



Shire of Wyndham East Kimberley

Monthly Financial Report 2018/19

As at 31 October 2018

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Financial Activity Legend:
Above Budget Expectations: ▲
Below Budget Expectations: ▼

Shire of Wyndham East Kimberley

Statement of Financial Activity Year to Date Actual v Year to Date Budget as at 31 October 2018

	YTD Actual 2018/19 \$	YTD Budget 2018/19 \$	YTD Variance 2018/19 \$	%	
Estimated Surplus/(Deficit) July 1 B/Fwd	2,834,174	2,834,174	0	0%	▼
Revenue					
General Purpose Funding	712,850	701,804	11,046	2%	▲
Governance	3,777	4,564	(787)	-17%	▼
Law, Order and Public Safety	391,566	411,154	(19,588)	-5%	▼
Health	4,684	11,132	(6,448)	-58%	▼
Education and Welfare	3,842	3,832	10	0%	▲
Housing	44,211	48,756	(4,546)	-9%	▼
Community Amenities	2,171,637	2,102,109	69,528	3%	▲
Recreation and Culture	291,367	281,602	9,765	3%	▲
Transport	1,535,536	1,587,665	(52,129)	-3%	▼
Economic Services	29,468	29,836	(368)	-1%	▼
Other Property and Services	57,883	6,082	51,801	852%	▲
	5,246,821	5,188,536	58,285	1%	▲
Expenses					
General Purpose Funding	(161,104)	(132,806)	(28,298)	21%	▲
Governance	(182,558)	(220,377)	37,819	-17%	▼
Law, Order and Public Safety	(367,243)	(394,668)	27,425	-7%	▼
Health	(85,218)	(91,021)	5,803	-6%	▼
Education and Welfare	(39,904)	(72,964)	33,060	-45%	▼
Housing	(151,437)	(175,668)	24,231	-14%	▼
Community Amenities	(1,264,226)	(1,576,245)	312,019	-20%	▼
Recreation and Culture	(2,101,185)	(2,242,337)	141,152	-6%	▼
Transport	(3,606,820)	(3,553,264)	(53,556)	2%	▲
Economic Services	(280,469)	(365,590)	85,121	-23%	▼
Other Property and Services	(555,307)	(478,796)	(76,511)	16%	▲
	(8,795,471)	(9,303,736)	508,265	-5%	▼
Operating activities excluded from budget					
(Profit)/Loss on asset disposals	0	21,563	(21,563)	-100%	▲
Loss on revaluation of non current assets	0	0	0	0%	▼
Depreciation on assets	2,450,916	2,048,292	402,624	20%	▲
Movement in employee benefit provisions	0	0	0	0%	▼
Amount attributable to operating activities	1,736,440	788,829	947,610	120%	▲
INVESTING ACTIVITIES					
Non-operating grants, subsidies and contributions	863,990	1,075,895	(211,906)	-20%	▼
Purchase property, plant and equipment	(402,113)	(455,840)	53,727	-12%	▼
Purchase and construction of infrastructure	(5,843,049)	(4,355,604)	(1,487,445)	34%	▲
Proceeds from disposal of assets	0	0	0	0%	▼
Amount attributable to investing activities	(5,381,172)	(3,735,549)	(1,645,623)	44%	▼
FINANCING ACTIVITIES					
Repayment of debentures	(182,021)	(177,233)	(4,788)	3%	▲
Proceeds from new debentures	0	0	0	0%	▼
Proceeds from self supporting loans	0	3,192	(3,192)	-100%	▲
Advances to community groups	0	0	0	0%	▼
Transfers to Reserves (Restricted Assets)	(85,216)	0	(85,216)	0%	▲
Transfers from Reserves (Restricted Assets)	0	0	0	0%	▼
Amount attributable to financing activities	(267,237)	(174,041)	(93,196)	54%	▲
Surplus/(deficiency) before general rates	(3,911,970)	(3,120,761)	(791,209)	25%	▼
Total amount raised from general rates	10,426,614	10,420,934	5,680	0%	▲
Net current assets at June 30 c/fwd - surplus/(deficit)	6,517,779	7,188,445	(670,666)		▼

Shire of Wyndham East Kimberley

Note to Statement of Financial Activity

Net Current Assets

as at 31 October 2018

Composition of Estimated Net Current Asset Position

	YTD Actual 2018/19	Brought Forward 1 July 2018
CURRENT ASSETS		
① Cash - Municipal (Unrestricted)	8,621,295	2,933,354
Cash Investments - Restricted Reserves	11,453,241	12,390,559
Cash - Restricted Reserves	633,345	3,546,193
Receivables	3,847,624	2,864,614
Inventories	18,175	15,414
	<u>24,573,680</u>	<u>21,750,133</u>
LESS: CURRENT LIABILITIES		
Payables and Provisions	(1,586,293)	(2,979,207)
Less:		
Restricted - Reserves	(12,086,586)	(15,936,752)
② NET CURRENT ASSET POSITION	<u>10,900,801</u>	<u>2,834,174</u>
Less:		
Restricted - Grants	(1,961,964)	
Restricted - Unspent Loans	(459,963)	
Restricted - Capital works reserve	(1,961,095)	
ADJUSTED NET CURRENT ASSET POSITION	<u>6,517,779</u>	<u>2,834,174</u>
 ① Cash - Municipal brought forward balances represented by:		
Cash on Hand	1,550	1,550
Cash at Bank - Municipal		
Unrestricted	4,236,723	2,931,804
Restricted - Grants	1,961,964	
Restricted - Loans	459,963	
Restricted - Capital works reserve	1,961,095	
	<u>8,621,295</u>	<u>2,933,354</u>

② Net current asset position and Unrestricted cash will remain overstated until the position of grants/loans and reserves are finalised for the 2018/19 financial year.

Shire of Wyndham East Kimberley
Notes to Statement of Financial Activity
For the Period Ended 31 October 2018

Explanation of Material Variances (between YTD Budget and YTD Actual)

Variances +/- 100,000 and 10% at Financial Statement Level

Variances +/- \$20,000 and 10% at Account Level

Operating Income - Excluding Rates

	▲	
General Purpose Funding	▲	11,046
Rates Revenue - Interim Rates	39,377 ▼	Decreased income. Due to the uncertainty and fluctuation throughout the year interim rates were not included in the budget.
Non Payment Penalty Interest - Rates	(55,023) ▲	Budget to be amended at the Mid-Year Budget Review Increased income due to more ratepayers paying later than anticipated and arrears interest applied in September. Budget to be amended in mid year budget review
Governance	▼	(787)
No material variances to report		
Law, Order and Public Safety	▼	(19,588)
LGGS Grant income - Brigades (DFES - Reimbursement)	28,401 ▲	Increased income due to reimbursements from DFES which offsets with YTD expenditure. Budget to be amended at the Mid-Year Budget Review
Emergency Services Levy - Rates	(54,127) ▼	Levy collected behalf of DFES. Decrease in levy will be offset by levy payment. Budget to be amended at the Mid-Year Budget Review
Health	▼	(6,448)
No material variances to report		
Education and Welfare	▲	10
No material variances to report		
Housing	▼	(4,546)
No material variances to report		
Community Amenities	▲	69,528
Rubbish Disposal Charges	(59,132) ▲	Additional waste income than expected year to date.
Youth Services Grant - Wyndham	(21,337) ▲	Timing variance due to grant received earlier than anticipated.
Recreation and Culture	▲	9,765
No material variances to report		
Transport	▼	(52,129)
MRWA Direct Grants	(96,565) ▲	Increased grant income. Budget to be amended at the Mid-Year Budget Review.
Aircraft Landing Fees - East Kimberley Regional Airport	129,892 ▼	Timing Variance. No variance in aircraft landings year to date. Awaiting Avdata to remit payment.
Economic Services	▼	(368)
No material variances to report		
Other Property and Services	▲	51,801
		Timing variance. Increased income related to \$5k Diesel fuel rebate.
Other income - Public work overheads	47,768 ▲	Increased income due to Facebook lease income. Budget to be amended during the Mid-year Budget Review

Shire of Wyndham East Kimberley

Notes to Statement of Financial Activity

For the Period Ended 31 October 2018

Explanation of Material Variances (between YTD Budget and YTD Actual)

Variances +/- 100,000 and 10% at Financial Statement Level

Variances +/- \$20,000 and 10% at Account Level

Operating Expenditure	▼	
General Purpose Funding	▲	28,298
No material variances to report		Non cash item. Timing variance of 24k related to admin allocations.
Governance	▼	(37,819)
		Timing variance of \$11k related to audit fees, \$3k of insurance allocations & \$22k related to admin allocations which is a non-cash item.
Law, Order and Public Safety	▼	(27,425)
No material variances to report		Potential savings of \$13k related to salary due staff vacancies and \$11k related to admin overheads. \$8k related to ESL payments.
Health	▼	(5,803)
No material variances to report		Potential savings of \$6k related to salary due staff vacancies and \$4k related to admin overheads.
Education and Welfare	▼	(33,060)
		Timing variance of \$20k of insurance allocations, salaries and building maintenance & \$25k related to admin allocations which is a non-cash item.
TAMS Program (Take Away Alcohol Management System)	(25,000) ▼	Timing Variance. Awaiting supplier invoice
Housing	▼	(24,231)
No material variances to report		Timing variance of \$15k of insurance allocations & Building maintenance & \$4k related to admin allocations which is a non-cash item.
Community Amenities	▼	(312,019)
		Timing variance of \$15k of insurance allocations, \$8k related to salaries and \$10k for maintenance.
Refuse Collection	(42,045) ▼	Timing Variance. Awaiting supplier invoice
Kununurra Landfill Site - Capping Existing Site	(50,000) ▼	Capping is deferred to 2019/20. Funded by Waste Management reserve. Budget to be amended at the Mid-Year Budget Review
Community Grants	(41,722) ▼	Timing Variance. Community Grants program is in progress for 2018/19.
Develop Community safety plan	(75,000) ▼	Timing variance. Draft plan is in progress, which will be presented to community consultation.
Direct Salaries - Community Development Services	(30,227) ▼	Potential savings due to staff vacancies.
Recreation and Culture	▼	(141,152)
		Timing variance of \$31k related to maintenance and operations and \$23k related to insurance. \$52k is related to depreciation and admin allocations which s a non cash item.
Foreshores and Boat Ramps - Wyndham	(21,209) ▼	Cathodic Protection will be continued in 2018/19.
Depreciation - Kununurra Parks and Gardens	23,057 ▲	Non cash item. Due to changes in asset values during the revaluation in 2017/18. Budget to be amended during the budget review
Transport	▲	53,556
		Decreased expenditure due to additional open drainage works in preparation for wet season in Urban roads. This decrease will be partially offset by decrease in other public works activities.
Rural Road Maintenance	(73,596) ▼	Increased expenditure due to additional open drainage works in preparation for wet season. This increase will be partially offset by decrease in other public works activities
Urban Road Maintenance - Kununurra	(39,181) ▼	Timing variance. Awaiting data confirmation from Geoscience Australia.
Stormwater Management Strategy	(27,498) ▼	Timing variance. Project is in progress.
Street Lighting Upgrades	(172,160) ▼	Non cash item. Variance due to cost allocation based on actual expenditure for the sub programme and administration overheads.
Administration Salary and Wages Allocated - Streets, Roads & Bridges - Maintenance	97,036 ▲	Non cash item. Variance due to cost allocation based on actual expenditure for the sub programme and administration overheads.
Admin Overheads Allocated - Streets, Roads & Bridges - Maintenance	84,058 ▲	Non cash item. Due to increase in the Unsealed roads asset values during the revaluation in 2017/18. Budget to be amended during the budget review
Depreciation - Streets, Roads & Bridges - Maintenance	326,714 ▲	Timing variance. Journal to be processed.
Insurance - East Kimberley Regional Airport	(23,580) ▼	Non cash item. Variance due to cost allocation based on actual expenditure for the sub programme and administration overheads.
Administration Salary and Wages Allocated - East Kimberley Regional Airport	(22,289) ▼	Non cash item. Due to increase in asset values during the revaluation and asset additions in 2017/18. Budget to be amended during the budget review
Depreciation - East Kimberley Regional Airport	46,130 ▲	Non cash item. Due to increase in asset values during the revaluation and asset additions in 2017/18. Budget to be amended during the budget review
Depreciation - Wyndham Airport	(37,414) ▼	
Economic Services	▼	(85,121)
		Increased expenditure due to temporary staff to cover leave and training. Long service leave journals to be processed.
Direct Salaries - Building Control	24,885 ▲	Timing Variance. Due to EKA group additional funding for Melbourne flights yet to be processed.
Marketing Tourism - EK and North West	(82,000) ▼	
Other Property and Services	▲	76,511
		Monthly profiling for direct salaries and vehicle expenses to be reviewed.
Indirect Salaries - Outdoor Workforce	(67,624) ▼	Timing variance. Salary allocations to be reviewed.
Administration Salary and Wages Allocated - General Administration Overheads	155,254 ▲	Non cash item. Variance due to cost allocation based on actual expenditure for the sub programme and administration overheads.
Direct Salaries - Organisational Development	(41,617) ▼	Potential savings due to staff vacancies.
ABC Allocations	(113,217) ▲	Non cash item. Variance due to cost allocation based on actual expenditure for the sub programme and administration overheads.
Direct Salaries - Property Management	(25,254) ▼	Potential savings due to staff vacancies.
Direct Salaries - Development Services	(20,641) ▼	Potential savings due to staff vacancies.

Shire of Wyndham East Kimberley
Notes to Statement of Financial Activity
For the Period Ended 31 October 2018

Explanation of Material Variances (between YTD Budget and YTD Actual)

Variances +/- 100,000 and 10% at Financial Statement Level

Variances +/- \$20,000 and 10% at Account Level

Plant Operating Cost Allocated	43,646	▼	Non Cash Item. Variance due to cost allocation based on actual expenditure related to plant operations..
Insurance - Unclassified	247,568	▲	Timing variance. Journal to be processed.

Non Cash Expenditure and Revenue

Depreciation - Kununurra Parks and Gardens	(23,057)	▲	
Depreciation - Streets, Roads & Bridges - Maintenance	(326,714)	▲	Non cash item. Due to increase in asset values during the revaluation and asset additions in 2017/18. Budget to be amended during the budget review.
Depreciation - East Kimberley Regional Airport	(46,130)	▲	
Depreciation - Wyndham Airport	37,414	▼	

INVESTING ACTIVITIES

Non-operating grants, subsidies and contributions		▼	211,906
Safer Communities Program Grant - CCTV	80,015	▼	Timing variance. Income based on progress claim for the project.
Regional Road Group Grants	42,044	▼	Timing variance. Income based on progress claim for the project.
State Local Road Black Spot - Income	(29,054)	▲	Timing variance. Grant income based on progress claim for the project.
WANDRRA Funding - Monsoonal Trough and Associated Flooding	148,900	▼	Income based on progress claim for the project. Income will be carried forward to 2018/19.
Insurance Claim Revenue - Capital Recovery	(30,000)	▲	Income related to insurance settlement received for Wyndham pool & basketball courts. Budget to be amended during the budget review.
Purchase property, plant and equipment		▼	(53,727)
CCTV - East Kimberley Regional Airport	(28,200)	▼	Capital works continued in to 2018/19. Unspent reserve and expenditure will be carried forward to 2018/19. Budget to be amended during the budget review.
Footpath renewal	30,103	▲	Timing variance. Project commenced earlier than anticipated.
Purchase and construction of infrastructure		▲	1,487,445
WANDRRA Monsoonal Trough and Associated Flooding - (January 2017) Expenditure	156,548	▲	Timing variance. Project in progress.
Kalumburu Road - Re-sheet	382,483	▲	Timing variance. Project in progress.
Lake Argyle Road - Widening	72,096	▲	Timing variance. Project in progress.
Bridges (5116) - D4 Weaver Plain Rd	819,058	▲	Timing variance. Project in progress.
Proceeds from disposal of assets		▼	-
No material variances to report			

FINANCING ACTIVITIES

Repayment of debentures	▲	(4,800)
No material variances to report		
Proceeds from new debentures	▼	-
No material variances to report		
Proceeds from self supporting loans	▲	(3,200)
No material variances to report		
Advances to community groups	▼	-
Transfers to Reserves (Restricted Assets)	▲	(85,216)
		Reserve investment interest
Transfers from Reserves (Restricted Assets)	▼	-
No material variances to report		

Shire of Wyndham East Kimberley

Statement of Financial Activity Budget Remaining to Collect/Spend as at 31 October 2018

	YTD Actual	Revised Annual Budget	Annual Budget	Budget Remaining (Budget less YTD Actual)	
	2018/19 \$	2018/19 \$	2018/19 \$	2018/19 \$	%
Estimated Surplus/(Deficit) July 1 B/Fwd	2,834,174	2,834,174	1,622,636	(1,211,538)	-43% ▲
Revenue					
General Purpose Funding	712,850	2,462,981	2,462,981	1,750,131	71% ▼
Governance	3,777	47,551	47,551	43,774	92% ▼
Law, Order and Public Safety	391,566	468,486	468,486	76,920	16% ▼
Health	4,684	85,000	85,000	80,316	94% ▼
Education and Welfare	3,842	11,500	11,500	7,658	67% ▼
Housing	44,211	146,280	146,280	102,070	70% ▼
Community Amenities	2,171,637	2,823,441	2,895,441	723,804	26% ▼
Recreation and Culture	291,367	671,484	671,484	380,117	57% ▼
Transport	1,535,536	4,374,726	4,374,726	2,839,190	65% ▼
Economic Services	29,468	89,500	89,500	60,032	67% ▼
Other Property and Services	57,883	71,471	71,471	13,588	19% ▼
	5,246,821	11,252,421	11,324,421	6,077,600	54% ▼
Expenses					
General Purpose Funding	(161,104)	(298,312)	(298,312)	(137,208)	46% ▼
Governance	(182,558)	(875,979)	(865,979)	(683,421)	77% ▼
Law, Order and Public Safety	(367,243)	(1,156,524)	(1,156,524)	(789,281)	67% ▼
Health	(85,218)	(289,036)	(289,036)	(203,818)	71% ▼
Education and Welfare	(39,904)	(200,635)	(160,635)	(120,731)	60% ▼
Housing	(151,437)	(462,740)	(462,740)	(311,303)	67% ▼
Community Amenities	(1,264,226)	(4,791,677)	(4,791,677)	(3,527,451)	74% ▼
Recreation and Culture	(2,101,185)	(6,644,572)	(6,657,167)	(4,555,982)	69% ▼
Transport	(3,606,820)	(10,548,753)	(10,548,753)	(6,941,933)	66% ▼
Economic Services	(280,469)	(594,999)	(591,999)	(311,530)	49% ▼
Other Property and Services	(555,307)	(957,224)	(957,224)	(401,917)	43% ▼
	(8,795,471)	(26,820,451)	(26,780,046)	(17,984,575)	67% ▼
Operating activities excluded from budget					
(Profit)/Loss on asset disposals	0	89,773	89,773	89,773	100% ▼
Loss on revaluation of non current assets	0	0	0	0	0% ▲
Depreciation on assets	2,450,916	6,144,866	6,144,866	3,693,950	60% ▼
Movement in employee benefit provisions	0	0	0	0	0% ▲
Amount attributable to operating activities	1,736,440	(6,499,218)	(7,598,351)	(9,334,790)	123% ▼
INVESTING ACTIVITIES					
Non-operating grants, subsidies and contributions	863,990	7,877,054	8,108,635	7,244,646	92% ▲
Purchase property, plant and equipment	(402,113)	(2,926,247)	(2,351,468)	(1,949,355)	67% ▼
Purchase and construction of infrastructure	(5,843,049)	(13,300,513)	(10,975,349)	(5,132,300)	39% ▼
Proceeds from disposal of assets	0	359,583	359,583	359,583	100% ▲
Amount attributable to investing activities	(5,381,172)	(7,990,123)	(4,858,599)	522,573	-7% ▼
FINANCING ACTIVITIES					
Repayment of debentures	(182,021)	(903,765)	(903,765)	(721,744)	80% ▼
Proceeds from new debentures	0	0	0	0	0% ▲
Proceeds from self supporting loans	0	9,576	9,576	9,576	100% ▲
Advances to community groups	0	0	0	0	0% ▲
Transfers to Reserves (Restricted Assets)	(85,216)	(1,468,810)	(1,471,252)	(1,386,036)	94% ▼
Transfers from Reserves (Restricted Assets)	0	6,425,704	4,395,756	4,395,756	68% ▼
Amount attributable to financing activities	(267,237)	4,062,705	2,030,315	2,297,552	57% ▼
Surplus/(deficiency) before general rates	(3,911,970)	(10,426,636)	(10,426,635)	(6,514,665)	62% ▲
Total amount raised from general rates	10,426,614	10,426,634	10,426,634	20	0% ▼
Net current assets at June 30 c/fwd - surplus/(deficit)	6,517,779	0	0	(6,517,779)	▲

REPORT ON INVESTMENT PORTFOLIO AS AT 31 October 2018

INVESTMENT POLICY - CP FIN - 3203			
S&P Rating		Portfolio Credit Framework	Counterparty Credit Framework
Long Term	Short Term	Direct Investment Maximum %	
AAA	A-1+	100%	45%
AA	A-1	100%	35%
A	A-2	60%	20%
Note: "S & P" relates to Standard & Poors credit rating agency			
TERM TO MATURITY FRAMEWORK			
Overall Portfolio Term to Maturity Limits			
Portfolio % < 1 year		100% max 40% min	
Portfolio % > 1 year		60%	
Portfolio % > 3 year		35%	
Individual Investment Maturity Limits			
Authorised Deposit Institution		12 Months	
State/Commonwealth Government Bonds		3 years	

Counterparty Credit

Counterparty	Percentage
Bankwest	36%
Commonwealth Bank	22%
National Australia Bank	32%
Westpac Banking Corporation Ltd	10%

Institution Name	S&P Rating	Term to Maturity	Interest Rate	Maturity Date	Principal	Interest on Maturity	% of portfolio
MUNICIPAL FUNDS							
Bankwest		4 Months	2.74%	27-Dec-18	2,012,213.68	18,428.57	11.22%
NAB		3 Months	2.63%	12-Dec-18	1,000,000.00	6,556.99	5.57%
Bankwest		120 Days	2.67%	8-Feb-19	1,001,808.22	8,793.95	5.58%
Bankwest		62 Days	2.52%	12-Nov-18	1,000,000.00	4,280.55	5.57%
Bankwest		120 Days	2.66%	11-Jan-19	1,000,000.00	8,745.21	5.57%
TOTAL MUNICIPAL INVESTMENTS					6,014,021.90	46,805.26	33.52%
RESERVE FUNDS							
NAB		120 Days	2.68%	1-Nov-18	1,105,024.61	7,193.26	6.16%
CBA		4 Months	2.71%	19-Nov-18	1,919,862.86	17,390.28	10.70%
CBA		4 Months	2.72%	19-Nov-18	1,044,998.42	9,656.36	5.82%
CBA		4 Months	2.65%	9-Jan-19	1,000,000.00	8,712.33	5.57%
NAB		120 Days	2.65%	12-Feb-19	527,010.19	4,591.49	2.94%
Bankwest		120 Days	2.70%	11-Dec-18	1,020,521.16	9,058.87	5.69%
NAB		90 Days	2.63%	12-Nov-18	1,020,626.24	6,692.23	5.69%
NAB		90 Days	2.63%	12-Nov-18	1,020,626.24	6,692.23	5.69%
Westpac		4 Months	2.53%	14-Nov-18	1,016,757.86	8,668.63	5.67%
Westpac		4 Months	2.53%	14-Nov-18	762,568.39	6,501.47	4.25%
NAB		4 Months	2.65%	18-Feb-19	1,015,244.82	9,066.28	5.66%
TOTAL RESERVE INVESTMENTS					11,453,240.79	94,223.42	63.84%
TRUST FUNDS - T292							
Bankwest		4 Months	2.67%	29-Jan-19	472,686.05	4,253.01	2.63%
TOTAL TRUST INVESTMENTS					472,686.05	4,253.01	2.63%
TOTAL INVESTMENTS HELD & INTEREST PAID					17,939,948.74	145,281.69	100.00%