

STATUTORY BUDGET 2021/22

For the year ending 30 June 2022



SHIRE of
WYNDHAM
EAST KIMBERLEY



SHIRE OF WYNDHAM EAST KIMBERLEY

BUDGET

FOR THE YEAR ENDING 30 JUNE 2022

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

To be a thriving community with opportunities for all

SHIRE OF WYNDHAM EAST KIMBERLEY
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDING 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Forecast	2020/21 Budget
		\$	\$	\$
Revenue				
Rates	1(a)	10,574,433	10,442,008	10,425,101
Operating grants, subsidies and contributions	9(a)	2,290,088	4,263,412	2,114,625
Fees and charges	8	6,689,792	5,982,081	6,021,080
Interest earnings	11(a)	272,194	315,016	377,155
Other revenue	11(b)	377,925	374,458	387,425
		20,204,431	21,376,976	19,325,386
Expenses				
Employee costs		(11,316,915)	(10,090,280)	(10,591,444)
Materials and contracts		(6,133,485)	(5,488,749)	(5,420,591)
Utility charges		(1,268,730)	(1,167,463)	(1,245,350)
Depreciation on non-current assets	5	(7,116,239)	(6,970,278)	(6,180,879)
Interest expenses	11(d)	(99,221)	(89,088)	(89,088)
Insurance expenses		(476,501)	(485,686)	(468,200)
Other expenditure		(1,478,816)	(1,371,607)	(1,440,909)
		(27,889,907)	(25,663,150)	(25,436,461)
Subtotal		(7,685,476)	(4,286,174)	(6,111,075)
Non-operating grants, subsidies and contributions	9(b)	16,883,412	5,759,127	8,956,548
Profit on asset disposals	4(b)	0	2,773	0
Loss on asset disposals	4(b)	(41,500)	(25,428)	(53,104)
		16,841,912	5,736,472	8,903,444
Net result		9,156,436	1,450,298	2,792,369
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		9,156,436	1,450,298	2,792,369

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

SHIRE OF WYNDHAM EAST KIMBERLEY FOR THE YEAR ENDING 30 JUNE 2022

BASIS OF PREPARATION

The budget has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

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

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Shire of 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 12 to the budget.

2020/21 ACTUAL BALANCES

Balances shown in this budget as 2020/21 Actual are estimates as forecast at the time of budget preparation and are subject to final adjustments.

CHANGE IN ACCOUNTING POLICIES

On the 1 July 2021 no new accounting policies are to be adopted and no new policies are expected to impact the annual budget.

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

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

SERVICE CHARGES

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

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

PROFIT ON ASSET DISPOSAL

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

REVENUES (CONTINUED)

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

FEES AND CHARGES

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

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.

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.

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

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

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

INTEREST EXPENSES

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

OTHER EXPENDITURE

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

SHIRE OF WYNDHAM EAST KIMBERLEY
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDING 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Forecast	2020/21 Budget
Revenue	1,8,9(a),11(a),11(b)	\$	\$	\$
Governance		18,550	19,432	21,500
General purpose funding		12,663,559	14,615,463	12,485,101
Law, order, public safety		433,325	431,664	429,925
Health		70,500	61,519	71,500
Education and welfare		11,500	11,525	11,500
Housing		169,320	128,823	124,820
Community amenities		2,839,770	2,797,444	2,811,115
Recreation and culture		557,928	513,152	447,255
Transport		3,322,000	2,675,679	2,828,170
Economic services		82,980	85,980	59,500
Other property and services		35,000	36,294	35,000
		20,204,431	21,376,976	19,325,386
Expenses excluding finance costs	4(a),5,11(c)(e)(f)(g)			
Governance		(632,572)	(745,161)	(467,437)
General purpose funding		(374,191)	(217,880)	(456,477)
Law, order, public safety		(1,165,675)	(1,111,426)	(1,127,897)
Health		(334,504)	(271,436)	(277,926)
Education and welfare		(145,393)	(165,525)	(129,951)
Housing		(377,662)	(337,912)	(351,007)
Community amenities		(5,202,827)	(4,867,325)	(4,468,472)
Recreation and culture		(6,448,122)	(5,480,881)	(5,965,177)
Transport		(11,401,035)	(10,716,258)	(10,630,319)
Economic services		(1,236,792)	(1,018,344)	(952,628)
Other property and services		(471,914)	(641,916)	(520,083)
		(27,790,687)	(25,574,062)	(25,347,374)
Finance costs	7,6(a),11(d)			
Governance		(70,030)	(47,853)	(47,853)
Community amenities		(23,747)	(33,883)	(33,883)
Recreation and culture		(1,277)	(2,158)	(2,158)
Transport		(4,167)	(5,194)	(5,194)
		(99,221)	(89,088)	(89,088)
Subtotal		(7,685,476)	(4,286,174)	(6,111,075)
Non-operating grants, subsidies and contributions	9(b)	16,883,412	5,759,127	8,956,548
Profit on disposal of assets	4(b)	0	2,773	0
(Loss) on disposal of assets	4(b)	(41,500)	(25,428)	(53,104)
		16,841,912	5,736,472	8,903,444
Net result		9,156,436	1,450,298	2,792,369
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		9,156,436	1,450,298	2,792,369

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

SHIRE OF WYNDHAM EAST KIMBERLEY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Forecast	2020/21 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		11,024,433	10,442,008	10,425,101
Operating grants, subsidies and contributions		2,290,088	4,263,412	2,114,625
Fees and charges		6,864,792	5,982,081	6,021,080
Interest received		272,194	315,016	377,155
Other revenue		502,925	374,458	387,425
		20,954,432	21,376,975	19,325,386
Payments				
Employee costs		(11,316,915)	(10,090,280)	(10,591,444)
Materials and contracts		(5,983,485)	(5,488,749)	(5,420,591)
Utility charges		(1,218,730)	(1,167,463)	(1,245,350)
Interest expenses		(99,221)	(89,088)	(89,088)
Insurance paid		(476,501)	(485,686)	(468,200)
Other expenditure		(1,428,817)	(1,371,607)	(1,440,909)
		(20,523,669)	(18,692,872)	(19,255,582)
Net cash provided by (used in) operating activities	3	430,763	2,684,104	69,804
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	4(a)	(2,331,297)	(1,224,711)	(1,051,293)
Payments for construction of infrastructure	4(a)	(24,672,213)	(6,534,679)	(15,104,762)
Non-operating grants, subsidies and contributions	9(b)	16,883,412	5,759,127	8,956,548
Proceeds from sale of plant and equipment	4(b)	20,000	84,072	50,000
Proceeds on financial assets at amortised cost - self supporting loans		6,694	10,117	
Net cash provided by (used in) investing activities		(10,093,404)	(1,906,073)	(7,149,507)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(1,025,884)	(687,425)	(687,426)
Proceeds on disposal of financial assets at amortised cost - term deposits		4,432,221	488,604	2,379,244
Proceeds from new borrowings	6(a)	3,300,000	0	500,000
Net cash provided by (used in) financing activities		6,706,337	(198,821)	2,191,818
Net increase (decrease) in cash held		(2,956,304)	579,209	(4,887,885)
Cash at beginning of year		2,972,045	2,392,837	5,779,171
Cash and cash equivalents at the end of the year	3	15,742	2,972,045	891,286

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

SHIRE OF WYNDHAM EAST KIMBERLEY
RATE SETTING STATEMENT
FOR THE YEAR ENDING 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Forecast	2020/21 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2(a)	3,956,303	3,510,348	5,043,912
		3,956,303	3,510,348	5,043,912
Revenue from operating activities (excluding rates)				
Governance		18,550	19,432	21,500
General purpose funding		2,089,126	4,173,455	2,060,001
Law, order, public safety		433,325	431,664	429,925
Health		70,500	61,519	71,500
Education and welfare		11,500	11,525	11,500
Housing		169,320	128,823	124,820
Community amenities		2,839,770	2,797,816	2,811,115
Recreation and culture		557,928	513,152	447,255
Transport		3,322,000	2,678,081	2,828,170
Economic services		82,980	85,980	59,500
Other property and services		35,000	36,294	35,000
		9,629,998	10,937,741	8,900,286
Expenditure from operating activities				
Governance		(702,602)	(793,014)	(515,290)
General purpose funding		(374,191)	(217,880)	(456,477)
Law, order, public safety		(1,165,675)	(1,111,426)	(1,127,897)
Health		(334,504)	(271,436)	(277,926)
Education and welfare		(145,393)	(165,525)	(129,951)
Housing		(377,662)	(337,912)	(351,007)
Community amenities		(5,226,574)	(4,901,208)	(4,502,355)
Recreation and culture		(6,449,399)	(5,483,039)	(5,967,335)
Transport		(11,446,702)	(10,721,452)	(10,635,513)
Economic services		(1,236,792)	(1,018,344)	(952,628)
Other property and services		(471,914)	(667,344)	(573,187)
		(27,931,408)	(25,688,578)	(25,489,566)
Non-cash amounts excluded from operating activities	2(b)	7,157,739	6,992,933	6,068,118
Amount attributable to operating activities		(7,187,367)	(4,247,556)	(5,477,250)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		16,883,412	5,759,127	8,956,548
Payments for property, plant and equipment	4(a)	(2,331,297)	(1,224,711)	(1,051,293)
Payments for construction of infrastructure	4(a)	(24,672,213)	(6,534,679)	(15,104,762)
Proceeds from disposal of assets	4(b)	20,000	84,072	50,000
Proceeds from financial assets at amortised cost - self supporting loans		6,694	10,117	9,837
		(10,093,404)	(1,906,074)	(7,139,670)
Amount attributable to investing activities		(10,093,404)	(1,906,074)	(7,139,670)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(1,025,884)	(687,425)	(687,426)
Proceeds from new borrowings	6(a)	3,300,000	0	500,000
Transfers to cash backed reserves (restricted assets)	7(a)	(4,674,935)	(5,618,901)	81,458
Transfers from cash backed reserves (restricted assets)	7(a)	9,107,157	5,974,251	2,297,787
Amount attributable to financing activities		6,706,338	(332,075)	2,191,819
Budgeted deficiency before imposition of general rates		(10,574,433)	(6,485,705)	(10,425,101)
Estimated amount to be raised from general rates	1	10,574,433	10,442,008	10,425,101
Net current assets at end of financial year - surplus/(deficit)	2(a)	0	3,956,303	0

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

SHIRE OF WYNDHAM EAST KIMBERLEY
RATE SETTING STATEMENT
FOR THE YEAR ENDING 30 JUNE 2022

	NOTE	2021/22 Budget	2020/21 Forecast	2020/21 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	2	3,956,303	3,510,348	5,043,912
		3,956,303	3,510,348	5,043,912
Revenue from operating activities (excluding rates)				
Operating grants, subsidies and contributions	9(a)	2,290,088	4,263,412	2,114,625
Fees and charges	8	6,689,792	5,982,081	6,021,080
Interest earnings	11(a)	272,194	315,016	377,155
Other revenue	11(b)	377,925	374,458	387,425
Profit on asset disposals	4(b)	0	2,773	0
		9,629,998	10,937,741	8,900,285
Expenditure from operating activities				
Employee costs		(11,316,915)	(10,090,280)	(10,591,444)
Materials and contracts		(6,133,485)	(5,488,749)	(5,420,591)
Utility charges		(1,268,730)	(1,167,463)	(1,245,350)
Depreciation on non-current assets	5	(7,116,239)	(6,970,278)	(6,180,879)
Interest expenses	11(d)	(99,221)	(89,088)	(89,088)
Insurance expenses		(476,501)	(485,686)	(468,200)
Other expenditure		(1,478,816)	(1,371,607)	(1,440,909)
Loss on asset disposals	4(b)	(41,500)	(25,428)	(53,104)
		(27,931,407)	(25,688,578)	(25,489,565)
Non-cash amounts excluded from operating activities	2(b)	7,157,739	6,992,933	6,068,118
Amount attributable to operating activities		(7,187,367)	(4,247,557)	(5,477,250)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	9(b)	16,883,412	5,759,127	8,956,548
Payments for property, plant and equipment	4(a)	(2,331,297)	(1,224,711)	(1,051,293)
Payments for construction of infrastructure	4(a)	(24,672,213)	(6,534,679)	(15,104,762)
Proceeds from disposal of assets	4(b)	20,000	84,072	50,000
Proceeds from financial assets at amortised cost - self supporting loans		6,694	10,117	9,837
Amount attributable to investing activities		(10,093,404)	(1,906,074)	(7,139,670)
Amount attributable to investing activities		(10,093,404)	(1,906,074)	(7,139,670)
FINANCING ACTIVITIES				
Repayment of borrowings	6(a)	(1,025,884)	(687,425)	(687,426)
Proceeds from new borrowings	6(b)	3,300,000	0	500,000
Transfers to cash backed reserves (restricted assets)	7(a)	(4,674,935)	(5,618,901)	81,458
Transfers from cash backed reserves (restricted assets)	7(a)	9,107,157	5,974,251	2,297,787
Amount attributable to financing activities		6,706,338	(332,075)	2,191,819
Budgeted deficiency before general rates		(10,574,433)	(6,485,706)	(10,425,101)
Estimated amount to be raised from general rates	1(a)	10,574,433	10,442,008	10,425,101
Net current assets at end of financial year - surplus/(deficit)	2	0	3,956,303	0

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

SHIRE OF WYNDHAM EAST KIMBERLEY
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FOR THE YEAR ENDING 30 JUNE 2022

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SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2022

1. RATES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2021/22 Budgeted rate revenue	2021/22 Budgeted interim rates	2021/22 Budgeted back rates	2021/22 Budgeted total revenue	2020/21 Forecast total revenue	2020/21 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
Differential general rate or general rate									
Gross rental valuations									
GRV Residential	0.14630	1,675	32,367,222	4,735,325			4,735,325	4,679,428	4,679,428
GRV Other Vacant	0.22690	28	303,000	68,751			68,751	69,691	69,691
GRV Commercial	0.14430	172	12,786,644	1,845,113			1,845,113	1,826,498	1,826,498
GRV Industrial	0.14030	169	7,426,811	1,041,982			1,041,982	1,035,013	1,035,013
GRV Rural Residential	0.14630	23	260,780	38,152			38,152	37,787	37,787
Unimproved valuations									
UV Rural Residential	0.04390	200	28,935,000	1,270,247			1,270,247	480,887	480,887
UV Pastoral	0.05700	21	17,364,229	989,761			989,761	1,200,077	1,200,077
UV Commercial/Industrial	0.00780	44	11,661,580	90,960			90,960	98,526	98,526
UV Agriculture	0.01170	79	60,852,109	711,970			711,970	704,307	704,307
UV Horticulture	0.01020	93	27,215,000	277,593			277,593	289,375	289,375
UV Mining	0.27670	36	1,785,596	494,074			494,074	484,712	484,712
UV Mining - Exploration & Prosp	0.13830	31	475,143	65,712			65,712	61,034	61,034
UV Other	0.00660	4	8,825,000	58,245			58,245	57,363	57,363
Sub-Totals		2,575	210,258,114	11,687,885	0	0	11,687,885	11,024,698	11,024,698
Minimum payment									
\$									
Gross rental valuations									
GRV Residential	1,123	22	126,649	24,706			24,706	24,464	24,464
GRV Other Vacant	1,123	98	217,841	110,054			110,054	106,752	106,752
GRV Commercial	1,123	16	84,981	17,968			17,968	17,792	17,792
GRV Industrial	1,123	9	30,275	10,107			10,107	10,008	10,008
GRV Rural Residential	1,123	3	11,644	3,369			3,369	3,336	3,336
Unimproved valuations									
UV Rural Residential	1,123	0	0	0			0	0	0
UV Pastoral	1,123	0	0	0			0	0	0
UV Commercial/Industrial	1,123	24	855,000	26,952			26,952	22,240	22,240
UV Agriculture	1,123	1	83,000	1,123			1,123	1,112	1,112
UV Horticulture	1,123	0	0	0			0	0	0
UV Mining	1,123	28	46,852	31,444			31,444	33,360	33,360
UV Mining - Exploration & Prosp	313	10	15,036	3,130			3,130	4,030	4,030
UV Other	1,123	1	135,000	1,123			1,123	1,112	1,112
Sub-Totals		212	1,606,278	229,976	0	0	229,976	224,206	224,206
		2,787	211,864,392	11,917,861	0	0	11,917,861	11,248,903	11,248,904
Concessions							(1,351,379)	(830,644)	(830,643)
Total amount raised from general rates							10,566,482	10,418,259	10,418,261
Interim Rates Adjustment								16,934	0
Ex gratia rates							7,951	6,815	6,840
Total rates							10,574,433	10,442,008	10,425,101

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 2021/22 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2022

2. NET CURRENT ASSETS

Note	2021/22 Budget 30 June 2022	2020/21 Forecast 30 June 2021	2020/21 Budget 30 June 2021	
	\$	\$	\$	
(a) Composition of estimated net current assets				
Current assets				
Cash and cash equivalents- unrestricted	3	15,742	2,972,045	901,123
Financial assets - unrestricted		9,837	9,837	
Financial assets - restricted	3	10,240,484	14,672,705	11,571,090
Receivables		1,186,787	1,936,787	1,233,114
Other assets		933,531	933,531	
Inventories		10,522	10,522	14,378
		12,396,903	20,535,427	13,719,705
Less: current liabilities				
Trade and other payables		(1,837,100)	(1,587,100)	(1,459,834)
Contract liabilities		(2,268,701)	(2,268,701)	
Long term borrowings	6	(1,374,852)	(687,426)	(1,279,306)
Employee provisions		(1,602,945)	(1,602,945)	(1,261,280)
		(7,083,598)	(6,146,172)	(4,000,420)
Net current assets		5,313,305	14,389,255	9,719,285
Less: Total adjustments to net current assets	2.(c)	(5,313,304)	(10,432,952)	(9,719,285)
Net current assets used in the Rate Setting Statement		0	3,956,303	0

2. NET CURRENT ASSETS (CONTINUED)

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

Items excluded from calculation of budgeted deficiency

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

(b) Operating activities excluded from budgeted deficiency

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32*.

Note	2021/22 Budget 30 June 2022	2020/21 Forecast 30 June 2021	2020/21 Budget 30 June 2021	
	\$	\$	\$	
Adjustments to operating activities				
Less: Profit on asset disposals	4(b)	0	(2,773)	0
Less: Net Increase in Receivables		0	0	(730,865)
Add: Loss on disposal of assets	4(b)	41,500	25,428	53,104
Add: Depreciation on assets	5	7,116,239	6,970,278	6,180,879
Movement in non-current employee provisions		0	0	565,000
Non cash amounts excluded from operating activities		7,157,739	6,992,933	6,068,118

(c) Current assets and liabilities excluded from budgeted deficiency

The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

Adjustments to net current assets

Less: Cash - restricted reserves	7	(10,549,965)	(14,982,187)	
Less: Financial assets - restricted	3	(9,837)	(9,837)	(11,571,090)
Add: Current liabilities not expected to be cleared at end of year		2,268,701	2,268,701	
- Current portion of borrowings		1,374,852	687,426	1,279,306
- Current portion of employee benefit provisions held in reserve		1,602,945	1,602,945	572,499
Total adjustments to net current assets		(5,313,304)	(10,432,952)	(9,719,285)

2 (d) NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

An 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 or 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.

PREPAID RATES

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the City recognises revenue for the prepaid rates that have not been refunded.

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.

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.

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.

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.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

PROVISIONS

Provisions are recognised when the Shire has a present 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.

EMPLOYEE BENEFITS

Short-term employee benefits

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

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.

3. RECONCILIATION OF CASH

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

Note	2021/22 Budget	2020/21 Forecast	2020/21 Budget	
	\$	\$	\$	
Cash at bank and on hand	15,742	2,972,045	891,286	
Term deposits	0	0	9,837	
Total cash and cash equivalents	15,742	2,972,045	901,123	
Held as				
- Unrestricted cash and cash equivalents	15,742	2,972,045	901,123	
	15,742	2,972,045	901,123	
Restrictions				
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents	3,609,481	309,482	11,571,089	
- Restricted financial assets at amortised cost - term deposits	10,240,484	14,672,705	0	
	13,849,965	14,982,187	11,571,089	
The restricted assets are a result of the following specific purposes to which the assets may be used:				
Reserves - cash/financial asset backed	7	8,281,264	12,713,486	11,571,089
		13,849,965	14,982,187	11,571,089
Reconciliation of net cash provided by operating activities to net result				
Net result		9,156,436	1,450,298	2,792,368
Depreciation	5	7,116,239	6,970,278	6,180,879
(Profit)/loss on sale of asset	4(b)	41,500	22,655	53,104
Non-operating grants, subsidies and contributions		(16,883,412)	(5,759,127)	(8,956,548)
Net cash from operating activities		430,763	2,684,104	69,803

SIGNIFICANT ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

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

FINANCIAL ASSETS AT AMORTISED COST

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2022

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program											2021/22 Budget total	2020/21 Forecast	2020/21 Budget total
	Governance	General purpose funding	Law, order And 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	0	0	0	0	0	0	0	0	0	0	0	0	0	28,366
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	0	0	0	0	0	0	0	0
Buildings - specialised	0	0	0	0	0	0	0	267,000	220,000	0	0	487,000	80,877	114,827
Furniture and equipment	0	0	0	0	0	0	0	0	0	0	90,000	90,000	102,000	0
Plant and equipment	0	0	50,000	8,589	6,800	0	118,908	925,000	170,000	0	475,000	1,754,297	1,011,834	908,100
Property, Plant and Equipment - work in progress	0	0	0	0	0	0	0	0	0	0	0	0	30,000	0
	0	0	50,000	8,589	6,800	0	118,908	1,192,000	390,000	0	565,000	2,331,297	1,224,711	1,051,293
<i>Infrastructure</i>														
Infrastructure - roads	0	0	0	0	0	0	345,505	0	10,740,528	0	0	11,086,033	4,480,341	7,988,323
Footpaths	0	0	0	0	0	0	0	400,000	95,000	0	0	495,000	440,000	700,000
Drainage	0	0	0	0	0	0	250,000	0	45,000	0	0	295,000	281,171	186,497
Other	0	0	0	0	0	0	150,000	12,434,180	92,000	0	0	12,676,180	285,400	4,896,821
Airfields	0	0	0	0	0	0	0	0	120,000	0	0	120,000	533,117	1,333,121
Bridges	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Work in Progress	0	0	0	0	0	0	0	0	0	0	0	0	514,650	0
	0	0	0	0	0	0	745,505	12,834,180	11,092,528	0	0	24,672,213	6,534,679	15,104,762
Total acquisitions	0	0	50,000	8,589	6,800	0	864,413	14,026,180	11,482,528	0	565,000	27,003,510	7,759,390	16,156,055

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

SIGNIFICANT ACCOUNTING POLICIES

RECOGNITION OF ASSETS

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

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

SHIRE OF WYNDHAM EAST KIMBERLEY
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDING 30 JUNE 2022

4. FIXED ASSETS

(b) Disposals of Assets

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

	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss	2020/21 Forecast Net Book Value	2020/21 Forecast Sale Proceeds	2020/21 Forecast Profit	2020/21 Forecast Loss	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Community amenities		0	0	0	83	455	372	0		0	0	0
Transport	61,500	20,000	0	(41,500)	4,216	6,617	2,401	0		0	0	0
Other property and services		0	0	0	102,428	77,000	0	(25,428)	103,104	50,000	0	(53,104)
	61,500	20,000	0	(41,500)	106,727	84,072	2,773	(25,428)	103,104	50,000	0	(53,104)
By Class												
<u>Property, Plant and Equipment</u>												
Buildings - specialised		0			83	455	372			0		
Plant and equipment	61,500	20,000		(41,500)	106,644	83,617	2,401	(25,428)	103,104	50,000		(53,104)
	61,500	20,000	0	(41,500)	106,727	84,072	2,773	(25,428)	103,104	50,000	0	(53,104)

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

- Staff housing programme
- Plant replacement programme

SIGNIFICANT ACCOUNTING POLICIES

GAINS AND LOSSES ON DISPOSAL

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

5. ASSET DEPRECIATION

	2021/22 Budget	2020/21 Forecast	2020/21 Budget
	\$	\$	\$
By Program			
Governance	0	0	0
General purpose funding	0	0	0
Law, order And public safety	18,676	18,676	19,077
Health	4,984	4,984	4,978
Education and welfare	29,852	43,891	57,375
Housing	76,053	76,053	75,915
Community amenities	153,249	153,249	103,672
Recreation and culture	1,403,514	1,243,514	1,133,156
Transport	4,607,685	4,607,685	4,211,004
Economic services	190,811	190,811	20,768
Other property and services	631,414	631,414	554,933
	7,116,239	6,970,278	6,180,879
By Class			
Buildings - non-specialised	403,000	403,000	295,200
Buildings - specialised	204,385	218,424	410,250
Furniture and equipment	107,842	107,842	136,500
Plant and equipment	517,479	517,479	487,220
Land - vested in and under the control of council-buildings at	138,676	138,676	136,520
Infrastructure - roads	3,229,069	3,229,069	2,595,989
Footpaths	116,005	116,005	143,250
Drainage	158,375	158,375	351,200
Other	1,267,169	1,107,169	554,320
Airfields	397,864	397,864	705,200
Bridges	576,375	576,375	365,230
	7,116,239	6,970,278	6,180,879

SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

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

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

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

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

Buildings - non-specialised	7 to 140 years
Buildings - specialised	7 to 140 years
Furniture and equipment	3 to 20 years
Plant and equipment	3 to 13 years
Infrastructure - roads	10 to 120 years
Footpaths	45 to 80 years
Drainage	75 years
Other	10 to 120 years
Airfields	16 to 120 Years
Bridges	100 Years

AMORTISATION

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

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

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

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2022

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget	2021/22	2021/22	Budget	2021/22	Actual Principal 1 July 2020	2020/21	2020/21	Forecast	2020/21	Budget	2020/21	2020/21	Budget	2020/21	
				Principal 1 July 2021	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2022	Budget Interest Repayments		Forecast New Loans	Forecast Principal Repayments	Principal outstanding 30 June 2021	Forecast Interest Repayments	Principal 1 July 2020	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2021	Budget Interest Repayments	
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Governance																			
	124	* WATC	3.82%	437,869		(289,143)	148,726	(13,992)	716,275			(278,406)	437,869	(24,728)	716,275			(278,406)	437,869
	129	* WATC	3.01%	654,215		(156,299)	497,916	(18,525)	805,913			(151,698)	654,215	(23,125)	805,913			(151,698)	654,215
Community amenities																			
	126	* WATC	4.21%	584,476		(186,767)	397,709	(22,662)	763,621			(179,145)	584,476	(30,283)	763,621			(179,145)	584,476
	128	* WATC	4.21%	43,103		(13,773)	29,330	(1,085)	56,314			(13,211)	43,103	(3,600)	56,314			(13,211)	43,103
Recreation and culture																			
		* WATC	1.16%	0	3,000,000	(284,572)	2,715,428	(34,103)					0						0
		* WATC	1.16%	0	300,000	(28,457)	271,543	(3,410)					0		500,000				500,000
		* WATC	2.49%	37,571		(24,893)	12,678	(782)	61,855			(24,284)	37,571	(1,390)	61,855			(24,284)	37,571
Transport																			
		* WATC	3.32%	133,373		(31,715)	101,658	(4,167)	164,061			(30,688)	133,373	(5,194)	164,061			(30,688)	133,373
				1,890,607	3,300,000	(1,015,619)	4,174,988	(98,726)	2,568,039	0	(677,432)	1,890,607	(88,320)	2,568,039	500,000		(677,432)	2,390,607	(86,953)
Self Supporting Loans																			
Recreation and culture																			
	0	* WATC	0.0271	20,810	0	(10,265)	10,545	(495)	30,803	0	(9,993)	20,810	(768)	30,803	0	(9,993)	20,810	(768)	(768)
				20,810	0	(10,265)	10,545	(495)	30,803	0	(9,993)	20,810	(768)	30,803	0	(9,993)	20,810	(768)	(768)
				1,911,417	3,300,000	(1,025,884)	4,185,533	(99,221)	2,598,842	0	(687,425)	1,911,417	(89,088)	2,598,842	500,000	(687,425)	2,411,417	(87,721)	

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.

SHIRE OF WYNDHAM EAST KIMBERLEY
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDING 30 JUNE 2022

7. CASH BACKED RESERVES

(a) Cash Backed Reserves - Movement

	2021/22 Budget Opening Balance	2021/22 Budget Transfer to	2021/22 Budget Transfer (from)	2021/22 Budget Closing Balance	2020/21 Actual Opening Balance	2020/21 Forecast Transfer to	2020/21 Forecast Transfer (from)	2020/21 Forecast Closing Balance	2020/21 Budget Opening Balance	2020/21 Budget Transfer to	2020/21 Budget Transfer (from)	2020/21 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Waste Management Reserve	1,200,636	165,511	(247,675)	1,118,472	1,288,579	143,154	(231,095)	1,200,636	1,288,927	211,055	(179,145)	1,320,837
(b) Airport General Reserve	6,062,612	(480,407)	(947,000)	4,635,205	7,334,617	(711,969)	(560,036)	6,062,612	7,261,250	(418,529)	(1,211,871)	5,630,850
(c) East Kimberley Tourism Reserve	555	36,486	(33,000)	4,041	68,799	37,012	(105,256)	555	58,715	21,824	(10,000)	70,539
(d) Foreshore Reserve	377,614	83,181	(2,800)	457,995	307,932	81,382	(11,700)	377,614	317,077	49,171	0	366,248
(e) Staff Entitlement Reserve	143,962	1,594	0	145,556	147,531	3,741	(7,310)	143,962	112,086	2,516	0	114,602
(f) Child Care Reserve	141,111	13,062	(41,789)	112,384	188,737	12,985	(60,611)	141,111	196,462	15,151	(5,000)	206,613
(g) Footpaths Reserve	781	9	0	790	100,899	781	(100,900)	781	0	0	0	0
(h) Asset Management Reserve	469,033	13,845	(30,000)	452,878	556,079	12,954	(100,000)	469,033	0	0	0	0
(i) Contiguous Local Authority Group (CLAG) Reserve	3,590	40	0	3,630	3,563	28	0	3,590	0	0	0	0
(j) Kununurra Youth Hub	28,018	810	(26,000)	2,828	32,709	17,908	(22,600)	28,018	65,641	19,864	(27,631)	57,874
(k) Drainage	702,488	7,778	0	710,266	641,618	282,041	(221,171)	702,488	0	0	0	0
(l) Unspent Loans	381,274	0	(45,000)	336,274	392,383		(11,110)	381,274	0	0	0	0
(l) Unspent Grants - Capital	2,879,742	4,808,867	(6,647,993)	1,040,616	1,696,700	5,168,469	(3,985,425)	2,879,742	582,529	0	(82,640)	499,889
(m) Capital Works - muni	721,179	7,985	(719,900)	9,264	165,251	555,928	0	721,179	0	0	0	0
(n) Public Art Work Reserve	6,189	69	0	6,258	6,141	48	0	6,189	6,045	178	0	6,223
(o) Election Expenditure Reserve	11,484	127	0	11,611	11,396	88	0	11,484	0	706	0	706
(p) Property Reserve	357,116	3,954	0	361,070	354,374	2,742	0	357,116	354,073	6,033	0	360,106
(q) Municipal Property Revaluation Reserve	30,232	335	0	30,567	30,000	232	0	30,232	15,530	530	0	16,060
(r) Goomig Farmlands Road Reserve	431,343	250	0	431,593	572,002	250	(140,910)	431,343	580,027	10,043	0	590,070
(s) COVID-19 Response Reserve	1,033,228	11,439	(366,000)	678,667	1,438,228	11,127	(416,127)	1,033,228	3,111,972	0	(781,500)	2,330,472
	14,982,187	4,674,935	(9,107,157)	10,549,965	15,337,538	5,618,901	(5,974,251)	14,982,187	13,950,334	(81,458)	(2,297,787)	11,571,089

SHIRE OF WYNDHAM EAST KIMBERLEY
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FOR THE YEAR ENDING 30 JUNE 2022

7. CASH BACKED RESERVES

(b) Cash Backed Reserves - Purposes

In accordance with Council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Reserve name	Anticipated date of use	Purpose of the reserve
(a) Waste Management Reserve	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.
(b) Airport General Reserve	on going	To provide support for the Shire's Airport operations and facilities and to promote an expansion of airport operations. These include normal operations, asset management, expansion of facilities, and operations and projects that support the strategic objectives for the airport.
(c) East Kimberley Tourism Reserve	on going	To provide for the maintenance, renewal, and upgrade of existing and new airport facilities within the Shire of Wyndham East Kimberley.
(d) Foreshore Reserve	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.
(e) Staff Entitlement Reserve	on going	This reserve is to provide for Shire employee entitlements.
(f) Child Care Reserve	on going	To hold lease payments from the Kununurra Childcare Centre to provide for the significant maintenance and renewal of the building.
(g) Footpaths Reserve	on going	To hold developer contributions for construction of footpaths after housing construction is completed in new subdivisions.
(h) Asset Management Reserve	on going	To provide for the ongoing maintenance, renewal, upgrade, replacement or development of Shire owned assets within the Shire of Wyndham East Kimberley.
(i) Contiguous Local Authority Group (CLAG) Reserve	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.
(j) 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.
(k) Drainage	on going	To provide for the maintenance, renewal, upgrade of existing and new drainage Infrastructure within the Shire of Wyndham East Kimberley.
(l) Unspent Loans	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.
(l) Unspent Grants - Capital	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.
(m) Capital Works - muni	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.
(n) Public Art Work Reserve	on going	To receipt LandCorp contributions towards the ongoing maintenance of the public artwork in the Coolibah / Chestnut subdivision.
(o) Election Expenditure Reserve	on going	To hold funds for the expenditure relating to Council Elections conducted every 2 years.
(p) 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.
(q) Municipal Property Revaluation Reserve	on going	To hold funds for the expenditure relating to Municipal property revaluation conducted every 4 years.
(r) Goomig Farmlands Road Reserve	on going	To provide for the second coat seal of roads within the Goomig Farmlands.
(s) COVID-19 Response Reserve	on going	To fund capital and operational expenditure in support of local businesses to address the financial impact caused by the COVID 19.

8. FEES & CHARGES REVENUE

	2021/22 Budget	2020/21 Forecast	2020/21 Budget
	\$	\$	\$
Governance	2,250	3,150	2,500
General purpose funding	19,000	33,080	19,000
Law, order, public safety	41,900	42,000	39,500
Health	66,500	57,924	67,500
Education and welfare	11,500	11,525	11,500
Housing	169,320	128,823	124,820
Community amenities	2,771,270	2,755,373	2,738,160
Recreation and culture	487,572	471,226	417,600
Transport	3,048,000	2,405,000	2,547,000
Economic services	72,480	73,980	53,500
	6,689,792	5,982,081	6,021,080

9. GRANT REVENUE

	2021/22 Budget	2020/21 Forecast	2020/21 Budget
	\$	\$	\$
By Program:			
(a) Operating grants, subsidies and contributions			
Governance	7,300	7,282	10,000
General purpose funding	1,798,288	3,826,013	1,664,500
Law, order And public safety	39,000	37,000	39,000
Health	4,000	3,595	4,000
Community amenities	68,500	42,071	72,955
Recreation and culture	70,000	41,271	29,000
Transport	258,000	259,680	265,170
Economic services	10,000	11,500	5,000
Other property and services	35,000	35,000	25,000
	2,290,088	4,263,412	2,114,625
(b) Non-operating grants, subsidies and contributions			
Recreation and culture	8,560,000	1,975,000	3,000,000
Transport	8,323,412	3,784,127	5,956,548
	16,883,412	5,759,127	8,956,548
Total grants, subsidies and contributions	19,173,500	10,022,539	11,071,173

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2022

10. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

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

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

11. OTHER INFORMATION

	2021/22 Budget	2020/21 Forecast	2020/21 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	125,250	98,325	202,500
- Other funds	12,006	12,904	50,655
Late payment of fees and charges *	134,938	203,787	2,000
	272,194	315,016	255,155
* The Shire has resolved to charge interest under section 6.13 for the late payment of any amount of money at 8%.			
(b) Other revenue			
Reimbursements and recoveries	377,925	374,458	387,425
	377,925	374,458	387,425
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	80,000	20,000	61,500
	80,000	20,000	61,500
(d) Interest expenses (finance costs)			
Borrowings (refer Note 6(a))	99,221	89,088	87,721
	99,221	89,088	87,721
(e) Elected members remuneration			
Meeting fees	151,892	133,308	130,193
Mayor/President's allowance	44,348	44,358	38,012
Deputy Mayor/President's allowance	11,087	11,087	9,503
Travelling expenses	5,000	5,000	10,000
Telecommunications allowance	21,600	21,600	21,600
	233,927	215,353	209,309
(f) Write offs			
General rate	197,117	26,853	289,214
Write Offs and Waivers for Airport Landing Fees		145,000	
Writeoffs and waivers - waste disposal	185,000	181,636	180,000
Fees and charges	231,198	120,000	102,036
	613,315	473,489	571,250

12. TRUST FUNDS

Funds held at balance date which are required by legislation to be credited to the trust fund and which are not included in the financial statements are as follows:

Detail	Forecast Balance 30 June 2021	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2022
	\$	\$	\$	\$
Public Open Space Contributions	489,337			489,337
Building Services Levy	17,143			17,143
Building & Construction Industry Training Fund	7,151			7,151
Terminal Security Access Cards	821			821
Health Application Fee	245			245
Total	514,697	0	0	514,697

13. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION

GOODS AND SERVICES TAX (GST)

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

ROUNDING OFF FIGURES

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

COMPARATIVE FIGURES

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

BUDGET COMPARATIVE FIGURES

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

STATUTORY BUDGET 2021/22



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