



Shire of Wyndham East Kimberley

Interim Monthly Financial Report 2019/20

For the period ended 31 August 2019

Contents:

- Statement of Financial Activity
- Note to Statement of Financial Activity (Net Current Asset Position)
- Note to Statement of Financial Activity (Explanation of Material Variances)
- Note to Statement of Financial Activity (Budget Remaining to Collect/Spend)
- Monthly Report on Investment Portfolio (Cash)

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 2019

	YTD Actual	YTD Budget	YTD Variance	
	2019/20 \$	2019/20 \$	2019/20 \$	%
Estimated Surplus/(Deficit) July 1 B/Fwd	4,421,685	4,421,685	0	0% ▼
Revenue				
Governance	1,188	4,183	(2,996)	-72% ▼
General Purpose Funding	607,713	563,676	44,038	8% ▲
Law, Order and Public Safety	358,806	345,567	13,239	4% ▲
Health	7,698	4,583	3,115	68% ▲
Education and Welfare	1,921	1,917	4	0% ▲
Housing	16,734	23,980	(7,246)	-30% ▼
Community Amenities	1,905,792	1,891,000	14,792	1% ▲
Recreation and Culture	172,637	181,204	(8,567)	-5% ▼
Transport	230,547	720,044	(489,497)	-68% ▼
Economic Services	19,197	17,500	1,697	10% ▲
Other Property and Services	15,134	8,001	7,133	89% ▲
	3,337,367	3,761,654	(424,287)	-11% ▼
Expenses				
Governance	(115,041)	(178,499)	63,458	-36% ▼
General Purpose Funding	(5,581)	(27,211)	21,629	-79% ▼
Law, Order and Public Safety	(119,151)	(255,564)	136,412	-53% ▼
Health	(51,291)	(46,354)	(4,937)	11% ▲
Education and Welfare	(33,207)	(30,332)	(2,875)	9% ▲
Housing	(80,928)	(67,875)	(13,053)	19% ▲
Community Amenities	(664,154)	(766,126)	101,973	-13% ▼
Recreation and Culture	(1,033,097)	(1,078,225)	45,128	-4% ▼
Transport	(1,709,785)	(1,870,118)	160,333	-9% ▼
Economic Services	(197,888)	(174,293)	(23,595)	14% ▲
Other Property and Services	(182,465)	(230,450)	47,985	-21% ▼
	(4,192,589)	(4,725,047)	532,458	-11% ▼
Operating activities excluded from budget				
(Profit)/Loss on asset disposals	0	(2,295)	2,295	-100% ▲
Loss on revaluation of non current assets	0	0	0	0% ▼
Depreciation on assets	1,167,013	1,060,258	106,755	10% ▼
Movement in employee benefit provisions	0	0	0	0% ▼
Amount attributable to operating activities	4,733,476	4,516,255	217,221	5% ▲
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	123,328	737,199	(613,871)	-83% ▼
Purchase property, plant and equipment	(68,028)	(223,000)	154,972	-69% ▼
Purchase and construction of infrastructure	(1,032,104)	(1,055,806)	23,703	-2% ▼
Proceeds from disposal of assets	0	0	0	0% ▼
Amount attributable to investing activities	(976,804)	(541,607)	(435,196)	80% ▼
FINANCING ACTIVITIES				
Repayment of debentures	(115,125)	(77,900)	(37,225)	48% ▲
Proceeds from new debentures	0	0	0	0% ▼
Proceeds from self supporting loans	1,621	1,640	(18)	-1% ▼
Advances to community groups	0	0	0	0% ▼
Transfers to Reserves (Restricted Assets)	(39,211)	0	(39,211)	0% ▲
Transfers from Reserves (Restricted Assets)	0	0	0	0% ▼
Amount attributable to financing activities	(152,715)	(76,261)	(76,454)	100% ▲
Surplus/(deficiency) before general rates	3,603,958	3,898,388	(294,429)	-8% ▼
Total amount raised from general rates	10,428,315	10,428,335	(20)	0% ▼
Net current assets at June 30 c/fwd - surplus/(deficit)	15,262,102	15,058,066	204,036	▲

Shire of Wyndham East Kimberley

Note to Statement of Financial Activity

Net Current Assets (Interim Report)

as at 31 August 2019

Composition of Estimated Net Current Asset Position

	YTD Actual 2019/20	Brought Forward 1 July 2019
CURRENT ASSETS		
① Cash - Municipal (Unrestricted)	10,813,920	3,580,223
Cash Investments - Restricted Reserves	13,758,217	13,718,737
Cash - Restricted Reserves	661,804	1,622,105
Receivables	5,508,113	2,593,529
Inventories	20,465	14,379
	<u>30,762,520</u>	<u>21,528,973</u>
LESS: CURRENT LIABILITIES		
Payables and Provisions	(990,468)	(1,372,284)
Adjustments to Provisions		
Less:		
Pending Transfers to/from Reserves	(89,928)	
Restricted - Reserves	(14,420,021)	(15,340,842)
② NET CURRENT ASSET POSITION	<u>15,262,102</u>	<u>4,815,846</u>
Less:		
Restricted - Grants	(1,732,120)	(1,732,120)
Restricted - Unspent Loans	(446,706)	(446,706)
Restricted - Capital works reserve	(1,029,573)	(1,029,573)
ADJUSTED NET CURRENT ASSET POSITION	<u><u>12,053,703</u></u>	<u><u>1,607,447</u></u>
① Cash - Municipal brought forward balances represented by:		
Cash on Hand	2,000	2,000
Cash at Bank - Municipal		
Unrestricted	10,811,920	3,578,223
	<u>10,813,920</u>	<u>3,580,223</u>

- ② Net current asset position and Unrestricted cash will remain estimates until after the 2018/19 financial year audit.

Shire of Wyndham East Kimberley

Statement of Financial Activity (Interim Report) Budget Remaining to Collect/Spend as at 31 August 2019

	YTD	Annual Budget	Budget Remaining	
	Actual		(Budget less YTD Actual)	
	2019/20	2019/20	2019/20	%
	\$	\$	\$	
Estimated Surplus/(Deficit) July 1 B/Fwd	4,421,685	4,421,685	0	0% ▼
Revenue				
Governance	1,188	25,100	23,912	95% ▼
General Purpose Funding	607,713	2,489,063	1,881,350	75% ▼
Law, Order and Public Safety	358,806	419,400	60,594	14% ▼
Health	7,698	80,500	72,802	90% ▼
Education and Welfare	1,921	11,500	9,579	83% ▼
Housing	16,734	143,880	127,146	88% ▼
Community Amenities	1,905,792	2,841,000	935,208	33% ▼
Recreation and Culture	172,637	655,060	482,423	75% ▼
Transport	230,547	5,040,265	4,809,718	113% ▼
Economic Services	19,197	105,000	85,803	82% ▼
Other Property and Services	15,134	48,004	32,870	68% ▼
	3,337,367	11,858,772	8,521,405	72% ▼
Expenses				
Governance	(115,041)	(747,263)	(632,221)	83% ▲
General Purpose Funding	(5,581)	(315,675)	(310,094)	98% ▲
Law, Order and Public Safety	(119,151)	(1,167,189)	(1,048,038)	90% ▲
Health	(51,291)	(296,002)	(244,711)	88% ▲
Education and Welfare	(33,207)	(161,706)	(128,499)	80% ▲
Housing	(80,928)	(340,775)	(259,847)	76% ▲
Community Amenities	(664,154)	(4,684,377)	(4,020,223)	89% ▲
Recreation and Culture	(1,033,097)	(6,210,448)	(5,177,351)	83% ▲
Transport	(1,709,785)	(11,047,833)	(9,338,048)	85% ▲
Economic Services	(197,888)	(1,895,911)	(1,698,024)	165% ▲
Other Property and Services	(182,465)	(962,370)	(779,905)	81% ▲
	(4,192,589)	(27,829,551)	(23,636,962)	91% ▼
Operating activities excluded from budget				
(Profit)/Loss on asset disposals	0	2,411	2,411	100% ▼
Loss on revaluation of non current assets	0	0	0	0% ▲
Depreciation on assets	1,167,013	6,400,705	5,233,692	82% ▼
Movement in employee benefit provisions	0	0	0	0% ▲
Amount attributable to operating activities	4,733,476	(5,145,977)	(9,879,454)	192% ▼
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	123,328	3,697,977	3,574,649	112% ▲
Purchase property, plant and equipment	(68,028)	(1,023,000)	(954,972)	71% ▼
Purchase and construction of infrastructure	(1,032,104)	(7,803,720)	(6,771,616)	107% ▼
Proceeds from disposal of assets	0	105,000	105,000	100% ▲
Amount attributable to investing activities	(976,804)	(5,023,743)	(4,046,939)	93% ▼
FINANCING ACTIVITIES				
Repayment of debentures	(115,125)	(779,311)	(664,186)	85% ▼
Proceeds from new debentures	0	0	0	0% ▲
Proceeds from self supporting loans	1,621	9,837	8,216	84% ▲
Advances to community groups	0	0	0	0% ▲
Transfers to Reserves (Restricted Assets)	(39,211)	(2,280,029)	(2,240,818)	99% ▼
Transfers from Reserves (Restricted Assets)	0	2,790,888	2,790,888	101% ▼
Amount attributable to financing activities	(152,715)	(258,615)	(105,901)	36% ▲
Surplus/(deficiency) before general rates	3,603,958	(10,428,335)	(14,032,294)	134% ▲
Total amount raised from general rates	10,428,315	10,428,335	20	0% ▼
Net current assets at June 30 c/fwd - surplus/(deficit)	15,262,102	0	15,262,102	▲

Shire of Wyndham East Kimberley
Notes to Statement of Financial Activity (Interim Report)
as at 31 August 2019

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	▲	44,038	
Rates Revenue - Interim Rates	30,196	▲	Interest on rates processed slightly earlier than budget. To rephase budget.
Governance	▼	(2,996)	
No material variances to report			
Law, Order and Public Safety	▲	13,239	
No material variances to report			
Health	▲	3,115	
No material variances to report			
Education and Welfare	▲	4	
No material variances to report			
Housing	▼	(7,246)	
No material variances to report			
Community Amenities	▲	14,792	
No material variance to report			
Recreation and Culture	▼	(8,567)	
No material variances to report			
Transport	▼	(489,497)	
Aircraft Landing Fees - East Kimberley Regional Airport	(107,867)	▼	Timing variance. August landing fees of \$158k received and processed in September.
Passenger Handling Fees - East Kimberley Regional Airport	(241,667)	▼	Timing variance. Passenger handling fees for July and August processed in September.
Passenger Screening Fees - East Kimberley Regional Airport	(122,500)	▼	Timing variance. Passenger screening fees for July and August processed in September.
Economic Services	▲	1,697	
No material variances to report			
Other Property and Services	▲	7,133	
No material variances to report			

Shire of Wyndham East Kimberley
Notes to Statement of Financial Activity (Interim Report)
as at 31 August 2019

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	▼	21,629
No material variances to report		
Governance	▼	63,458
Write Offs (as approved by Council)	51,018 ▼	Timing difference. Sundry debtor write offs have yet to be tabled in Council.
Subscriptions and Memberships - Governance	(33,399)	Timing difference. WALGA subscriptions paid slightly earlier than budget. Budget to be rephased.
Law, Order and Public Safety	▼	136,412
Emergency Services Levy Payment - Rates	113,333 ▼	Timing difference. Payment of the Emergency Services Levy occurred slightly later than budgeted.
Health	▲	(4,937)
No material variances to report		
Education and Welfare	▲	(2,875)
No material variances to report		
Housing	▲	(13,053)
No material variances to report		
Community Amenities	▼	101,973
Refuse Collection	35,007 ▼	Timing variance. Cleanaway August Invoices received and processed in September.
Landfill Maintenance	37,299 ▼	Timing variance. Maintenance expected to pickup in next few months before rain season.
Recreation and Culture	▼	45,128
Parks and Gardens Maintenance - Kununurra	25,848 ▼	Timing variance. Maintenance expected to pickup before the rains. Allocation of labour hours to this activity to be reviewed.
Joint Use Contribution - Libraries	24,167 ▼	Variance due to timing of bills from East Kimberley College for Shire's Library cost contribution.
Transport	▼	160,333
Street Lighting	22,427 ▼	Timing variance. August Horizon Power invoice received and processed in Sept
Rural Road Maintenance	24,298 ▼	Timing variance. Rural road maintenance expected to pick up in few months before rain season.
Street Lighting Upgrades	20,000 ▼	Timing variance. Project is in progress.
Administration Salary and Wages Allocated - Streets, Roads & Bridges - Maintenance	33,732 ▼	Non cash item. Variance due to cost allocation based on actual expenditure for the sub programme and administration overheads.
Direct Salaries - East Kimberley Regional Airport	21,728 ▼	Potential saving due to attrition.
Economic Services	▲	(23,595)
No material variances to report		
Other Property and Services	▼	47,985
Public Works Overheads Allocated - Payroll	35,619 ▼	Non-cash item. Variance due to internal allocations of overheads.
ABC Allocations	74,471 ▼	Non cash item. Variance due to cost allocation based on actual expenditure for the sub programme and administration overheads.
Plant Operating Cost Allocated	(90,827) ▼	Non Cash Item. Variance due to cost allocation based on actual expenditure related to plant operations.
Insurance - Unclassified	26,546 ▼	Variance due to timing of insurance cost reallocations.
Non Cash Expenditure and Revenue		
Depreciation on Assets	▼	106,755
Depreciation - Streets, Roads & Bridges - Maintenance	37,555 ▲	Non cash item. Asset lives now reviewed and depreciation expected to drop to budget level .going forward
INVESTING ACTIVITIES		
Non-operating grants, subsidies and contributions	▼	(613,871)
CCTV - Safer Communities Program Grant	(40,094) ▼	Timing variance. Income based on progress claims for the project. \$40,000 remaining to be claimed.
Aboriginal Roads Funding - State Grants	(65,200) ▼	Variance due to timing of grants coming through Mainroads. Budget to be rephased.
Regional Road Group Grants	(264,230) ▼	Variance due to timing of grants coming through Mainroads. Budget to be rephased.
Road to Recovery Grants	(210,146) ▼	Costs are claimed quarterly. Income expected in October. Budget to be rephased.
State Local Road Black Spot - Income	(35,034) ▼	Variance due to timing of grants coming through Mainroads. Budget to be rephased.
Purchase property, plant and equipment	▼	154,972
Carpark Upgrade - East Kimberley Regional Airport	50,000 ▼	Timing variance. Works carried forward for completion in 2019/20
Heavy Plant - Purchase Price	67,500 ▼	Heavy plant replacement programme yet to start for 2019-20. Budget to be rephased.
Light Plant - Purchase Price	32,000 ▼	Light plant replacement programme yet to start for 2019-20. Budget to be rephased.

Shire of Wyndham East Kimberley
Notes to Statement of Financial Activity (Interim Report)
as at 31 August 2019

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

Purchase and construction of infrastructure	▼	23,703	
Footpath renewal	75,600	▼	2019-20 Footpath renewal work in progress. \$17k already committed.
Implement Trails Master Plan	69,167	▼	Timing variance. To rephase budget.
Hardcourt re-surfacing all outdoor courts	49,145	▼	Works underway with \$260k committed.
Anthon Landing Wyndham Jetty Cathodic Protection-25 yr Life span	53,333	▼	Works underway with \$278k already spent or committed.
Road and Drainage Upgrade - Nutwood & Rosewood and surrounds	115,984	▼	Timing variance. Works in progress.
CCTV - Infrastructure Works	(428,145)	▲	Timing variance. Works completed earlier than budget. To rephase budget.
Bandicoot Drive - Road and Drainage upgrade	(470,945)	▲	Budget to be brought forward from 2018-19 after audit.
Kalumburu Road - Re-sheet	127,921	▼	Timing variance. Works in progress.
Lake Argyle Road - Widening	340,696	▼	Timing variance. Works underway with \$1.86million already committed.

FINANCING ACTIVITIES

Repayment of debentures	▲	(37,225)	
Loan 120 - Kununurra Childcare Centre - Principal Repayments	(37,227)	▲	Timing variance due to loan repayment occurring slightly earlier than budget. Budget to be rephased.
Proceeds from new debentures	▼	-	
Proceeds from self supporting loans	▼	(18)	
Advances to community groups	▼	-	
Transfers to Reserves (Restricted Assets)	▲	(39,211)	
Airport General Reserve - Transfer to Reserve	(20,552)	▲	Reserve Interest Income allocation occurring earlier than budget. Budget to be rephased.
Transfers from Reserves (Restricted Assets)	▼	-	

REPORT ON INVESTMENT PORTFOLIO AS AT 31 August 2019

INVESTMENT POLICY - CP FIN - 3203				INVESTMENTS REGISTER 2019-20							
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									
				Institution Name	S&P Rating	Term to Maturity	Interest Rate	Maturity Date	Principal	Interest on Maturity	% of portfolio
MUNICIPAL FUNDS											
				Bankwest		35 Days	1.60%	3-Oct-19	1,000,000.00	1,534.25	4.71%
				CBA		60 Days	1.68%	28-Oct-19	1,000,000.00	2,761.64	4.71%
				Bankwest		60 Days	1.65%	21-Oct-19	1,000,000.00	2,712.33	4.71%
				CBA		2 Months	1.70%	22-Oct-19	1,000,000.00	2,841.10	4.71%
				Bankwest		65 Days	1.65%	16-Oct-19	1,000,000.00	2,938.36	4.71%
				Westpac		3 Months	1.82%	19-Nov-19	1,000,000.00	4,587.40	4.71%
				Bankwest		60 Days	1.65%	18-Oct-19	1,003,258.90	2,721.17	4.72%
TOTAL MUNICIPAL INVESTMENTS									7,003,258.90	20,096.24	32.97%
RESERVE FUNDS											
				NAB		120 Days	1.98%	29-Oct-19	1,131,618.36	7,366.37	5.33%
				CBA		120 Days	2.01%	16-Oct-19	1,966,303.30	12,993.76	9.26%
				CBA		120 Days	2.01%	16-Oct-19	1,070,469.88	7,073.90	5.04%
				CBA		90 Days	2.33%	9-Sep-19	1,023,312.96	2,155.69	4.82%
				Bankwest		90 Days	2.05%	10-Sep-19	536,268.12	2,710.73	2.52%
				Bankwest		65 Days	1.65%	16-Oct-19	1,046,754.11	3,075.74	4.93%
				NAB		120 Days	2.06%	16-Oct-19	1,043,356.11	7,066.24	4.91%
				NAB		120 Days	2.06%	16-Oct-19	1,043,356.12	7,066.24	4.91%
				Bankwest		120 Days	2.00%	16-Oct-19	1,041,248.01	6,846.56	4.90%
				Bankwest		120 Days	2.00%	16-Oct-19	780,936.00	5,134.92	3.68%
				NAB		122 Days	1.80%	9-Dec-19	1,023,671.36	6,158.86	4.82%
				NAB		122 Days	1.80%	9-Dec-19	1,017,788.66	6,123.46	4.79%
				NAB		120 Days	2.06%	16-Oct-19	1,033,134.19	6,997.01	4.86%
TOTAL RESERVE INVESTMENTS									13,758,217.18	80,769.46	64.77%
TRUST FUNDS - T292											
				Bankwest		120 Days	2.10%	26-Sep-19	481,094.31	3,321.53	2.26%
TOTAL TRUST INVESTMENTS									481,094.31	3,321.53	2.26%
TOTAL INVESTMENTS HELD & INTEREST PAID									21,242,570.39	104,187.23	100.00%

Counterparty Credit

