SHIRE OF WYNDHAM EAST KIMBERLEY

MONTHLY FINANCIAL REPORT

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

For the period ended 31 July 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 31 JULY 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		13,554,739	13,554,739	13,561,655	6,916	0.05%	▲
Grants, subsidies and contributions		5,640,798	470,067	24,424	(445,642)	-94.80%	▼
Fees and charges		10,340,151	2,786,275	3,052,526	266,251	9.56%	▲
Interest revenue		1,064,000	88,667	18,045	(70,622)	-79.65%	▼
Other revenue		508,000	486,917	419,063	(67,853)	-13.94%	▼
	1	31,107,688	17,856,731	17,075,713	(781,017)	-4.37%	
Expenditure from operating activities							
Employee costs		(16,548,424)	(1,379,035)	(1,062,002)	317,034	22.99%	▲
Materials and contracts		(9,212,735)	(767,728)	(445,344)	322,384	41.99%	▲
Utility charges		(1,738,800)	(144,900)	(35,080)	109,820	75.79%	▲
Depreciation		(9,175,341)	(764,612)	(759,746)	4,865	0.64%	▲
Finance costs		(277,591)	(23,133)	-	23,133	100.00%	▲
Insurance		(700,266)	(58,355)	(539,539)	(481,184)	-824.57%	▼
Other expenditure		(2,131,021)	(177,585)	(25,035)	152,550	85.90%	▲
	2	(39,784,177)	(3,315,348)	(2,866,746)	448,602	-13.53%	
Depreciation excluded from operating activities	2(b)	9,175,341	764,612	759,746	(4,865)	-0.64%	▼
Amount attributable to operating activities		**498,851**	**15,305,994**	**14,968,713**	**(337,281)**	**-2.20%**	
INVESTING ACTIVITIES							
Inflows from investing activities							
Capital grants, subsidies and contributions		28,797,920	2,399,827	1,030,000	(1,369,827)	-57.08%	▼
Disposal of assets		-	-	-	-	0.00%	
	3	28,797,920	2,399,827	1,030,000	(1,369,827)	-57.08%	
Outflows from investing activities							
Acquisition of property, plant and equipment		(57,764,155)	(4,813,680)	(113,030)	4,700,650	97.65%	▲
Acquisition of infrastructure		(22,408,673)	(1,867,389)	(212,138)	1,655,252	88.64%	▲
	4	(80,172,828)	(6,681,069)	(325,168)	6,355,901	95.13%	
Amount attributable to investing activities		**(51,374,908)**	**(4,281,242)**	**704,832**	**4,986,075**	**-116.46%**	
FINANCING ACTIVITIES							
Inflows from financing activities							
Proceeds from new borrowings		2,000,000	-	-	-	0.00%	
Transfer from Contract Liabilities		40,192,577	-	-	-	0.00%	
Transfers from reserve accounts		4,466,987	-	-	-	0.00%	
		46,659,564	-	-	-	0.00%	
Outflows from financing activities							
Repayment of borrowings		(1,009,721)	-	-	-	0.00%	
Transfers to reserve accounts		(629,627)	-	-	-	0.00%	
	5	(1,639,348)	-	-	-	0.00%	
Amount attributable to financing activities		**45,020,216**	**-**	**-**	**-**	**0.00%**	
MOVEMENT IN SURPLUS OR DEFICIT							
Surplus at the start of the financial year		5,855,840	5,855,840	5,855,840	-	0.00%	
Amount attributable to operating activities		498,852	15,305,994	14,968,713	(337,281)	-2.20%	
Amount attributable to investing activities		(51,374,908)	(4,281,242)	704,832	4,986,075	-116.46%	
Amount attributable to financing activities		45,020,216	-	-	-	0.00%	
Surplus/(deficit) remaining after the imposition of general rates		**0**	**16,880,591**	**21,529,386**	**4,648,794**	**28%**	

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 31 JULY 2026

	Actual 30 June 2026 $	Actual 31 July 2026 $
CURRENT ASSETS		
Cash and cash equivalents	69,244,559	63,893,809
Trade and other receivables	2,497,659	19,084,525
Other financial assets	2,381	2,381
Inventories	15,251	11,286
TOTAL CURRENT ASSETS	71,759,851	82,992,001
NON-CURRENT ASSETS		
Trade and other receivables	43,520	43,520
Other Financial Assets	12,145	12,145
Inventories	46,283	46,283
Property, plant and equipment	54,151,151	58,979,835
Infrastructure	272,016,032	308,467,912
TOTAL NON-CURRENT ASSETS	326,269,130	367,549,696
TOTAL ASSETS	398,028,981	450,541,696
CURRENT LIABILITIES		
Trade and other payables	397,470	881,462
Other liabilities	21,852,303	21,852,303
Borrowings	972,531	989,071
Employee related provisions	1,551,962	1,702,466
TOTAL CURRENT LIABILITIES	24,774,265	25,425,302
NON-CURRENT LIABILITIES		
Borrowings	6,543,676	5,738,520
Employee related provisions	139,630	164,305
Other Provisions	5,685,700	5,685,700
TOTAL NON-CURRENT LIABILITIES	12,369,006	11,588,524
TOTAL LIABILITIES	37,143,271	37,013,826
NET ASSETS	**360,885,710**	**413,527,870**
EQUITY		
Retained surplus	149,098,604	201,740,764
Reserve accounts	17,387,268	17,387,268
Revaluation Surplus	194,399,839	194,399,839
TOTAL EQUITY	**360,885,710**	**413,527,870**

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 2026-27 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 31 July 2026

2 STATEMENT OF FINANCIAL ACTIVITY INFORMATION

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

	Note	Adopted Budget Opening 01 July 2026	Actual as at 30 June 2026	Actual as at 31 July 2026
Current assets		$	$	$
Cash and cash equivalents		5,740,524	69,244,559	63,893,809
Trade and other receivables		10,305,738	2,497,659	19,084,525
Other financial assets		6,136,494	2,381	2,381
Inventories		15,252	15,251	11,286
Other assets		-	-	-
		22,198,008	71,759,851	82,992,001
Less: current liabilities				
Trade and other payables		(8,425,040)	(397,470)	(881,462)
Other liabilities		(2,053,618)	(21,852,303)	(21,852,303)
Borrowings		(990,279)	(972,531)	(989,071)
Employee provisions		(1,359,392)	(1,551,962)	(1,702,466)
Other provisions		0	-	-
		(12,828,329)	(24,774,265)	(25,425,302)
Net current assets		**9,369,679**	**46,985,585**	**57,566,698**
Less: Total adjustments to net current assets	2(c)	(9,369,679)	(16,417,118)	(14,446,706)
Closing funding surplus/ (deficit)		**-**	**30,568,467**	**43,119,992**

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	-	-	-
Add: Loss on asset disposals	-	-	-
Add: Depreciation	9,175,341	764,612	759,746
Movement in current employee provisions associated with restricted cash	-	-	-
Total non-cash amounts excluded from operating activities	**9,175,341**	**764,612**	**759,746**

(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 2026	Actual as at 30 June 2026	Actual as at 31 July 2026
Adjustments to net current assets		$	$	$
Less: Reserve accounts		(10,359,958)	(17,387,268)	(17,387,268)
Less: Financial assets at amortised cost - self supporting loans			(2,381)	(2,381)
Add: Current liabilities not expected to be cleared at the end of the year				
- Current portion of borrowings		990,279	972,531	989,071
- Current portion of unspent capital grants held in reserve		-	-	1,434,326
- Current portion of employee benefit provisions held in reserve		-	-	519,545
Total adjustment to net current assets	2(a)	**(9,369,679)**	**(16,417,118)**	**(14,446,706)**

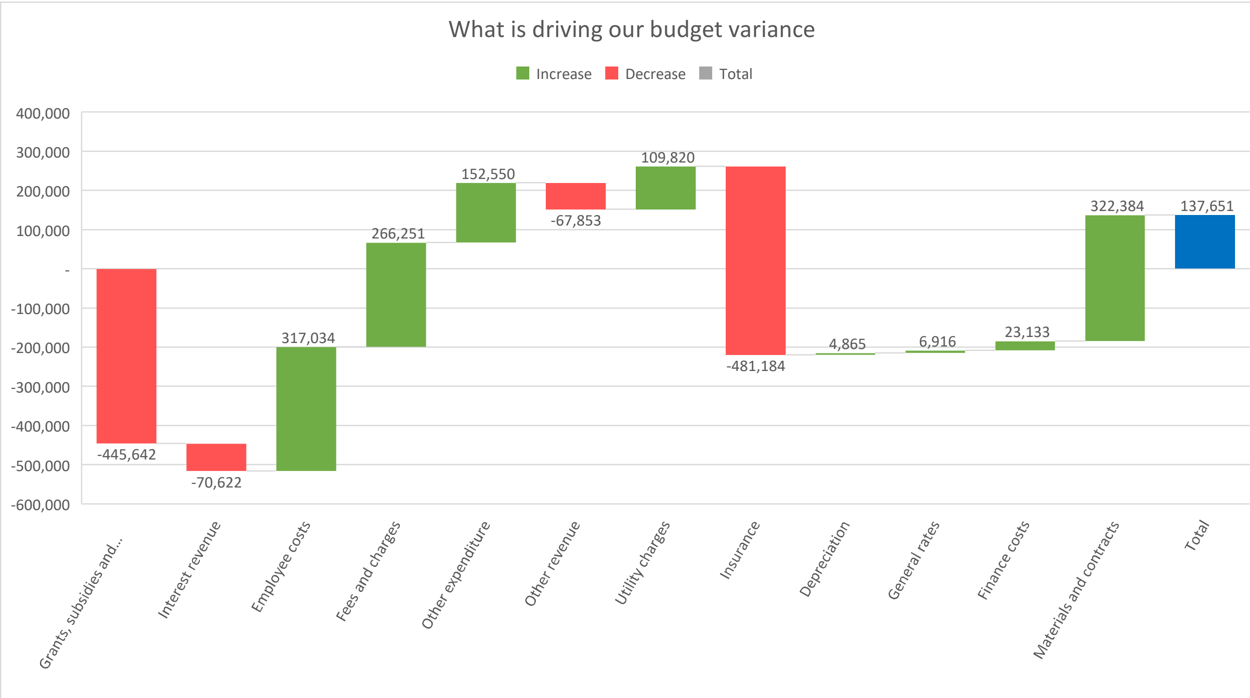
CURRENT AND NON-CURRENT CLASSIFICATION
In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. Unless otherwise stated assets or liabilities are classified as current if expected to be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

3 EXPLANATION OF MATERIAL VARIANCES

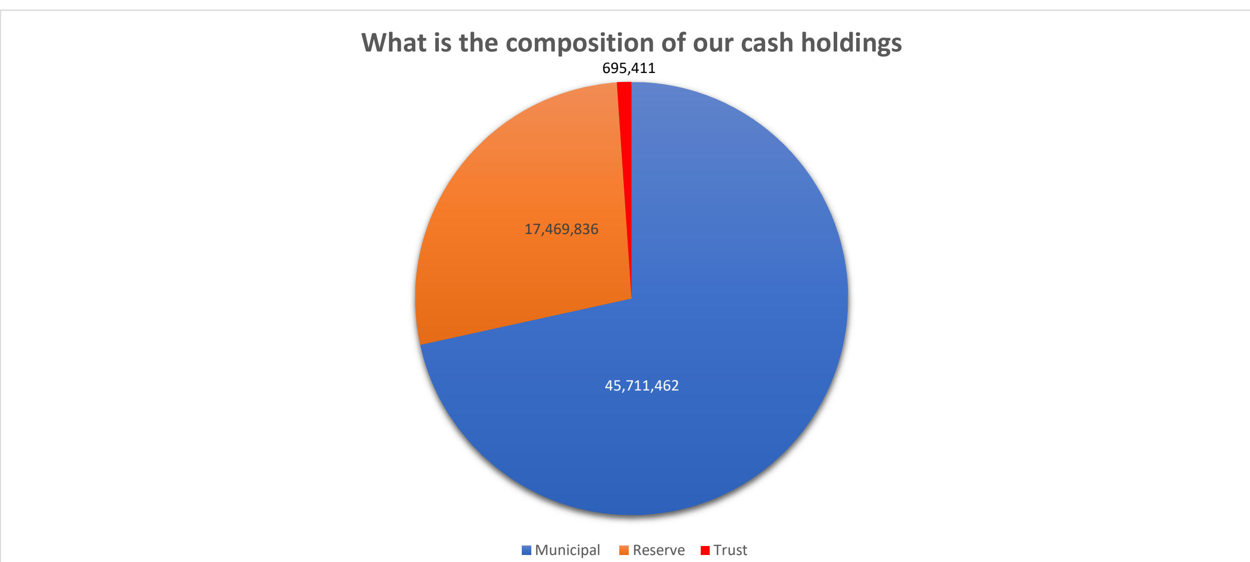
The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date budget materially.
The material variance adopted by Council for the 2026-27 year is $75,000 and 10.00% whichever is the greater.

Description	Var. $	Var. %	
	$	%	
Revenue from operating activities			
Grants, subsidies and contributions	(445,642)	-94.80%	▼
Variance reflects the timing of grant payments received in advance in the prior financial year.			
Fees and charges	266,251	9.56%	▲
Variance reflects higher than forecast waste charges and aircraft landing fees during the reporting period.			
Interest revenue	(70,622)	-79.65%	▼
Variance reflects timing of recognition of interest received from investments.			
Other revenue	(67,853)	-13.94%	▼
Variance reflects lower than anticipated Emergency Services Levy revenue.			
Expenditure from operating activities			
Employee costs	317,034	22.99%	▲
Employee costs are below budget primarily due to current vacancies.			
Materials and contracts	322,384	41.99%	▲
Variance reflects lower than expected expenditure on building and facility maintenance.			
Utility charges	109,820	75.79%	▲
Variance reflects reduced pool operating costs.			
Finance costs	23,133	100.00%	▲
Variance reflects the timing of loan payments.			
Insurance	(481,184)	-824.57%	▼
Variance reflects the timing of payments of annual insurance.			
Other expenditure	152,550	85.90%	▲
Variance reflects lower than expected expenditure on Emergency Services Levy payments.			
Investing Activities			
Capital grants, subsidies and contributions	(1,369,827)	-57.08%	▼
Variance reflects lower than anticipated capital grants received.			
Outflows from investing activities			
Payments for property, plant and equipment	4,700,650	97.65%	▲
Variance reflects lower than expected expenditure.			
Payments for construction of infrastructure	1,655,252	88.64%	▲
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

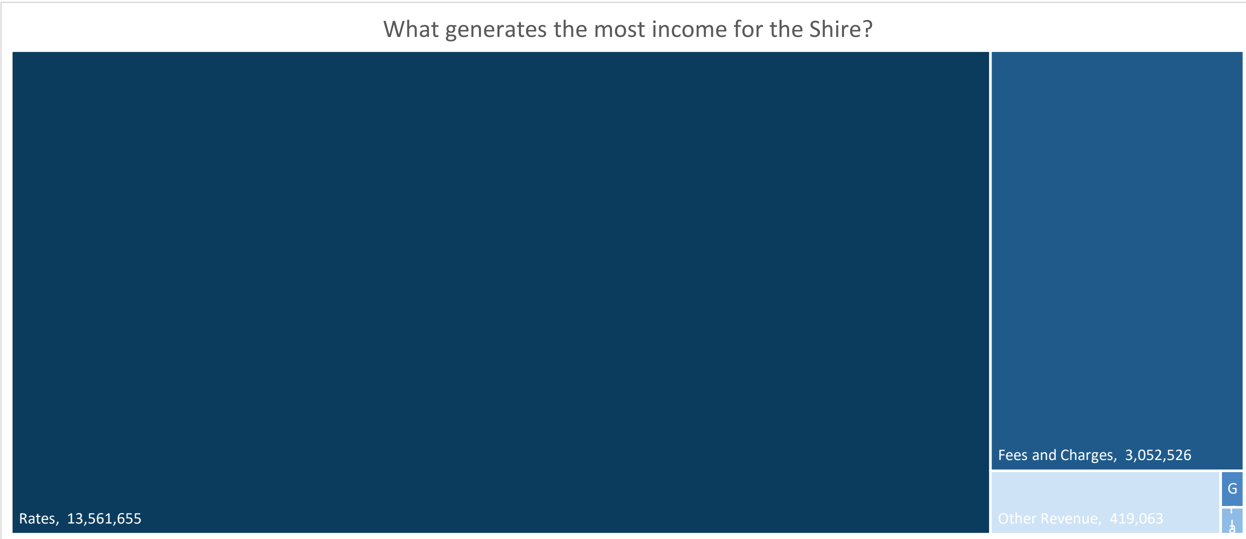


5 CASH HOLDINGS AND CASH TRENDS

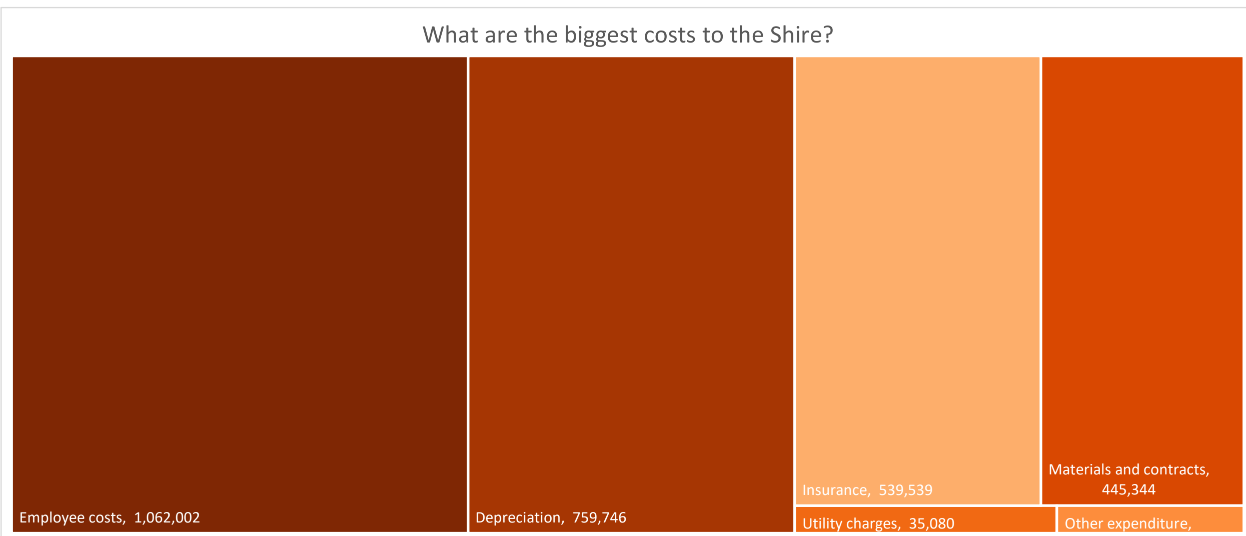


Municipal funds represent unrestricted operating cash, while reserve balances are restricted for specific purposes.

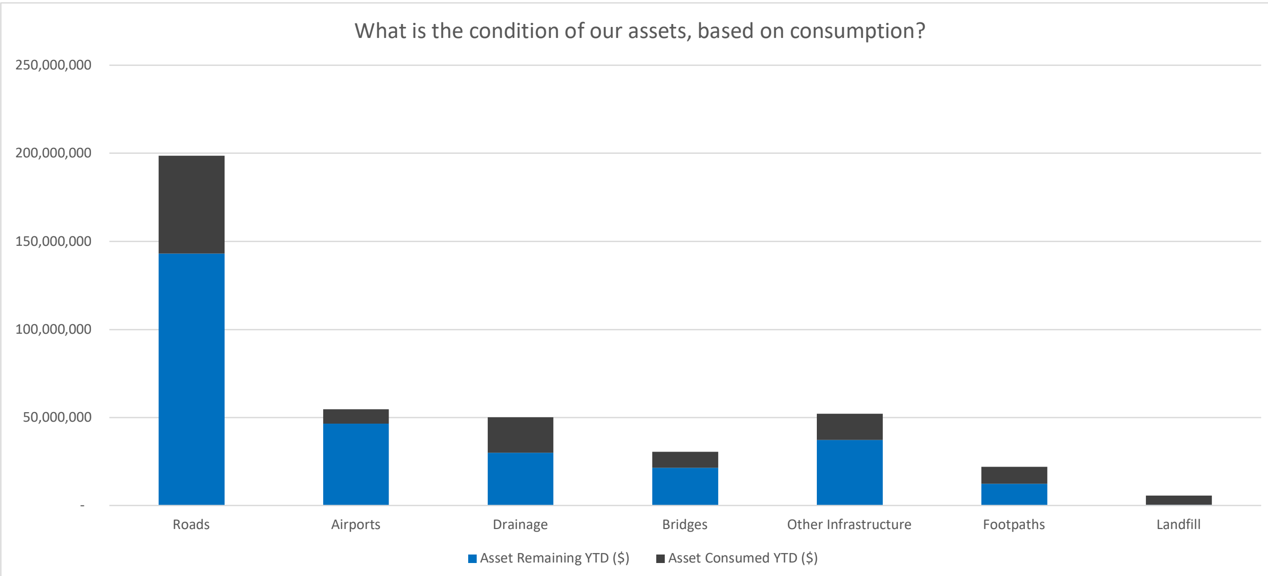
6 SHIRE INCOME MONTHLY TRENDS



7 SHIRE OPERATING EXPENSE ANALYSIS



8 ASSET LIFE AND MANAGEMENT ANALYSIS



Management Analysis

At the end of July 2026, the Shire has commenced the new financial year with a favourable year-to-date variance against budget.

As this represents the first reporting month of the 2026/27 financial year, the result is influenced by the timing of revenue recognition and expenditure commitments. The year-to-date position nevertheless provides an early indication that overall financial performance is tracking favourably against the adopted budget.

Overall Position:

The Shire has commenced the 2026/27 financial year in a favourable financial position, with the year-to-date result ahead of budget and a strong level of cash and investments.

The cash position provides appropriate liquidity to support the Shire's operational activities, capital works program and existing commitments, while reserve funds continue to be maintained for their designated purposes.