



Shire of Wyndham East Kimberley

Monthly Financial Report 2017/18

As at 31 October 2017

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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 2017

	YTD Actual 2017/18 \$	YTD Amedned Budget 2017/18 \$	YTD Variance 2017/18 \$	%	
Estimated Surplus/(Deficit) July 1 B/Fwd	1,828,735	1,828,735	0	0%	▼
Revenue					
General Purpose Funding	664,029	617,149	46,880	8%	▲
Governance	13,201	8,596	4,605	54%	▲
Law, Order and Public Safety	433,540	398,041	35,499	9%	▲
Health	14,677	16,421	(1,744)	-11%	▼
Education and Welfare	3,932	3,748	184	5%	▲
Housing	47,603	55,172	(7,569)	-14%	▼
Community Amenities	2,104,894	2,114,038	(9,144)	0%	▼
Recreation and Culture	332,647	338,092	(5,445)	-2%	▼
Transport	1,393,356	1,439,365	(46,009)	-3%	▼
Economic Services	15,622	27,768	(12,146)	-44%	▼
Other Property and Services	9,755	12,000	(2,245)	-19%	▼
	5,033,256	5,030,389	2,867	0%	▲
Expenses					
General Purpose Funding	(27,007)	(53,104)	26,097	-49%	▼
Governance	(284,990)	(358,927)	73,937	-21%	▼
Law, Order and Public Safety	(381,768)	(393,504)	11,736	-3%	▼
Health	(97,850)	(103,490)	5,640	-5%	▼
Education and Welfare	(87,303)	(90,198)	2,895	-3%	▼
Housing	(198,575)	(219,088)	20,513	-9%	▼
Community Amenities	(1,573,114)	(1,619,467)	46,353	-3%	▼
Recreation and Culture	(2,137,654)	(2,389,315)	251,661	-11%	▼
Transport	(5,936,616)	(3,529,740)	(2,406,876)	68%	▲
Economic Services	(171,551)	(214,049)	42,498	-20%	▼
Other Property and Services	(156,833)	(721,481)	564,648	-78%	▼
	(11,053,262)	(9,692,363)	(1,360,899)	14%	▲
Operating activities excluded from budget					
(Profit)/Loss on asset disposals	0	0	0	0%	▼
Loss on revaluation of non current assets	0	0	0	0%	▼
Depreciation on assets	2,141,172	2,458,189	(317,016)	-13%	▼
Movement in employee benefit provisions	0	0	0	0%	▼
Amount attributable to operating activities	(2,050,098)	(375,050)	(1,675,048)	447%	▼
INVESTING ACTIVITIES					
Non-operating grants, subsidies and contributions	2,598,124	2,861,229	(263,105)	-9%	▼
Purchase property, plant and equipment	(163,395)	(406,027)	242,632	-60%	▼
Purchase and construction of infrastructure	(5,226,968)	(7,102,416)	1,875,448	-26%	▼
Proceeds from disposal of assets	16,466	16,467	(1)	0%	▲
Amount attributable to investing activities	(2,775,773)	(4,630,747)	1,854,974	-40%	▲
FINANCING ACTIVITIES					
Repayment of debentures	(177,196)	(177,196)	0	0%	▼
Proceeds from new debentures	0	0	0	0%	▼
Proceeds from self supporting loans	0	0	0	0%	▼
Advances to community groups	0	0	0	0%	▼
Transfers to Reserves (Restricted Assets)	(44,204)	(64,492)	20,288	-31%	▼
Transfers from Reserves (Restricted Assets)	1,902,892	1,902,892	0	0%	▼
Amount attributable to financing activities	1,681,493	1,661,204	20,288	1%	▼
Surplus/(deficiency) before general rates	(3,144,379)	(3,344,593)	200,214	-6%	▲
Total amount raised from general rates	10,371,190	10,376,870	(5,680)	0%	▼
Net current assets at June 30 c/fwd - surplus/(deficit)	7,227,008	7,032,277	194,732		▲

Shire of Wyndham East Kimberley

Note to Statement of Financial Activity

Net Current Assets

as at 31 October 2017

Composition of Estimated Net Current Asset Position

	YTD Actual 2017/18	Brought Forward 1 July 2017
CURRENT ASSETS		
① Cash - Municipal (Unrestricted)	2,183,571	1,206,868
Cash Investments - Restricted Reserves	13,186,564	8,392,587
Cash - Restricted Reserves	724,334	7,374,704
Receivables	6,626,555	2,258,580
Inventories	16,751	21,384
	<u>22,737,776</u>	<u>19,254,123</u>
LESS: CURRENT LIABILITIES		
Payables and Provisions	(1,599,869)	(1,658,061)
Less:		
Restricted - Reserves	(13,910,898)	(15,767,291)
② NET CURRENT ASSET POSITION	<u>7,227,008</u>	<u>1,828,772</u>
Less:		
Restricted - Reserves	(908,297)	
Restricted - Unspent Grants & Loans	(507,032)	
ADJUSTED NET CURRENT ASSET POSITION	<u>5,811,679</u>	<u>1,828,772</u>
① Cash - Municipal brought forward balances represented by:		
Cash on Hand	1,850	1,850
Cash at Bank - Municipal		
Unrestricted	766,392	1,205,018
Restricted - Reserves	908,297	0
Restricted - Unspent Grants & Loans	507,032	0
	<u>2,183,571</u>	<u>1,206,868</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
For the Period Ended 31 October 2017

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	▲	46,880	
Rates Revenue - Interim Rates	(47,075) ▲		Due the uncertainty and fluctuation throughout the year interim rates were not included in the Budget . This will be reviewed as part of the Mid Year Budget Review.
Non Payment Penalty Interest - Rates	(21,302) ▲		Increased income due to more ratepayers paying later than anticipated. Budget to be amended at the Mid Year Budget Review.
Governance	▲	4,605	
No material variances to report			
Law, Order and Public Safety	▲	35,499	
No material variances to report			
Health	▼	(1,744)	
No material variances to report			
Education and Welfare	▲	184	
No material variances to report			
Housing	▼	(7,569)	
No material variances to report			
Community Amenities	▼	(9,144)	
No material variances to report			
Recreation and Culture	▼	(5,445)	
No material variances to report			
Transport	▼	(46,009)	
Passenger Handling Fees - East Kimberley Regional Airport	53,595 ▼		Timing variance. Due to delay in invoicing.
Passenger Screening Fees - East Kimberley Regional Airport	22,756 ▼		Timing variance. Due to delay in invoicing.
Leases - East Kimberley Regional Airport Terminal	(37,407) ▲		Increased Income from rental car leases which are based on turnover. Budget to be amended at the Mid Year Budget Review.
Economic Services	▼	(12,146)	
No material variances to report			
Other Property and Services	▼	(2,245)	
No material variances to report			
Operating Expenditure	▼		
General Purpose Funding	▼	(26,097)	
No material variances to report			
Governance	▼	(73,937)	100% of the variance related to timing.
Law, Order and Public Safety	▼	(11,736)	
No material variances to report			
Health	▼	(5,640)	
No material variances to report			
Education and Welfare	▼	(2,895)	
No material variances to report			
Housing	▼	(20,513)	
No material variances to report			

Shire of Wyndham East Kimberley
Notes to Statement of Financial Activity
For the Period Ended 31 October 2017

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..)

Community Amenities

▼
▼ **(46,353)**

Landfill Maintenance	42,183	▲	Timing variance and increased expenditure. Due to landfill software invoice and landfill cover invoice received earlier than anticipated and maintenance of the new liquid waste facility
Direct Salaries - Kununurra Landfill	25,464	▲	Increased expenditure due to staff hours allocated in the first quarter, which offsets with reduced expenditure in outdoor workforce salaries. Budget to be amended at the Mid Year Budget Review.
Direct Salaries - Wyndham Landfill	(22,177)	▼	Potential savings for 2017/18. Due to changes to staff allowances.
Write Offs and Waivers - Waste Disposal Charges - Impact on Waste	(22,463)	▼	Non-cash item which waives off income therefore nil impact on waste management reserve. Variance due to lower patronage during the Free Waste Weekend.
Community Grants	(59,195)	▼	Timing variance. Grants assistance programme in progress for 2017/18.

Recreation and Culture

▼
▼ **(251,661)**

60% of the variance related to timing and 40% related to internal overhead allocations/depreciation

Depreciation - Public Halls	(42,519)	▼	Non cash item. Variance due to the revaluations in 2016/17. Budget to be amended at the Mid Year Budget Review.
Depreciation - Land Under Control - Building & Structure	(45,204)	▼	Non cash item. Variance due to the revaluations in 2016/17. Budget to be amended at the Mid Year Budget Review.
Depreciation - Kununurra Leisure Centre	(20,408)	▼	Non cash item. Variance due to the revaluations in 2016/17. Budget to be amended at the Mid Year Budget Review.
Administration Salary and Wages Allocated - Kununurra Parks and Gardens	27,460	▲	Non cash item. Variance due to allocation is based on actual expenditure for the sub programme and administration overheads.
Joint Use Contribution - Libraries	(27,802)	▼	Timing variance. Expenditure incurred earlier than anticipated.

Transport

▲
▲ **2,406,876**

90% of the variance related to timing, 7% related to internal overhead allocations/depreciation and 3% permanent savings related to the airport.

Rural Road Maintenance	(87,346)	▼	Timing variance. Due to Depot Grader out of service therefore unable to complete Closing Grades. All contractors tied up with WANDRRA Works until recently
Urban Road Maintenance - Wyndham	(48,192)	▼	Timing variance. Due to internal allocation of staff hours, internal plant and overhead allocations.
Urban Road Maintenance - Kununurra	33,956	▲	Timing variance. Increased expenditure due to open drainage works for Wets Season Preparations.
WANDRRA Monsoonal Trough and Associated Flooding (January 2017) - Expenditure	2,781,829	▲	Timing variance. WANDRRA Expenses to be transferred to asset renewal expenditure at the end of the project.
Administration Salary and Wages Allocated - Streets, Roads & Bridges - Maintenance	28,551	▲	Non cash item. Variance due to allocation is based on actual expenditure for the sub programme and administration overheads.
Admin Overheads Allocated - Streets, Roads & Bridges - Maintenance	(20,586)	▼	Non cash item. Variance due to allocation is based on actual expenditure for the sub programme and administration overheads.
Depreciation - Streets, Roads & Bridges - Maintenance	(77,982)	▼	Non cash item. Variance due to the anticipated capital projects to be completed at the last financial year end and carry forward projects.
Insurance - East Kimberley Regional Airport	(25,798)	▼	Decreased Expenditure due to exclusion of airport paved areas from building insurance.
Airport Outbuilding Building Maintenance - Wyndham Airport	(30,000)	▼	Timing variance. Acquiring quotations is in progress.

Economic Services

▼
▼ **(42,498)**

Kununurra Visitor Centre - Contribution	60,000	▲	Timing variance. Expenditure incurred earlier than anticipated.
Direct Salaries - Economic Development Services	(36,049)	▼	Potential Savings for 2017/18. Vacant position currently advertised.

Other Property and Services

▼
▼ **(564,648)**

62% of the variance related to timing and 46% to internal overhead allocations/depreciation.

Public Works Overheads Allocated - Payroll	(36,315)	▲	Non-cash item. Variance due to internal allocations of overheads.
Indirect Salaries - Outdoor Workforce	(25,461)	▼	Decreased expenditure due to staff hours allocated in the first quarter, which offsets with increased expenditure in landfill salaries. Budget to be amended at the Mid Year Budget Review.
Administration Salary and Wages Allocated - General Administration Overheads	(96,359)	▼	Non cash item. Variance due to allocation is based on actual expenditure for the sub programme and administration overheads.
Recruitment and Relocation	(23,026)	▼	Timing variance. Recruitments in progress for 2017/18.
Public Works Overheads Allocated - Contracts	(284,475)	▼	Timing Variance. To be journalled in November 2017.
Direct Salaries - Wyndham Administration	(24,768)	▼	Timing variance. Staff allowance and provisions changes to be analysed.
Direct Salaries - Customer Service and Records	(20,378)	▼	Timing variance. Staff allowance and provisions changes to be analysed.
ABC Allocations	36,446	▼	Non cash item. Variance due to allocation is based on actual expenditure for the sub programme and administration overheads.
Depreciation - Kununurra Administration	21,350	▲	Non cash item. Variance due to the revaluations in 2016/17. Budget to be amended at the Mid Year Budget Review.
POC Parts and Repairs	21,869	▲	Increased expenditure due to unanticipated repairs related to several heavy plants.
Depreciation - Plant Operation	(112,485)	▼	Non cash item. Variance due to the anticipated capital projects to be completed at the last financial year end and carry forward projects.

Shire of Wyndham East Kimberley
Notes to Statement of Financial Activity
For the Period Ended 31 October 2017

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

Non Cash Expenditure and Revenue

Depreciation on assets	(317,016)	▼	Non cash item. Variance due to the anticipated capital projects to be completed at the last financial year end and carry forward projects and due to revaluations in 2016/17.
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INVESTING ACTIVITIES

Non-operating grants, subsidies and contributions ▼ **263,105**

Wyndham Boat Ramp - Grant	60,000	▼	Timing variance. Project in progress expected to be claimed in January 18.
Regional Road Group Grants	(517,513)	▲	Timing variance. Grant income based on progress claim for the project.
WANDRRA Funding - Monsoonal Trough and Associated Flooding	739,901	▼	Timing variance. Grant income based on progress claim for the project.

Purchase property, plant and equipment ▼ **(242,632)**

Power Supply Upgrade - East Kimberley Regional Airport Terminal	(118,000)	▼	Timing variance. Project in progress.
Medium Plant - Purchase Price	66,500	▲	Timing variance. Plant replacement program in progress.
System Development - Capital	(65,991)	▼	Timing variance. Project in progress.
Upgrade Inter-site Network Connectivity	(60,000)	▼	Timing variance. Project expected to be completed by December 2017.
Kununurra Landfill Site - Security	(30,000)	▼	Timing variance. Project in progress.

Purchase and construction of infrastructure ▼ **(1,875,448)**

WANDRRA Monsoonal Trough and Associated Flooding	(1,302,281)	▼	Timing variance. WANDRRA Expenses to be transferred to asset renewal expenditure at the end of the project.
Kalumburu Road - Re-sheet	(276,616)	▼	Timing variance. Contract awarded and project in progress.
Road Reseals - Townsites	384,499	▲	Timing variance. Expenses to be split between Wyndham and Kununurra town sites at the end of the project.
Lake Argyle Road - Widening	(347,625)	▼	Timing variance. Contract awarded and project in progress.
Resurfacing and reseal program - Kununurra town site	(170,000)	▼	Timing variance. Expenses to be split between Wyndham and Kununurra town sites at the end of the project.
Drainage Upgrade - Gambier Street, Wyndham	(150,000)	▼	Project expected to continue in 2017/18. Carryover funds to next financial year.

Proceeds from disposal of assets ▲ **-**
 No material variances to report

FINANCING ACTIVITIES

Repayment of debentures ▼ **-**
 No material variances to report

Proceeds from new debentures ▼ **-**
 No material variances to report

Proceeds from self supporting loans ▼ **-**
 No material variances to report

Advances to community groups ▼ **-**
 No material variances to report

Transfers to Reserves (Restricted Assets) ▼ **20,288**
 No material variances to report

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 2017

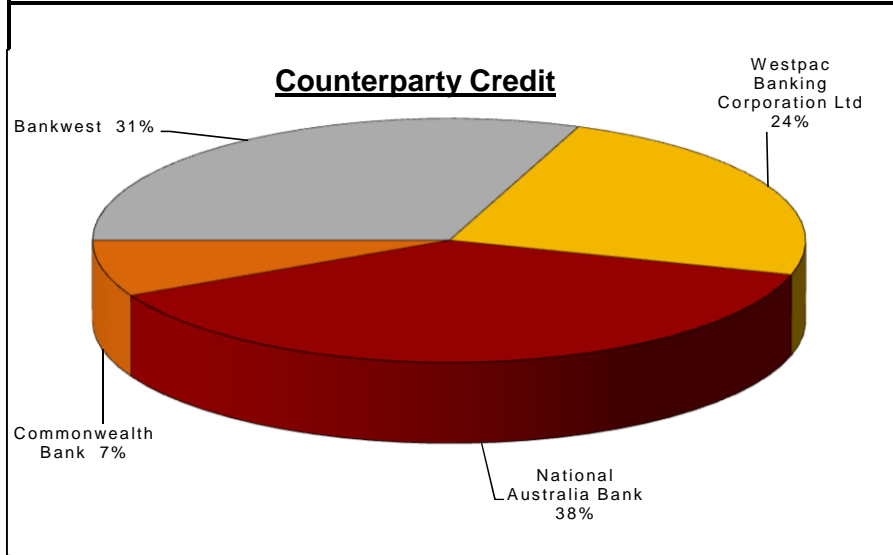
	YTD Actual	Revised Annual Budget	Annual Budget	Budget Remaining (Amended Budget less YTD Actual)	%	
	2017/18	2017/18	2017/18	2017/18		
	\$	\$	\$	\$		
Estimated Surplus/(Deficit) July 1 B/Fwd	1,828,735	1,828,735	2,573,358	0	0%	▼
Revenue						
General Purpose Funding	664,029	2,242,555	2,209,111	1,578,526	70%	▼
Governance	13,201	25,800	25,800	12,599	49%	▼
Law, Order and Public Safety	433,540	447,171	447,171	13,631	3%	▼
Health	14,677	95,117	95,117	80,440	85%	▼
Education and Welfare	3,932	11,242	11,242	7,310	65%	▼
Housing	47,603	165,540	165,540	117,937	71%	▼
Community Amenities	2,104,894	2,983,715	3,008,715	878,821	29%	▼
Recreation and Culture	332,647	759,343	764,343	426,696	56%	▼
Transport	1,393,356	4,329,496	4,215,656	2,936,140	68%	▼
Economic Services	15,622	116,290	116,290	100,668	87%	▼
Other Property and Services	9,755	83,059	83,059	73,304	88%	▼
	5,033,256	11,259,327	11,142,043	6,226,071	56%	▼
Expenses						
General Purpose Funding	(27,007)	(409,693)	(409,693)	(382,686)	93%	▼
Governance	(284,990)	(1,275,652)	(1,275,652)	(990,662)	78%	▼
Law, Order and Public Safety	(381,768)	(1,096,626)	(1,086,626)	(714,858)	65%	▼
Health	(97,850)	(289,989)	(289,989)	(192,139)	66%	▼
Education and Welfare	(87,303)	(255,602)	(255,602)	(168,299)	66%	▼
Housing	(198,575)	(584,576)	(569,576)	(386,001)	66%	▼
Community Amenities	(1,573,114)	(4,800,162)	(4,765,162)	(3,227,048)	67%	▼
Recreation and Culture	(2,137,654)	(6,720,491)	(6,770,491)	(4,582,837)	68%	▼
Transport	(5,936,616)	(11,147,165)	(10,911,110)	(5,210,549)	47%	▼
Economic Services	(171,551)	(705,106)	(705,106)	(533,555)	76%	▼
Other Property and Services	(156,833)	(904,967)	(875,834)	(748,134)	83%	▼
	(11,053,262)	(28,190,029)	(27,914,841)	(17,136,767)	61%	▼
Operating activities excluded from budget						
(Profit)/Loss on asset disposals	0	1,883	(20,251)	1,883	-9%	▲
Loss on revaluation of non current assets	0	0	0	0	0%	▲
Depreciation on assets	2,141,172	7,374,523	7,374,523	5,233,350	71%	▼
Movement in employee benefit provisions	0	0	0	0	0%	▲
Amount attributable to operating activities	(2,050,098)	(7,725,562)	(6,845,168)	(5,675,463)	83%	▼
INVESTING ACTIVITIES						
Non-operating grants, subsidies and contributions	2,598,124	11,534,205	11,448,756	8,936,081	77%	▲
Purchase property, plant and equipment	(163,395)	(2,633,675)	(2,428,494)	(2,470,280)	94%	▼
Purchase and construction of infrastructure	(5,226,968)	(15,963,652)	(16,049,775)	(10,736,683)	67%	▼
Proceeds from disposal of assets	16,466	265,285	248,818	248,819	94%	▲
Amount attributable to investing activities	(2,775,773)	(6,797,836)	(6,780,695)	(4,022,063)	59%	▼
FINANCING ACTIVITIES						
Repayment of debentures	(177,196)	(1,044,643)	(1,044,643)	(867,447)	83%	▼
Proceeds from new debentures	0	50,000	50,000	50,000	100%	▲
Proceeds from self supporting loans	0	2,128	2,128	2,128	100%	▲
Advances to community groups	0	(50,000)	(50,000)	(50,000)	100%	▼
Transfers to Reserves (Restricted Assets)	(44,204)	(5,611,030)	(5,469,067)	(5,566,827)	99%	▼
Transfers from Reserves (Restricted Assets)	1,902,892	10,800,073	9,760,576	8,897,181	82%	▼
Amount attributable to financing activities	1,681,493	4,146,528	3,248,994	2,465,036	59%	▼
Surplus/(deficiency) before general rates	(3,144,379)	(10,376,870)	(10,376,869)	(7,232,491)	70%	▲
Total amount raised from general rates	10,371,190	10,376,870	10,376,870	5,680	0%	▼
Net current assets at June 30 c/fwd - surplus/(deficit)	7,227,008	0	0	(7,227,008)		▲

REPORT ON INVESTMENT PORTFOLIO AS AT 31 October 2017

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	
<i>Portfolio % < 1 year</i>	<i>100% max 40% min</i>
<i>Portfolio % > 1 year</i>	<i>60%</i>
<i>Portfolio % > 3 year</i>	<i>35%</i>
Individual Investment Maturity Limits	
<i>Authorised Deposit Institution</i>	<i>12 Months</i>
<i>State/Commonwealth Government Bonds</i>	<i>3 years</i>



Institution Name	S&P Rating	Term to Maturity	Interest Rate	Maturity Date	Principal	Interest on Maturity	% of portfolio	
MUNICIPAL FUNDS								
TOTAL MUNICIPAL INVESTMENTS								
RESERVE FUNDS								
NAB	A-1+/AA	3 Months	2.50%	5-Dec-17	790,631.32	4,873.75	6%	
Bankwest		2 Months	2.45%	6-Nov-17	1,078,417.93	6,587.21	8%	
NAB		4 Months	2.53%	20-Nov-17	1,877,102.30	11,710.03	14%	
CBA		4 Months	2.24%	17-Nov-17	1,020,897.12	8,352.67	7%	
NAB		3 Months	2.51%	18-Dec-17	512,913.40	3,174.44	4%	
Bankwest		3 Months	2.44%	29-Nov-17	1,134,018.54	9,097.00	8%	
Westpac		3 Months	2.25%	30-Nov-17	1,018,239.13	7,657.72	7%	
Bankwest		3 Months	2.40%	23-Nov-17	1,004,344.18	7,924.69	7%	
Bankwest		4 Months	2.45%	14-Feb-18	1,000,000.00	8,054.79	7%	
NAB		4 Months	2.51%	14-Feb-18	1,000,000.00	8,252.06	7%	
NAB		4 Months	2.51%	14-Feb-18	1,000,000.00	8,252.06	7%	
Westpac		4 Months	2.26%	14-Feb-18	1,000,000.00	7,430.14	7%	
Westpac		4 Months	2.26%	14-Feb-18	750,000.00	5,572.60	5%	
TOTAL RESERVE INVESTMENTS					13,186,563.92	98,795.31	97%	
TRUST FUNDS - T292								
Westpac	A-1+/AA	4 Months	2.34%	28-Feb-18	462,691.28	3,589.22	3%	
TOTAL TRUST INVESTMENTS					462,691.28	3,589.22	3%	
TOTAL INVESTMENTS HELD & INTEREST PAID					13,649,255.20	102,384.53	100%	