



Shire of Wyndham East Kimberley

Interim Monthly Financial Report 2018/19

As at 31 August 2018

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

Shire of Wyndham East Kimberley

Statement of Financial Activity (Interim Report)

Year to Date Actual v Year to Date Budget
as at 31 August 2018

	YTD Actual 2018/19 \$	YTD Budget 2018/19 \$	YTD Variance 2018/19 \$	%	
Estimated Surplus/(Deficit) July 1 B/Fwd	1,622,636	1,622,636	0	0%	▼
Revenue					
General Purpose Funding	627,802	637,195	(9,393)	-1%	▼
Governance	2,456	2,282	174	8%	▲
Law, Order and Public Safety	351,209	402,320	(51,111)	-13%	▼
Health	3,026	5,466	(2,440)	-45%	▼
Education and Welfare	1,921	1,916	5	0%	▲
Housing	23,960	24,378	(419)	-2%	▼
Community Amenities	1,941,257	1,999,525	(58,268)	-3%	▼
Recreation and Culture	150,970	150,015	955	1%	▲
Transport	561,163	556,713	4,450	1%	▲
Economic Services	13,396	14,918	(1,522)	-10%	▼
Other Property and Services	38,283	3,041	35,242	1159%	▲
	3,715,442	3,797,769	(82,327)	-2%	▼
Expenses					
General Purpose Funding	(8,464)	(8,150)	(314)	4%	▲
Governance	(74,397)	(95,622)	21,225	-22%	▼
Law, Order and Public Safety	(238,997)	(164,074)	(74,923)	46%	▲
Health	(38,323)	(46,176)	7,853	-17%	▼
Education and Welfare	(27,827)	(28,431)	604	-2%	▼
Housing	(85,035)	(88,766)	3,731	-4%	▼
Community Amenities	(573,507)	(719,167)	145,660	-20%	▼
Recreation and Culture	(971,363)	(1,102,415)	131,052	-12%	▼
Transport	(1,565,948)	(1,581,419)	15,471	-1%	▼
Economic Services	(197,172)	(200,297)	3,125	-2%	▼
Other Property and Services	(632,218)	(202,892)	(429,326)	212%	▲
	(4,413,250)	(4,237,409)	(175,841)	4%	▲
Operating activities excluded from budget					
(Profit)/Loss on asset disposals	0	21,040	(21,040)	-100%	▲
Loss on revaluation of non current assets	0	0	0	0%	▼
Depreciation on assets	1,235,417	1,024,146	211,271	21%	▲
Movement in employee benefit provisions	0	0	0	0%	▼
Amount attributable to operating activities	2,160,245	2,228,182	(67,937)	-3%	▼
INVESTING ACTIVITIES					
Non-operating grants, subsidies and contributions	219,024	217,924	1,100	1%	▲
Purchase property, plant and equipment	(1,407,596)	(1,375,000)	(32,596)	2%	▲
Purchase and construction of infrastructure	(1,504,246)	(1,069,333)	(434,913)	41%	▲
Proceeds from disposal of assets	0	0	0	0%	▼
Amount attributable to investing activities	(2,692,819)	(2,226,409)	(466,410)	21%	▼
FINANCING ACTIVITIES					
Repayment of debentures	(182,021)	(146,996)	(35,025)	24%	▲
Proceeds from new debentures	0	0	0	0%	▼
Proceeds from self supporting loans	0	1,596	(1,596)	-100%	▲
Advances to community groups	0	0	0	0%	▼
Transfers to Reserves (Restricted Assets)	(64,218)	0	(64,218)	0%	▲
Transfers from Reserves (Restricted Assets)	0	0	0	0%	▼
Amount attributable to financing activities	(246,239)	(145,400)	(100,839)	69%	▲
Surplus/(deficiency) before general rates	(778,813)	(143,627)	(635,186)	442%	▼
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)	9,649,368	10,277,307	(627,939)		▼

Shire of Wyndham East Kimberley

Note to Statement of Financial Activity (Interim Report)

Net Current Assets as at 31 August 2018

Composition of Estimated Net Current Asset Position

	YTD Actual 2018/19	Brought Forward 1 July 2018
CURRENT ASSETS		
① Cash - Municipal (Unrestricted)	11,612,704	841,008
Cash Investments - Restricted Reserves	10,440,763	12,390,559
Cash - Restricted Reserves	1,632,311	5,482,093
Receivables	5,312,720	2,855,038
Inventories	18,175	15,414
	<u>29,016,673</u>	<u>21,584,111</u>
LESS: CURRENT LIABILITIES		
Payables and Provisions	(2,911,210)	(2,978,092)
Less:		
Restricted - Reserves	(16,456,095)	(17,872,652)
② NET CURRENT ASSET POSITION	<u>9,649,368</u>	<u>733,367</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><u>5,266,346</u></u>	<u><u>733,367</u></u>
 ① Cash - Municipal brought forward balances represented by:		
Cash on Hand	1,550	1,550
Cash at Bank - Municipal		
Unrestricted	7,228,132	839,458
Restricted - Grants	1,961,964	
Restricted - Loans	459,963	
Restricted - Capital works reserve	1,961,095	
	<u><u>11,612,704</u></u>	<u><u>841,008</u></u>

② Net current asset position and Unrestricted cash will remain overstated until the position of grants/loans and reserves are finalised for the 2017/18 financial year.

Shire of Wyndham East Kimberley

Notes to Statement of Financial Activity (Interim Report)

For the Period Ended 31 August 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	▼		(9,393)
No material variances to report			
Governance	▲		174
No material variances to report			
Law, Order and Public Safety	▼		(51,111)
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	▼		(2,440)
No material variances to report			
Education and Welfare	▲		5
No material variances to report			
Housing	▼		(419)
No material variances to report			
Community Amenities	▼		(58,268)
			Increased income in waste receptacle charges of \$17k.
Contribution - Strategic and Land Use Planning	(72,000)	▼	Income received in 2017/18. Budget to be amended at the Mid-Year Budget Review.
Recreation and Culture	▲		955
No material variances to report			
Transport	▲		4,450
No material variances to report			
Economic Services	▼		(1,522)
No material variances to report			
Other Property and Services	▲		35,242
			Increased income due to Facebook lease income. Budget to be amended during the Mid-year Budget Review
Other income - Public work overheads	29,834	▲	
Operating Expenditure	▼		
General Purpose Funding	▲		314
No material variances to report			
Governance	▼		(21,225)
			Timing variance of \$9k and \$12k related to admin allocations which is a non-cash item
Law, Order and Public Safety	▲		74,923
Emergency Services Levy Payment - Rates	101,962	▲	Timing variance. Levy payment processed earlier than anticipated.
Health	▼		(7,853)
No material variances to report			
Education and Welfare	▼		(604)
No material variances to report			
Housing	▼		(3,731)
No material variances to report			
Community Amenities	▼		(145,660)
			Timing variance of \$44k related to Sanitation - Household Refuse in which \$37k related to overhead allocations which is a non-cash item and potential savings of \$17k due to staff vacancies in Community Development services and \$28k related to overhead allocations.
Develop Community safety plan	(45,000)	▼	Timing variance. Draft plan is in progress, which will be presented to community consultation.
Recreation and Culture	▼		(131,052)
			Timing variance of \$44k and \$86k related to overhead allocations.
Transport	▼		(15,471)
Depreciation - Streets, Roads & Bridges - Maintenance	168,605	▲	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.
Administration Salary and Wages Allocated - East Kimberley Regional Airport	(37,276)	▼	Non cash item. Variance due to cost allocation based on actual expenditure for the sub programme and administration overheads.
Admin Overheads Allocated - East Kimberley Regional Airport	(45,766)	▼	Non cash item. Variance due to cost allocation based on actual expenditure for the sub programme and administration overheads.
Depreciation - East Kimberley Regional Airport	24,187	▲	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.
Economic Services	▼		(3,125)
No material variances to report			

Shire of Wyndham East Kimberley

Notes to Statement of Financial Activity (Interim Report)

For the Period Ended 31 August 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 (continued..)	▼	
Other Property and Services	▲	429,326
		Monthly profiling for direct salaries and vehicle expenses to be reviewed.
Administration Salary and Wages Allocated - General Administration Overheads	301,067	▲ Non cash item. Variance due to cost allocation based on actual expenditure for the sub programme and administration overheads.
ABC Allocations	152,935	▼ Non cash item. Variance due to cost allocation based on actual expenditure for the sub programme and administration overheads.
Plant Operating Cost Allocated	23,101	▼ Non Cash Item. Variance due to cost allocation based on actual expenditure related to plant operations..
Insurance - Unclassified	(24,742)	▼ Timing variance of \$24k related to 2018/2019 Scheme Membership contribution credit which will be allocated.

Non Cash Expenditure and Revenue

Depreciation - Streets, Roads & Bridges - Maintenance	(168,605)	▲ 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	(24,187)	▲

INVESTING ACTIVITIES

Non-operating grants, subsidies and contributions	▲	(1,100)
No material variances to report		
Purchase property, plant and equipment	▲	32,596
		Projects from 2017/18 continued. Unspent capital works will be carried forward to 2018/19. Budget to be amended during the budget review.
Purchase and construction of infrastructure	▲	434,913
WANDRRA Monsoonal Trough and Associated Flooding - (January 2017) Expenditure	(77,166)	▼ Timing variance. Works in progress during the dry season.
Kalumburu Road - Re-sheet	(111,129)	▼ Timing variance. Works in progress during the dry season.
Lake Argyle Road - Widening	220,025	▲ Timing variance. Works in progress during the dry season.
Road and Drainage Upgrade - Nutwood & Rosewood and surrounds	329,558	▲ Capital works continued in to 2018/19. Unspent grants and expenditure will be carried forward to 2018/19. Budget to be amended during the budget review.
Wyndham Waste Water Treatment Facility	55,990	▲ 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.
Proceeds from disposal of assets	▼	-
No material variances to report		

FINANCING ACTIVITIES

Repayment of debentures	▲	(35,000)
Loan 120 - Kununurra Childcare Centre - Principal Repayments	35,025	▲ Timing variance, Loan Payment processed earlier than anticipated.
Proceeds from new debentures	▼	-
No material variances to report		
Proceeds from self supporting loans	▲	(1,600)
No material variances to report		
Advances to community groups	▼	-
Transfers to Reserves (Restricted Assets)	▲	(64,218)
		Reserve investment interest
Transfers from Reserves (Restricted Assets)	▼	-
No material variances to report		

Shire of Wyndham East Kimberley

Statement of Financial Activity (Interim Report) Budget Remaining to Collect/Spend as at 31 August 2018

	YTD Actual	Annual Budget	Budget Remaining (Budget less YTD Actual)		
	2018/19 \$	2018/19 \$	2018/19 \$	%	
Estimated Surplus/(Deficit) July 1 B/Fwd	1,622,636	1,622,636	0	0%	▼
Revenue					
General Purpose Funding	627,802	2,462,981	1,835,179	75%	▼
Governance	2,456	47,551	45,095	95%	▼
Law, Order and Public Safety	351,209	468,486	117,277	25%	▼
Health	3,026	85,000	81,974	96%	▼
Education and Welfare	1,921	11,500	9,579	83%	▼
Housing	23,960	146,280	122,321	84%	▼
Community Amenities	1,941,257	2,895,441	954,184	33%	▼
Recreation and Culture	150,970	671,484	520,514	78%	▼
Transport	561,163	4,374,726	3,813,563	87%	▼
Economic Services	13,396	89,500	76,104	110%	▼
Other Property and Services	38,283	71,471	33,188	46%	▼
	3,715,442	11,324,421	7,608,979	67%	▼
Expenses					
General Purpose Funding	(8,464)	(298,312)	(289,848)	97%	▼
Governance	(74,397)	(865,979)	(791,582)	90%	▼
Law, Order and Public Safety	(238,997)	(1,156,524)	(917,527)	78%	▼
Health	(38,323)	(289,036)	(250,713)	87%	▼
Education and Welfare	(27,827)	(160,635)	(132,808)	82%	▼
Housing	(85,035)	(462,740)	(377,705)	82%	▼
Community Amenities	(573,507)	(4,791,677)	(4,218,170)	89%	▼
Recreation and Culture	(971,363)	(6,657,167)	(5,685,804)	85%	▼
Transport	(1,565,948)	(10,548,753)	(8,982,805)	85%	▼
Economic Services	(197,172)	(591,999)	(394,827)	62%	▼
Other Property and Services	(632,218)	(957,224)	(325,006)	34%	▼
	(4,413,250)	(26,780,046)	(22,366,796)	83%	▼
Operating activities excluded from budget					
(Profit)/Loss on asset disposals	0	89,773	89,773	100%	▼
Loss on revaluation of non current assets	0	0	0	0%	▲
Depreciation on assets	1,235,417	6,144,866	4,909,449	80%	▼
Movement in employee benefit provisions	0	0	0	0%	▲
Amount attributable to operating activities	2,160,245	(7,598,351)	(9,758,595)	128%	▼
INVESTING ACTIVITIES					
Non-operating grants, subsidies and contributions	219,024	8,108,635	7,889,612	108%	▲
Purchase property, plant and equipment	(1,407,596)	(8,501,198)	(7,093,602)	83%	▼
Purchase and construction of infrastructure	(1,504,246)	(4,825,619)	(3,321,373)	69%	▼
Proceeds from disposal of assets	0	359,583	359,583	100%	▲
Amount attributable to investing activities	(2,692,819)	(4,858,599)	(2,165,780)	38%	▼
FINANCING ACTIVITIES					
Repayment of debentures	(182,021)	(903,765)	(721,744)	80%	▼
Proceeds from new debentures	0	0	0	0%	▲
Proceeds from self supporting loans	0	9,576	9,576	100%	▲
Advances to community groups	0	0	0	0%	▲
Transfers to Reserves (Restricted Assets)	(64,218)	(1,471,252)	(1,407,034)	0%	▼
Transfers from Reserves (Restricted Assets)	0	4,395,756	4,395,756	100%	▼
Amount attributable to financing activities	(246,239)	2,030,315	2,276,554	0%	▼
Surplus/(deficiency) before general rates	(778,813)	(10,426,635)	(9,647,822)	0%	▲
Total amount raised from general rates	10,426,614	10,426,634	20	0%	▼
Net current assets at June 30 c/fwd - surplus/(deficit)	9,649,368	0	(9,636,252)		▲

REPORT ON INVESTMENT PORTFOLIO AS AT 31 August 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
National Australia Bank	36%
Commonwealth Bank	23%
Bankwest	24%
Westpac Banking Corporation Ltd	17%

INVESTMENTS REGISTER 2018-19

Institution Name	S&P Rating	Term to Maturity	Interest Rate	Maturity Date	Principal	Interest on Maturity	% of portfolio
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MUNICIPAL FUNDS

Bankwest		60 Days	2.74%	27-Dec-18	2,012,213.68	18,428.57	16%
TOTAL MUNICIPAL INVESTMENTS					2,012,213.68	18,428.57	16%

RESERVE FUNDS

NAB		90 Days	2.64%	1-Nov-18	1,105,024.61	7,193.26	9%
CBA		4 Months	2.71%	19-Nov-18	1,919,862.86	17,390.28	15%
CBA		4 Months	2.72%	19-Nov-18	1,044,998.42	9,656.36	8%
NAB		4 Months	2.67%	15-Oct-18	523,563.27	3,446.92	4%
Bankwest		120 Days	2.70%	11-Dec-18	1,020,521.16	9,058.87	8%
NAB		90 Days	2.63%	12-Nov-18	1,020,626.24	6,692.23	8%
NAB		90 Days	2.63%	12-Nov-18	1,020,626.24	6,692.23	8%
Westpac		4 Months	2.53%	14-Nov-18	1,016,757.86	8,668.63	8%
Westpac		4 Months	2.53%	14-Nov-18	762,568.39	6,501.47	6%
NAB		3 Months	2.73%	18-Oct-18	1,006,213.70	9,031.11	8%
TOTAL RESERVE INVESTMENTS					10,440,762.75	84,331.36	81%

TRUST FUNDS - T292

Westpac	A-1+/AA	3 Months	2.51%	28-Sep-18	469,714.37	2,971.68	4%
TOTAL TRUST INVESTMENTS					469,714.37	2,971.68	4%
TOTAL INVESTMENTS HELD & INTEREST PAID					12,922,690.80	105,731.61	100%