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 June 2026

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 JUNE 2026

	Note	Adopted Budget Estimates (a)	YTD Budget Estimates (b)	YTD Actual (c)	Variance $ (c) - (b)	Variance % ((c)-(b))/(b)	
OPERATING ACTIVITIES							
Revenue from operating activities		$	$	$	$	$	
General rates		12,672,051	12,672,051	12,643,151	(28,900)	-0.23%	▼
Grants, subsidies and contributions		5,434,000	5,434,000	8,991,473	3,557,473	65.47%	▲
Fees and charges		9,732,000	9,732,000	10,592,658	860,658	8.84%	▲
Interest revenue		829,000	829,000	2,287,379	1,458,379	175.92%	▲
Other revenue		469,200	469,200	630,863	161,663	34.45%	▲
		29,136,251	29,136,251	35,145,525	6,009,274	20.62%	
Expenditure from operating activities							
Employee costs		(15,176,428)	(15,176,428)	(14,050,645)	1,125,783	7.42%	▲
Materials and contracts		(8,217,018)	(8,217,018)	(8,053,799)	163,219	1.99%	▲
Utility charges		(1,524,200)	(1,524,200)	(1,477,896)	46,304	3.04%	▲
Depreciation		(9,189,530)	(9,189,530)	(9,166,969)	22,561	0.25%	▲
Finance costs		(301,774)	(301,774)	(364,002)	(62,228)	-20.62%	▼
Insurance		(677,117)	(677,117)	(639,372)	37,745	5.57%	▲
Other expenditure		(2,129,869)	(2,129,869)	(1,701,989)	427,881	20.09%	▲
		(37,215,936)	(37,215,936)	(35,454,671)	1,761,265	-4.73%	
Depreciation excluded from operating activities	2(b)	9,189,530	9,189,530	9,166,969	(22,561)	-0.25%	▼
Amount attributable to operating activities		**1,109,845**	**1,109,845**	**8,857,823**	**7,747,978**	**698.11%**	
INVESTING ACTIVITIES							
Inflows from investing activities							
Capital grants, subsidies and contributions		82,059,222	82,059,222	52,003,317	(30,055,905)	-36.63%	▼
Disposal of assets		-	-	414,523	414,523	0.00%	
		82,059,222	82,059,222	52,417,841	(29,641,381)	-36.12%	
Outflows from investing activities							
Payments for property, plant and equipment		(44,642,091)	(44,642,091)	(1,342,790)	43,299,301	96.99%	▲
Payments for construction of infrastructure		(51,201,006)	(51,201,006)	(36,143,547)	15,057,459	29.41%	▲
		(95,843,097)	(95,843,097)	(37,486,337)	58,356,760	60.89%	
Amount attributable to investing activities		**(13,783,875)**	**(13,783,875)**	**14,931,503**	**28,715,378**	**-208.33%**	
FINANCING ACTIVITIES							
Inflows from financing activities							
Proceeds from new borrowings		1,500,000	1,500,000	-	(1,500,000)	-100.00%	▼
Transfers from reserve accounts		11,116,809	11,116,809	-	(11,116,809)	-100.00%	▼
		12,616,809	12,616,809	-	(12,616,809)	-100.00%	
Outflows from financing activities							
Repayment of borrowings		(772,530)	(772,530)	(788,615)	(16,085)	2.08%	▲
Transfers to reserve accounts		(547,002)	(547,002)	-	547,002	-100.00%	▼
		(1,319,532)	(1,319,532)	(788,615)	530,917	-40.24%	
Amount attributable to financing activities		**11,297,277**	**11,297,277**	**(788,615)**	**(12,085,892)**	**-106.98%**	
MOVEMENT IN SURPLUS OR DEFICIT							
Surplus at the start of the financial year		1,376,754	1,376,754	1,376,754	-	0.00%	
Amount attributable to operating activities		1,109,845	1,109,845	8,857,823	7,747,978	698.11%	
Amount attributable to investing activities		(13,783,875)	(13,783,875)	14,931,503	28,715,378	-208.33%	
Amount attributable to financing activities		11,297,276	11,297,277	(788,615)	(12,085,892)	-106.98%	
Surplus/(deficit) remaining after the imposition of general rates		**-**	**0**	**24,377,465**	**24,377,464**		

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

▲▼ **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 JUNE 2026

	Actual 30 June 2025 $	Actual 30 June 2026 $
CURRENT ASSETS		
Cash and cash equivalents	43,287,551	69,244,559
Trade and other receivables	10,305,738	2,497,659
Other financial assets	10,381	2,381
Inventories	15,252	15,251
TOTAL CURRENT ASSETS	53,618,922	71,759,851
NON-CURRENT ASSETS		
Trade and other receivables	45,485	43,520
Other Financial Assets	11,565	12,145
Inventories	46,283	46,283
Property, plant and equipment	56,036,640	54,151,151
Infrastructure	279,297,055	272,016,032
TOTAL NON-CURRENT ASSETS	335,437,028	326,269,130
TOTAL ASSETS	389,055,950	398,028,981
CURRENT LIABILITIES		
Trade and other payables	5,225,291	397,470
Other liabilities	21,852,303	21,852,303
Borrowings	772,531	972,531
Employee related provisions	1,582,829	1,551,962
TOTAL CURRENT LIABILITIES	29,432,954	24,774,265
NON-CURRENT LIABILITIES		
Borrowings	6,743,676	6,543,676
Employee related provisions	139,630	139,630
Other Provisions	5,685,700	5,685,700
TOTAL NON-CURRENT LIABILITIES	12,569,006	12,369,006
TOTAL LIABILITIES	42,001,960	37,143,271
NET ASSETS	**347,053,990**	**360,885,710**
EQUITY		
Retained surplus	135,266,143	149,098,604
Reserve accounts	17,389,290	17,387,268
Revaluation Surplus	194,398,557	194,399,839
TOTAL EQUITY	**347,053,990**	**360,885,710**

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

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

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 specifies that vested land is a right-of-use asset to be measured at cost, and is considered a 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.

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 affect 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 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 POLICIES

Significant accounting policies utilised in the preparation of these statements are as described within the 2025-26 Annual Budget. Please refer to the adopted budget documents for details of these policies.

PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 30 June 2026

2 STATEMENT OF FINANCIAL ACTIVITY INFORMATION

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

	Note	Adopted Budget Opening 01 July 2025	Actual as at 30 June 2025	Actual as at 30 June 2026
Current assets		$	$	$
Cash and cash equivalents		7,219,269	43,287,551	69,244,559
Trade and other receivables		2,036,138	10,305,738	2,497,659
Other financial assets		18,837,612	10,381	2,381
Inventories		15,649	15,252	15,251
Other assets		-	-	-
		28,108,668	53,618,922	71,759,851
Less: current liabilities				
Trade and other payables		(2,036,180)	(5,225,291)	(397,470)
Other liabilities		(13,431,426)	(21,852,303)	(21,852,303)
Borrowings		(1,517,684)	(772,531)	(972,531)
Employee provisions		(1,859,059)	(1,582,829)	(1,551,962)
Other provisions		(144,494)	-	-
		(18,988,843)	(29,432,954)	(24,774,265)
Net current assets		**9,119,825**	**24,185,968**	**46,985,585**
Less: Total adjustments to net current assets	2(c)	(9,119,825)	(16,627,140)	(16,417,118)
Closing funding surplus/ (deficit)		**-**	**7,558,828**	**30,568,467**

The closing fund surplus represents the funding position after adjustments required under the *Local Government (Financial Management) Regulations 1996,* including reserve funds and non-cash accounting items

(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 regulations 32.

Non-cash amount excluded from operating activities	Adopted Budget Estimates 30 June 2026	YTD Budget Estimates	YTD Actual
Adjustments to operating activities	$	$	$
Less: Movement in liabilities associated with restricted cash	-	180,000.00	-
Add: Loss on asset disposals	-	-	-
Add: Depreciation	9,189,530	9,189,530	9,166,969
Movement in current employee provisions associated with restricted cash	-	-	-
Total non-cash amounts excluded from operating activities	**9,189,530**	**9,369,530**	**9,166,969**

(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

	Note	Adopted Budget Opening 01 July 2025	Actual as at 30 June 2025	Actual as at 30 June 2026
Adjustments to net current assets		$	$	$
Less: Reserve accounts		(10,637,509)	(17,389,290)	(17,387,268)
Less: Financial assets at amortised cost - self supporting loans			(10,381)	(2,381)
Add: Current liabilities not expected to be cleared at the end of the year				
- Current portion of borrowings		1,517,684	772,531	972,531
- Current portion of unspent capital grants held in reserve		-	-	-
- Current portion of employee benefit provisions held in reserve		-	-	-
Total adjustment to net current assets	2(a)	**(9,119,825)**	**(16,627,140)**	**(16,417,118)**

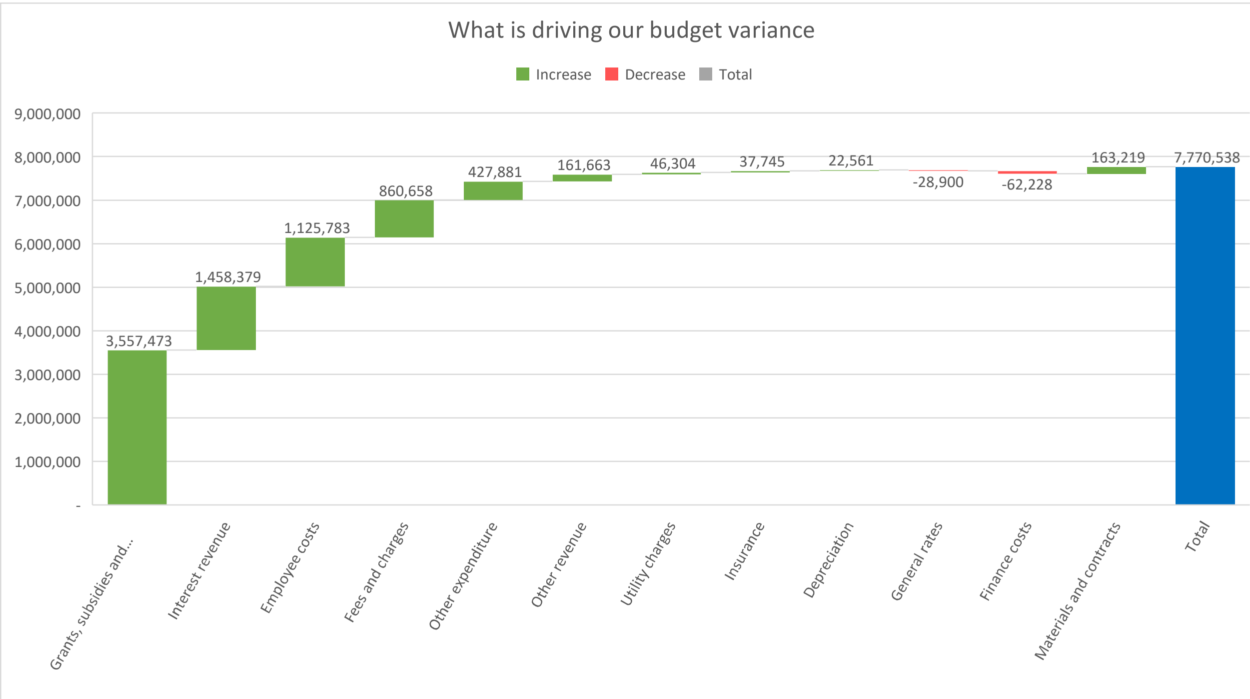
CURRENT AND NON-CURRENT CLASSIFICATION
In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. Unless otherwise stated assets or liabilities are classified as current if expected to be settled within the next 12 months, being the Council's operation cycle.

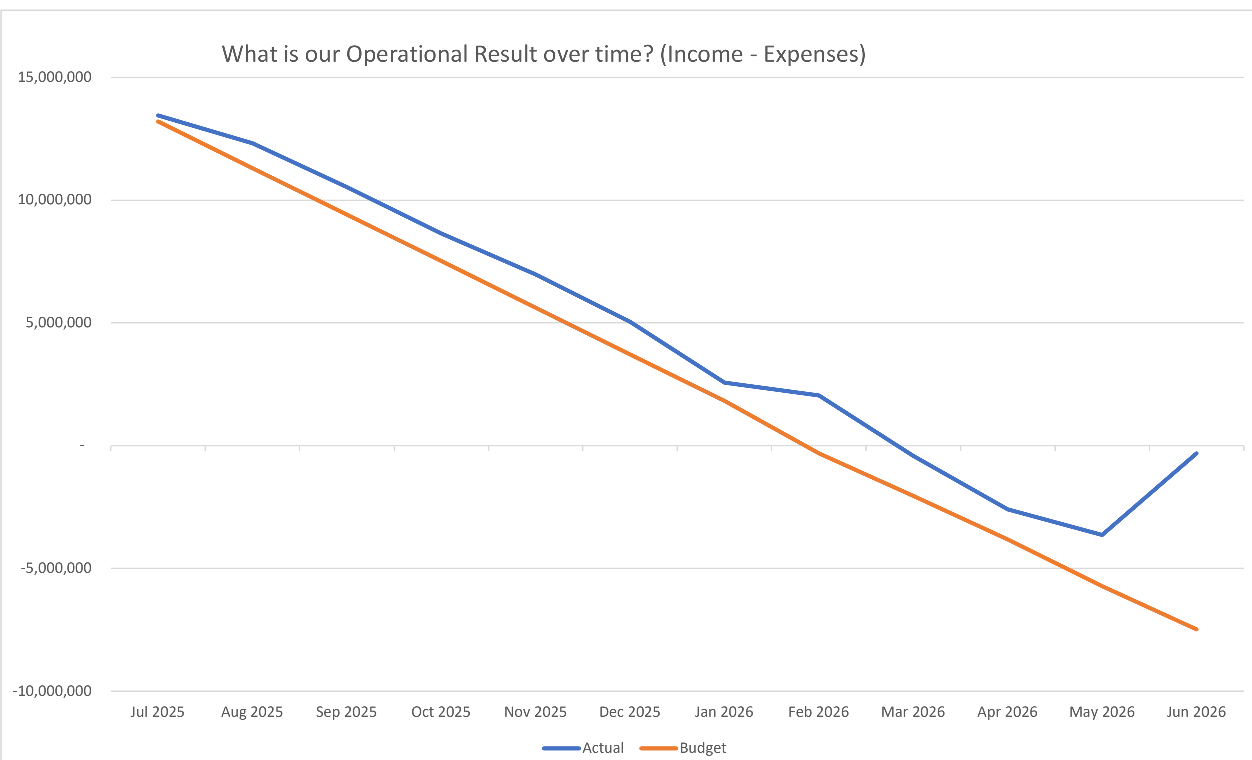
3 EXPLANATION OF MATERIAL VARIANCES

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 2025-26 year is $50,000 and 10.00% whichever is the greater.

Description	Var. $	Var. %	
	$	%	
Revenue from operating activities			
Grants, subsidies and contributions	3,557,473	65.47%	▲
Variance reflects the timing of grant payments received in advance in the current financial year.			
Fees and charges	860,658	8.84%	▲
Variance reflects higher than forecast membership fees, development application fees and aircraft movements during the reporting period.			
Interest revenue	1,458,379	175.92%	▲
Variance reflects higher cash balances following receipt of grant funding in advance of project delivery, with funds held in term deposits until required.			
Other revenue	161,663	34.45%	▲
Variance reflects higher than anticipated plant trade values and airport private works income received.			
Expenditure from operating activities			
Employee costs	1,125,783	7.42%	▲
Employee costs are below budget primarily due to current vacancies and timing of the industrial agreement.			
Materials and contracts	163,219	1.99%	▲
Variance reflects decreased building and facility maintenance undertaken.			
Finance costs	(62,228)	-20.62%	▼
Timing of loan payments.			
Other expenditure	427,881	20.09%	▲
Variance reflects lower than expected expenditure on community grants and tourism marketing in the reporting period.			
Investing Activities			
Capital grants, subsidies and contributions	(30,055,905)	-36.63%	▼
Lower than anticipated capital grants received in advance.			
Disposal of assets			
Unbudgeted disposal of Boobialla property Funding structure approved by Council.	414,523	0.00%	
Outflows from investing activities			
Payments for property, plant and equipment	43,299,301	96.99%	▲
Variance reflects capital grant funding received prior to the associated project expenditure.			
Payments for construction of infrastructure	15,057,459	29.41%	▲
Variance reflects timing of capital works delivery, with construction scheduled during the dry season. Major projects include: - Kununurra Leisure Centre Pool Renewal - RPPP Kununurra Foreshore Project - Wyndham Boat Launching Facility - Water Lily Place Affordable Housing			

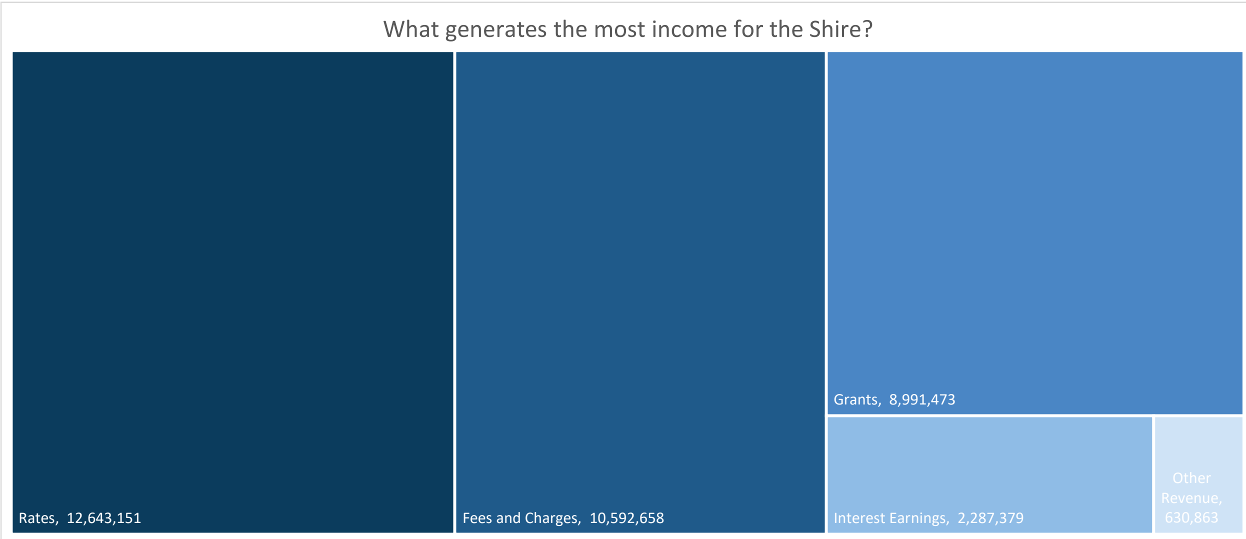
4 BUDGET DRIVERS AND OVERALL PERFORMANCE

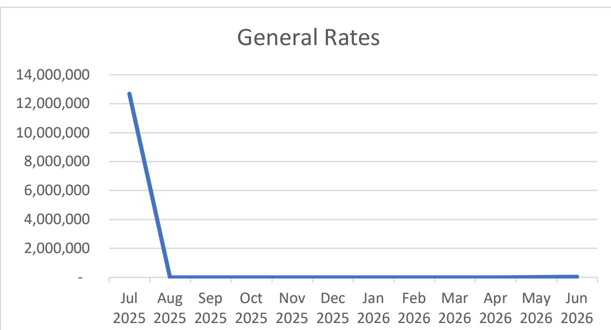




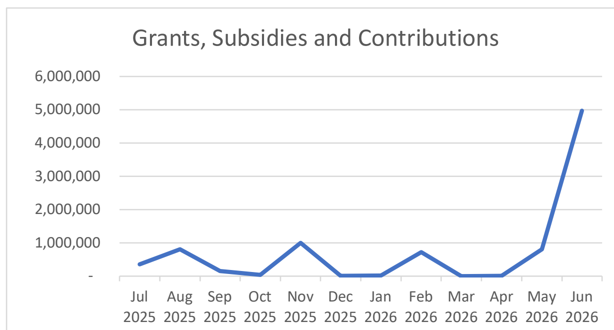
SHIRE OF WYNDHAM EAST KIMBERLEY
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 JUNE 2026

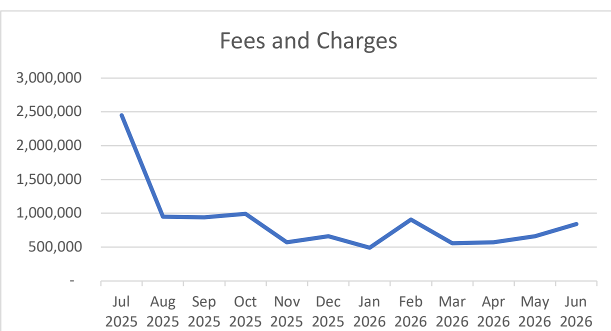
5 SHIRE INCOME MONTHLY TRENDS

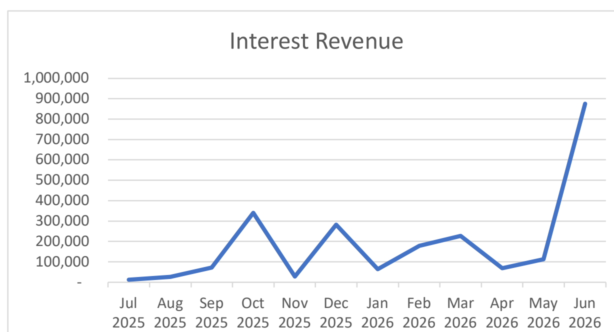




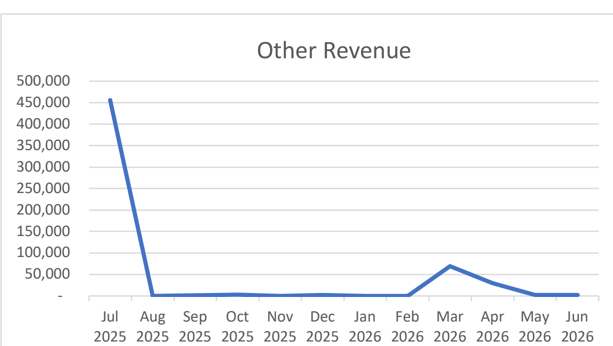
General rates revenue is recognised early in the financial year following issue of the annual rates notices



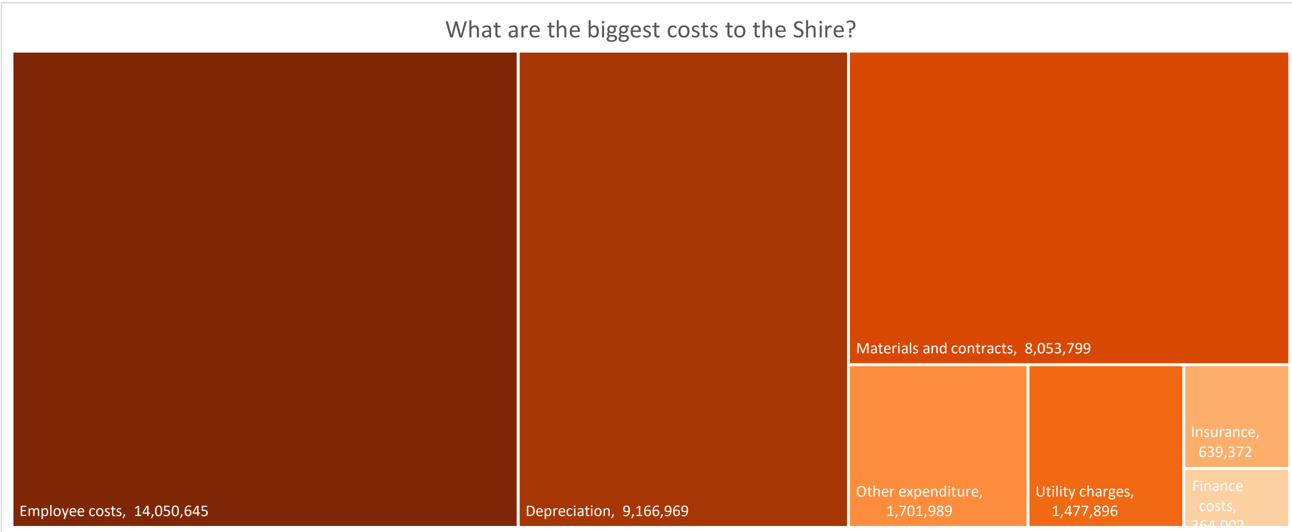


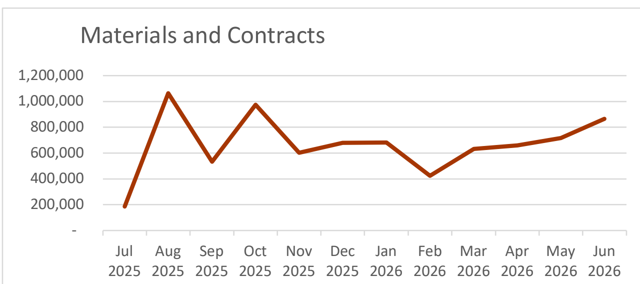


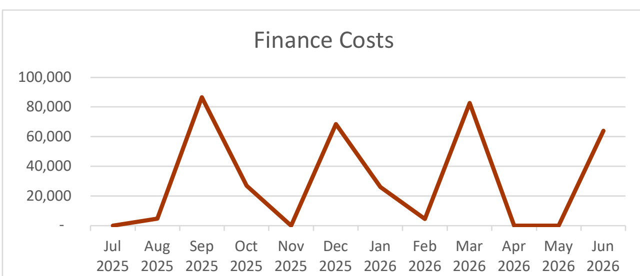
Interest income varies depending on cash balances and timing of income from investments

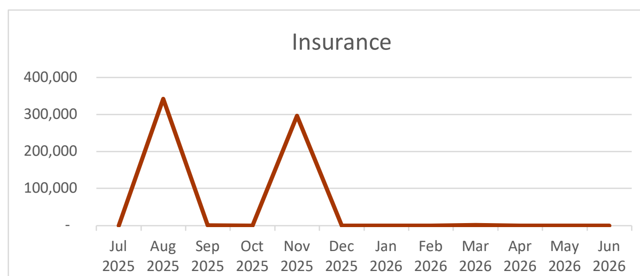


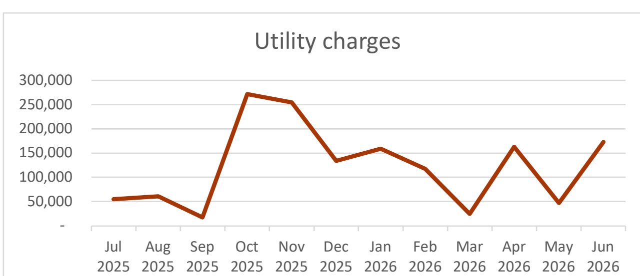
6 SHIRE OPERATING EXPENSE ANALYSIS

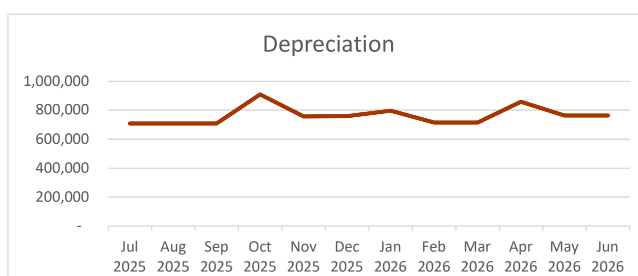


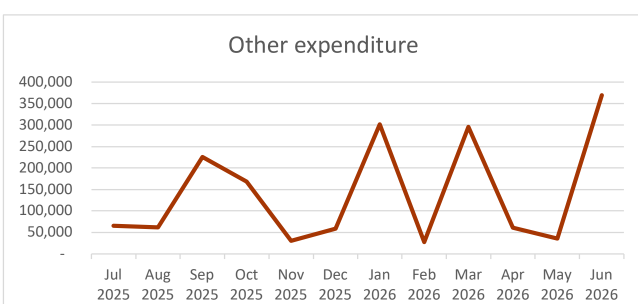




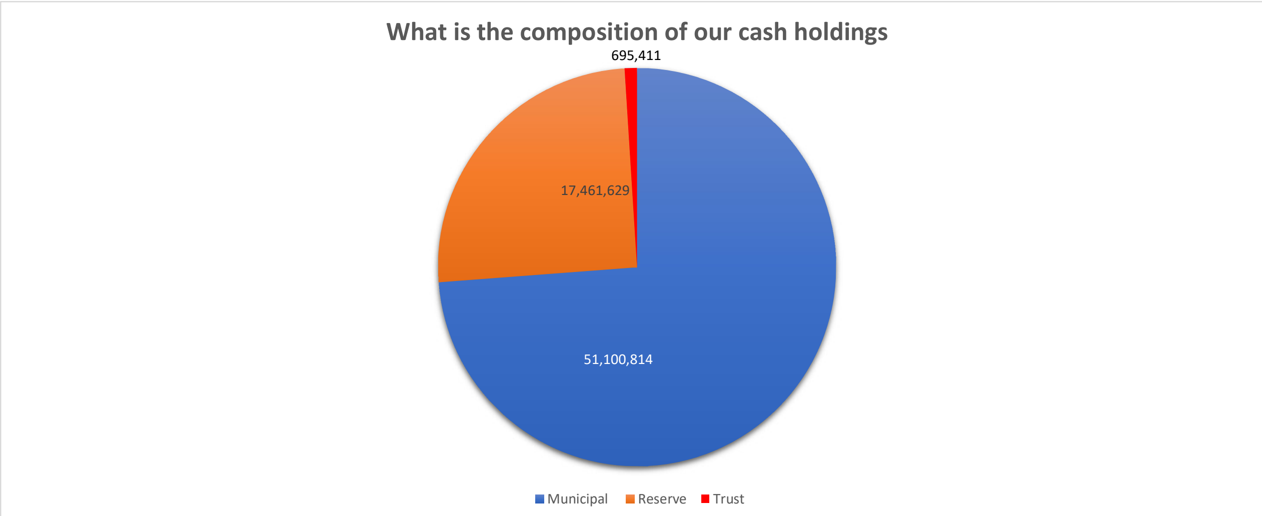




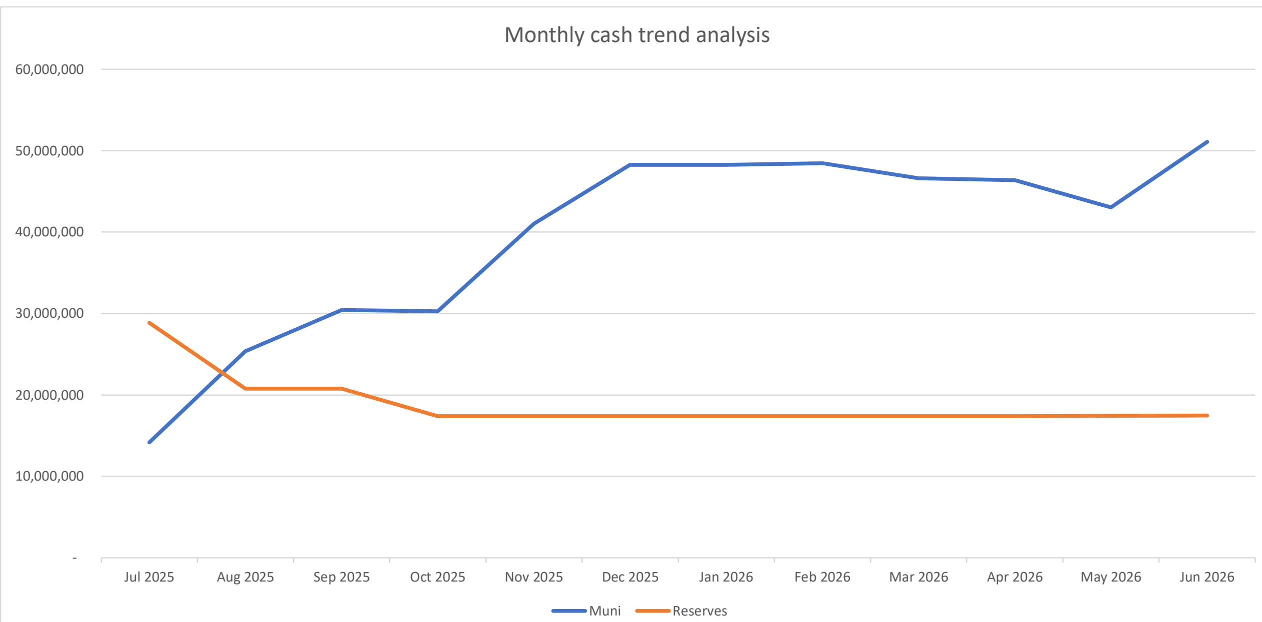




7 CASH HOLDINGS AND CASH TRENDS

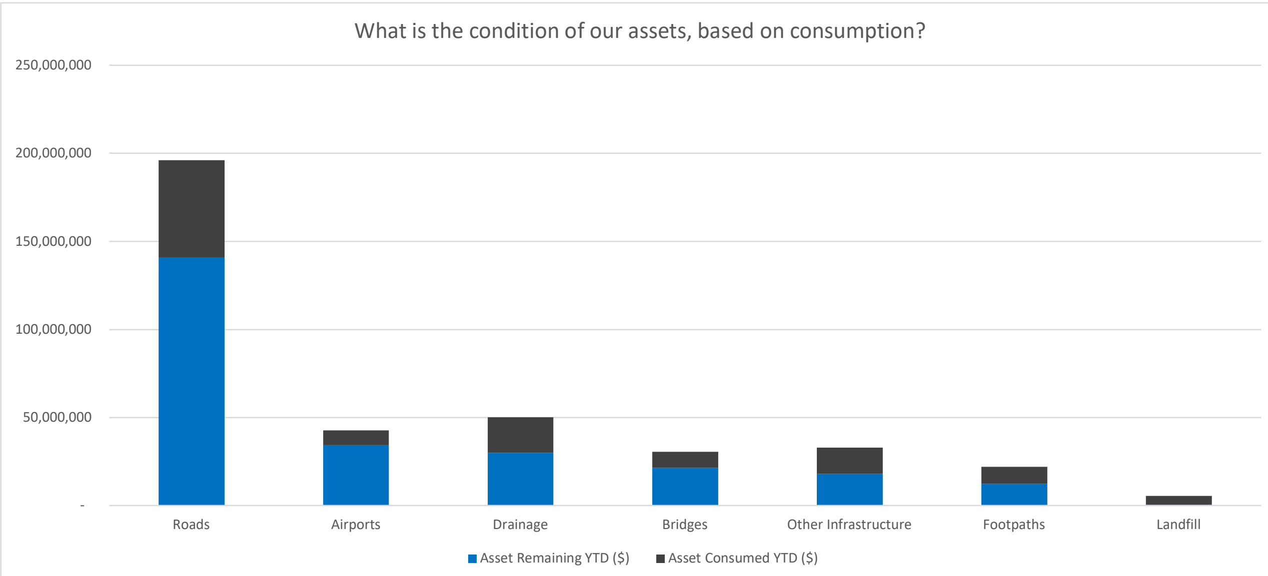


Municipal funds represent unrestricted operating cash, while reserve balances are restricted for specific purposes.



Cash balances increase following receipt of grant funding and reduce as project expenditure occurs.

8 ASSET LIFE AND MANAGEMENT ANALYSIS



Management Analysis

As at 30 June 2026, the Shire has recorded a significantly stronger operating result than originally budgeted. The year concluded with an accounting operating deficit of approximately $0.3 million, which was substantially better than the adopted budget and reflects the timing of grant funding and year-end accounting adjustments.

Throughout the financial year, the Actual operating result consistently outperformed Budget, with the most significant improvement occurring in June following the recognition of year-end transactions and grant funding. This result demonstrates the Shire's ability to effectively manage expenditure while maximising revenue outcomes throughout the financial year.

Overall Position:

The Shire remains in a strong and financially sustainable position as at 30 June 2026. The year-end operating result significantly exceeded the adopted budget, driven by favourable grant funding outcomes, strong investment returns and prudent expenditure management.

The Shire concludes the financial year with a robust cash position and a favourable operating variance, providing a solid foundation to meet future operational and capital commitments. While the financial statements remain subject to audit adjustments, the year-end results indicate the Shire has performed well against its adopted budget and continues to maintain a sustainable financial outlook.