the Shire will be party to any joint venture arrangements during 2019/20.



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

**13. TRUST FUNDS**

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

Detail	Balance 1 July 2019	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2020
	\$	\$	\$	\$
Councillor Nomination Fees	80	0	0	80
ASIC - Airport Security Card	4,200	0	0	4,200
Footpath Bonds	49,667	0	0	49,667
Hall Hire Bonds - Kununurra Leisure Centre	11,000	0	0	11,000
Hall Hire Bonds - Peter Reid Memorial Hall	2,810	0	0	2,810
Wyndham Port Hall Bond	10,000	0	0	10,000
Wyndham Council Chamber Bond	250	0	0	250
Wyndham Oval Hire Bonds	200	0	0	200
Kununurra Youth Centre Bond	1,050	0	0	1,050
Other Trust Funds	1,540	0	0	1,540
Public Open Space Contributions	469,714	0	0	469,714
Building Services Levy	12,463	0	0	12,463
Building & Construction Industry Training Fund	1,699	0	0	1,699
Terminal Security Access Cards	820	0	0	820
Health Application Fee	245	0	0	245
Bus Hire Bond	565,738	0	0	565,738

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020****14. SIGNIFICANT ACCOUNTING POLICIES - OTHER  
INFORMATION****GOODS AND SERVICES TAX (GST)**

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

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

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

**CRITICAL ACCOUNTING ESTIMATES**

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

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

**ROUNDING OFF FIGURES**

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

**COMPARATIVE FIGURES**

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

**BUDGET COMPARATIVE FIGURES**

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

**REVENUE RECOGNITION**

Accounting Policies for the recognition of income and revenue from contracts with customers is described in Note 15.