

9 November 2023

Mr Vernon Lawrence
Chief Executive Officer
Shire of Wyndham-East Kimberley
PO Box 614
KUNUNURRA WA 6743

Dear Vernon

COMPILATION REPORT TO SHIRE OF WYNDHAM EAST KIMBERLEY

We have compiled the accompanying special purpose financial report of Shire of Wyndham East Kimberley which comprise the statement of financial position as at 30 September 2023, the statement of financial activity, notes providing statement of financial activity supporting information, explanation of material variances for the year then ended and a summary of material accounting policy information. These have been prepared in accordance with *Local Government Act 1995* and associated regulations as described in Note 1 to the financial report. The specific purpose for which the special purpose financial statements have been prepared is also set out in Note 1 of the financial report. We have provided the supplementary information Shire of Wyndham East Kimberley as at 30 September 2023 and for the period then ended based on the records of Shire of Wyndham East Kimberley.

THE RESPONSIBILITY OF SHIRE OF WYNDHAM EAST KIMBERLEY

The CEO of Shire of Wyndham East Kimberley is solely responsible for information contained in the special purpose financial report and supplementary information, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that the financial report was prepared.

OUR RESPONSIBILITY

On the basis of information provided by Shire of Wyndham East Kimberley we have compiled the accompanying special purpose financial report in accordance with the requirements of *APES 315 Compilation of Financial Information* and the *Local Government Act 1995*, associated regulations and to the extent that they are not inconsistent with the *Local Government Act 1995*, the Australian Accounting Standards.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the basis of accounting described in Note 1 to the financial report except for the matters of non-compliance with the basis of preparation identified with Note 1 of the financial report. We have complied with the relevant ethical requirements of *APES 110 Code of Ethics for Professional Accountants*.

Supplementary information attached to the financial report has been extracted from the records of Shire of Wyndham East Kimberley and information presented in the special purpose financial report.

ASSURANCE DISCLAIMER

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial report was compiled exclusively for the benefit of Shire of Wyndham East Kimberley who are responsible for the reliability, accuracy and completeness of the information used to compile them. Accordingly, the special purpose financial report may not be suitable for other purposes. We do not accept responsibility for the contents of the special purpose financial report.

NOTE REGARDING BASIS OF PREPARATION

We draw attention to Note 1 to the financial report where matters of non-compliance with the basis of preparation have been detailed. Supplementary information is provided for management information purposes and does not comply with the disclosure requirements of the Australian Accounting Standards.



Russell Barnes
Director
Moore Australia (WA) Pty Ltd

SHIRE OF WYNDHAM EAST KIMBERLEY

MONTHLY FINANCIAL REPORT

(Containing the required statement of financial activity and statement of financial position)

For the period ended 30 September 2023

LOCAL GOVERNMENT ACT 1995

LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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SHIRE OF WYNDHAM EAST KIMBERLEY
STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	Adopted Budget Estimates	YTD Budget Estimates	YTD Actual	Variance* \$	Variance* %	Var.
Note	(a)	(b)	(c)	(c) - (b)	((c) - (b))/(b)	
	\$	\$	\$	\$	%	
OPERATING ACTIVITIES						
Revenue from operating activities						
General rates	11,032,278	11,029,552	11,032,569	3,017	0.03%	
Rates excluding general rates	595,226	595,226	592,500	(2,726)	(0.46%)	
Grants, subsidies and contributions	1,036,380	761,880	90,451	(671,429)	(88.13%)	▼
Fees and charges	8,959,310	3,686,654	3,480,947	(205,707)	(5.58%)	
Interest revenue	704,000	206,000	348,997	142,997	69.42%	▲
Other revenue	426,203	409,203	363,808	(45,395)	(11.09%)	
	22,753,397	16,688,515	15,909,272	(779,243)	(4.67%)	
Expenditure from operating activities						
Employee costs	(14,433,018)	(3,396,352)	(2,722,980)	673,372	19.83%	▲
Materials and contracts	(6,565,061)	(1,616,766)	(1,338,322)	278,444	17.22%	▲
Utility charges	(1,422,900)	(355,725)	(151,947)	203,778	57.29%	▲
Depreciation	(8,169,943)	(2,042,486)	(1,720,192)	322,294	15.78%	▲
Finance costs	(183,272)	(5,070)	(5,070)	0	0.00%	
Insurance	(712,090)	(356,045)	(450,196)	(94,151)	(26.44%)	▼
Other expenditure	(1,663,842)	(363,034)	(218,052)	144,982	39.94%	▲
Loss on asset disposals	(41,500)	0	0	0	0.00%	
	(33,191,626)	(8,135,478)	(6,606,759)	1,528,719	18.79%	
Non-cash amounts excluded from operating activities	2(b) 8,215,854	2,042,486	1,725,515	(316,971)	(15.52%)	▼
Amount attributable to operating activities	(2,222,375)	10,595,523	11,028,028	432,505	4.08%	
INVESTING ACTIVITIES						
Inflows from investing activities						
Proceeds from capital grants, subsidies and contributions	24,009,064	0	2,838,709	2,838,709	0.00%	
Proceeds from disposal of assets	88,000	0	0	0	0.00%	
Proceeds from financial assets at amortised cost - self supporting loans	16,540	0	0	0	0.00%	
	24,113,604	0	2,838,709	2,838,709	0.00%	
Outflows from investing activities						
Payments for property, plant and equipment	(2,826,044)	(706,511)	(335,751)	370,760	52.48%	▲
Payments for construction of infrastructure	(31,449,579)	(7,862,396)	(4,568,113)	3,294,283	41.90%	▲
	(34,275,623)	(8,568,907)	(4,903,864)	3,665,043	42.77%	
Amount attributable to investing activities	(10,162,019)	(8,568,907)	(2,065,155)	6,503,752	75.90%	
FINANCING ACTIVITIES						
Inflows from financing activities						
Transfer from reserves	11,108,842	0	0	0	0.00%	
	11,108,842	0	0	0	0.00%	
Outflows from financing activities						
Repayment of borrowings	(825,318)	(82,342)	(82,342)	0	0.00%	
Transfer to reserves	(1,209,627)	0	(214,404)	(214,404)	0.00%	
	(2,034,945)	(82,342)	(296,746)	(214,404)	(260.38%)	
Amount attributable to financing activities	9,073,897	(82,342)	(296,746)	(214,404)	(260.38%)	
MOVEMENT IN SURPLUS OR DEFICIT						
Surplus or deficit at the start of the financial year	3,310,497	3,310,497	4,505,208	1,194,711	36.09%	▲
Amount attributable to operating activities	(2,222,375)	10,595,523	11,028,028	432,505	4.08%	
Amount attributable to investing activities	(10,162,019)	(8,568,907)	(2,065,155)	6,503,752	75.90%	▲
Amount attributable to financing activities	9,073,897	(82,342)	(296,746)	(214,404)	(260.38%)	▼
Surplus or deficit after imposition of general rates	0	5,254,771	13,171,335	7,916,564	150.65%	▲

KEY INFORMATION

▲ ▼ Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold.

* Refer to Note 3 for an explanation of the reasons for the variance.

This statement is to be read in conjunction with the accompanying Financial Statements and Notes.

SHIRE OF WYNDHAM EAST KIMBERLEY
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	Actual 30 June 2023	Actual as at 30 September 2023
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	29,413,351	31,007,068
Trade and other receivables	3,404,834	8,776,088
Other financial assets	10,381	10,381
Inventories	10,876	15,879
Other assets	630,594	0
TOTAL CURRENT ASSETS	33,470,036	39,809,416
NON-CURRENT ASSETS		
Trade and other receivables	45,933	45,933
Other financial assets	11,565	11,565
Inventories	46,283	46,283
Property, plant and equipment	56,448,604	55,590,276
Infrastructure	221,497,285	225,539,285
TOTAL NON-CURRENT ASSETS	278,049,670	281,233,342
TOTAL ASSETS	311,519,706	321,042,758
CURRENT LIABILITIES		
Trade and other payables	3,134,400	527,880
Other liabilities	2,452,619	2,452,619
Borrowings	825,316	742,975
Employee related provisions	2,158,796	2,229,488
TOTAL CURRENT LIABILITIES	8,571,131	5,952,962
NON-CURRENT LIABILITIES		
Borrowings	4,106,424	4,106,423
Employee related provisions	188,034	188,034
Other provisions	5,328,640	5,328,640
TOTAL NON-CURRENT LIABILITIES	9,623,098	9,623,097
TOTAL LIABILITIES	18,194,229	15,576,059
NET ASSETS	293,325,477	305,466,699
EQUITY		
Retained surplus	103,407,403	115,334,215
Reserve accounts	22,672,141	22,886,545
Revaluation surplus	167,245,933	167,245,939
TOTAL EQUITY	293,325,477	305,466,699

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

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

This prescribed financial report has been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996*, prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for 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.

Local Government (Financial Management) Regulations 1996, regulation 34 prescribes contents of the financial report. Supporting information does not form part of the financial report.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report 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.

Matters of non-compliance with Basis of Preparation

The following matters of non-compliance with the basis of preparation have not been corrected.

1. Balances as at 30 June 2023 have not been finalised and may be subject to change.

THE LOCAL GOVERNMENT REPORTING ENTITY

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

All monies held in the Trust Fund are excluded from the financial statements.

Judgements and estimates

The preparation of a financial report 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 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.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings and infrastructure
- estimated fair value of provisions

SIGNIFICANT ACCOUNTING POLICES

Significant accounting policies utilised in the preparation of these statements are as described within the 2023-24 Annual Budget. Please refer to the adopted budget document for details of these policies.

PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 08 November 2023

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

2 STATEMENT OF FINANCIAL ACTIVITY INFORMATION

(a) Net current assets used in the Statement of Financial Activity

	Adopted Budget Opening	Actual as at	Actual as at
Note	1 July 2023	30 June 2023	30 September 2023
	\$	\$	\$
Current assets			
Cash and cash equivalents	26,037,973	29,413,351	31,007,068
Trade and other receivables	3,118,781	3,404,834	8,776,088
Other financial assets	16,540	10,381	10,381
Inventories	13,624	10,876	15,879
Other assets	0	630,594	0
	29,186,918	33,470,036	39,809,416
Less: current liabilities			
Trade and other payables	(538,893)	(3,134,400)	(527,880)
Other liabilities	(2,403,048)	(2,452,619)	(2,452,619)
Borrowings	(825,318)	(825,316)	(742,975)
Employee related provisions	(1,567,963)	(2,158,796)	(2,229,488)
Other provisions	(124,652)	0	0
	(5,459,874)	(8,571,131)	(5,952,962)
Net current assets	23,727,044	24,898,905	33,856,454
Less: Total adjustments to net current assets	2(c) (20,416,547)	(20,393,697)	(20,685,119)
Closing funding surplus / (deficit)	3,310,497	4,505,208	13,171,335

(b) Non-cash amounts excluded from operating activities

The following non-cash revenue and expenditure has been excluded from operating activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

	Adopted Budget Estimates	YTD Budget Estimates	YTD Actual
Non-cash amounts excluded from operating activities	30 June 2024	(a)	(b)
	\$	\$	\$
Adjustments to operating activities			
Less: Movement in liabilities associated with restricted cash	0	0	5,323
Add: Loss on asset disposals	41,500	0	0
Add: Depreciation	8,169,943	2,042,486	1,720,192
Movement in current employee provisions associated with restricted cash	4,411	0	0
Total non-cash amounts excluded from operating activities	8,215,854	2,042,486	1,725,515

(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 Statement of Financial Activity in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

	Adopted Budget Opening	Actual as at	Actual as at
Note	1 July 2023	30 June 2023	30 September 2023
	\$	\$	\$
Adjustments to net current assets			
Less: Reserve accounts	(21,901,831)	(22,672,141)	(22,886,545)
Less: Financial assets at amortised cost - self supporting loans	(16,540)	(10,381)	(10,381)
Add: Current liabilities not expected to be cleared at the end of the year			
- Current portion of borrowings	825,318	825,316	742,975
- Current portion of unspent capital grants held in reserve	522,937	982,369	982,369
- Current portion of employee benefit provisions held in reserve	153,569	481,140	486,463
Total adjustments to net current assets	2(a) (20,416,547)	(20,393,697)	(20,685,119)

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. Unless otherwise stated assets or liabilities are classified as current if expected to be settled within the next 12 months, being the Council's operational cycle.

SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

3 EXPLANATION OF MATERIAL VARIANCES

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date actual materially.

The material variance adopted by Council for the 2023-24 year is \$50,000 and 10.00% whichever is the greater.

Description	Var. \$	Var. %	
	\$	%	
Revenue from operating activities			
Grants, subsidies and contributions	(671,429)	(88.13%)	▼
Timing of receipt of grants			
Interest revenue	142,997	69.42%	▲
Timing of interest on investments			
Expenditure from operating activities			
Employee costs	673,372	19.83%	▲
Timing - payroll processing and budget allocations			
Materials and contracts	278,444	17.22%	▲
Timing of works - all budgeted expenditure accounted for as 3/12			
Utility charges	203,778	57.29%	▲
Timing of payments - all budgeted expenditure accounted for as 3/12			
Depreciation	322,294	15.78%	▲
Estimation of annual depreciation not in line with actual charge. To be adjusted following review and revaluation of assets			
Insurance	(94,151)	(26.44%)	▼
Timing of insurance allocations			
Other expenditure	144,982	39.94%	▲
Timing of Councillor payments, Community Grants & Contributions			
Non-cash amounts excluded from operating activities	(316,971)	(15.52%)	▼
Estimation of annual depreciation not in line with actual charge. To be adjusted following review and revaluation of assets			
Outflows from investing activities			
Payments for property, plant and equipment	370,760	52.48%	▲
Timing of works			
Payments for construction of infrastructure	3,294,283	41.90%	▲
Timing of works including Kununurra Aquatic redevelopment & Carlton Hill Rd Construction			
Surplus or deficit at the start of the financial year	1,194,711	36.09%	▲
Refer Note 2(a)			
Surplus or deficit after imposition of general rates	7,916,564	150.65%	▲
Due to variances described above			

SHIRE OF WYNDHAM EAST KIMBERLEY

SUPPLEMENTARY INFORMATION

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SHIRE OF WYNNDHAM EAST KIMBERLEY
 SUPPLEMENTARY INFORMATION
 FOR THE PERIOD ENDED 30 SEPTEMBER 2023

1 KEY INFORMATION

Funding Surplus or Deficit Components

Funding surplus / (deficit)				
	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
Opening	\$3.31 M	\$3.31 M	\$4.51 M	\$1.19 M
Closing	\$0.00 M	\$5.25 M	\$13.17 M	\$7.92 M

Refer to Statement of Financial Activity

Cash and cash equivalents		
	\$31.01 M	% of total
Unrestricted Cash	\$8.12 M	26.2%
Restricted Cash	\$22.89 M	73.8%

Payables		
	\$0.53 M	% Outstanding
Trade Payables	\$0.19 M	
0 to 30 Days		11.3%
Over 30 Days		88.8%
Over 90 Days		3.0%

Receivables		
	\$3.63 M	% Collected
Rates Receivable	\$5.14 M	56.5%
Trade Receivable	\$3.63 M	
Over 30 Days		48.3%
Over 90 Days		29.4%

Key Operating Activities

Amount attributable to operating activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$2.22 M)	\$10.60 M	\$11.03 M	\$0.43 M

Refer to Statement of Financial Activity

Rates Revenue		
	\$11.63 M	% Variance
YTD Actual	\$11.63 M	
YTD Budget	\$11.62 M	0.0%

Grants and Contributions		
	\$0.09 M	% Variance
YTD Actual	\$0.09 M	
YTD Budget	\$0.76 M	(88.1%)

Fees and Charges		
	\$3.48 M	% Variance
YTD Actual	\$3.48 M	
YTD Budget	\$3.69 M	(5.6%)

Refer to Statement of Financial Activity

Key Investing Activities

Amount attributable to investing activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$10.16 M)	(\$8.57 M)	(\$2.07 M)	\$6.50 M

Refer to Statement of Financial Activity

Proceeds on sale		
	\$0.00 M	%
YTD Actual	\$0.00 M	
Adopted Budget	\$0.09 M	(100.0%)

Asset Acquisition		
	\$4.57 M	% Spent
YTD Actual	\$4.57 M	
Adopted Budget	\$31.45 M	(85.5%)

Capital Grants		
	\$2.84 M	% Received
YTD Actual	\$2.84 M	
Adopted Budget	\$23.48 M	(87.9%)

Key Financing Activities

Amount attributable to financing activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
\$9.07 M	(\$0.08 M)	(\$0.30 M)	(\$0.21 M)

Refer to Statement of Financial Activity

Borrowings	
Principal repayments	(\$0.08 M)
Interest expense	(\$0.01 M)
Principal due	\$4.85 M

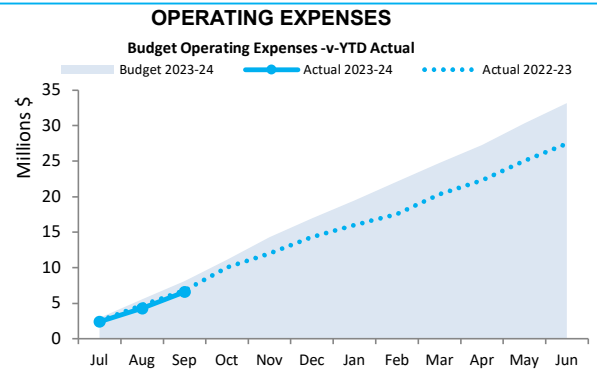
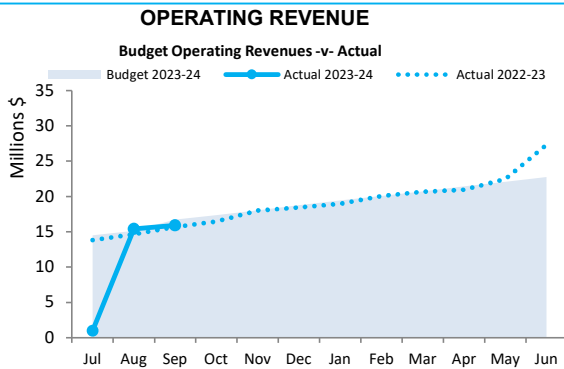
Reserves	
Reserves balance	\$22.89 M
Interest earned	\$0.21 M

This information is to be read in conjunction with the accompanying Financial Statements and notes.

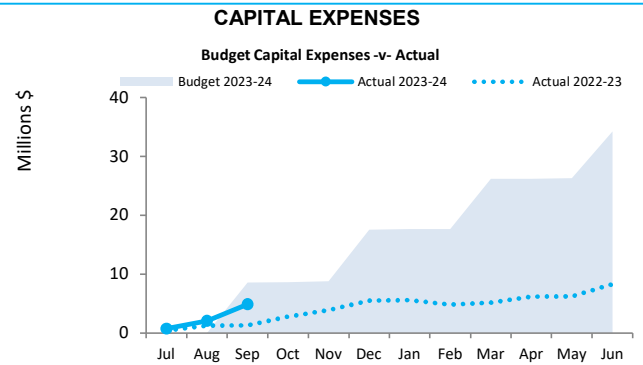
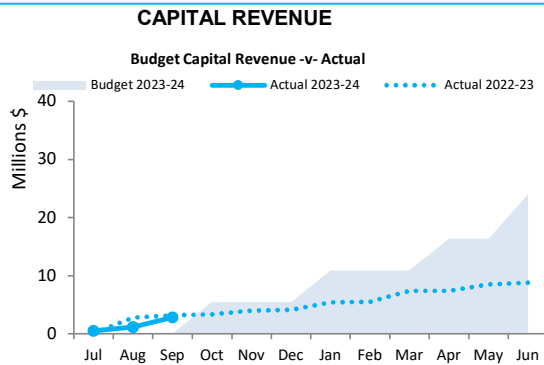
**SHIRE OF WYNDHAM EAST KIMBERLEY
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

2 KEY INFORMATION - GRAPHICAL

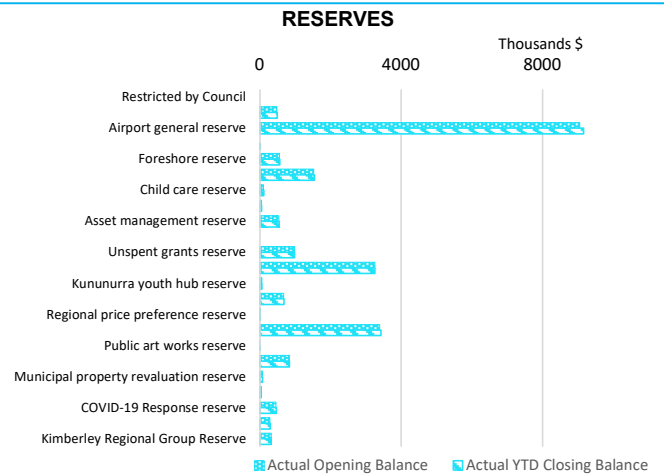
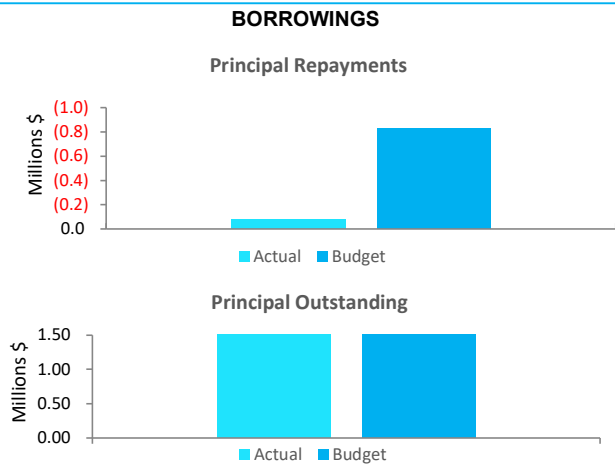
OPERATING ACTIVITIES



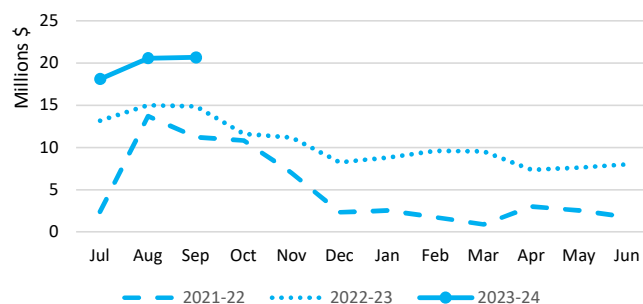
INVESTING ACTIVITIES



FINANCING ACTIVITIES



Closing funding surplus / (deficit)



This information is to be read in conjunction with the accompanying Financial Statements and Notes.