



Shire of Wyndham East Kimberley

Monthly Financial Report 2018/19

As at 31 January 2019

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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 January 2019

	YTD Actual 2018/19 \$	YTD Budget 2018/19 \$	YTD Variance 2018/19 \$	%	
Estimated Surplus/(Deficit) July 1 B/Fwd	2,834,174	2,834,174	0	0%	▼
Revenue					
General Purpose Funding	1,344,253	1,334,295	9,958	1%	▲
Governance	13,824	13,987	(163)	-1%	▼
Law, Order and Public Safety	404,616	446,405	(41,789)	-9%	▼
Health	18,373	30,331	(11,958)	-39%	▼
Education and Welfare	6,723	6,706	17	0%	▲
Housing	77,995	85,323	(7,329)	-9%	▼
Community Amenities	2,450,646	2,312,771	137,875	6%	▲
Recreation and Culture	414,105	424,025	(9,920)	-2%	▼
Transport	2,600,623	2,513,005	87,619	3%	▲
Economic Services	39,933	52,213	(12,280)	-24%	▼
Other Property and Services	89,383	9,956	79,427	798%	▲
	7,460,475	7,229,017	231,458	3%	▲
Expenses					
General Purpose Funding	(176,852)	(161,254)	(15,598)	10%	▲
Governance	(469,887)	(542,506)	72,619	-13%	▼
Law, Order and Public Safety	(642,764)	(670,654)	27,890	-4%	▼
Health	(156,454)	(167,616)	11,162	-7%	▼
Education and Welfare	(71,673)	(105,867)	34,194	-32%	▼
Housing	(281,942)	(283,558)	1,616	-1%	▼
Community Amenities	(2,331,605)	(2,511,121)	179,516	-7%	▼
Recreation and Culture	(3,698,818)	(3,825,935)	127,117	-3%	▼
Transport	(6,541,493)	(6,035,469)	(506,024)	8%	▲
Economic Services	(442,448)	(330,097)	(112,351)	34%	▲
Other Property and Services	(452,250)	(764,487)	312,237	-41%	▼
	(15,266,186)	(15,398,564)	132,378	-1%	▼
Operating activities excluded from budget					
(Profit)/Loss on asset disposals	0	11,075	(11,075)	-100%	▲
Loss on revaluation of non current assets	0	0	0	0%	▼
Depreciation on assets	4,283,834	3,584,511	699,323	20%	▼
Movement in employee benefit provisions	0	0	0	0%	▼
Amount attributable to operating activities	(687,704)	(1,739,787)	1,052,083	-60%	▲
INVESTING ACTIVITIES					
Non-operating grants, subsidies and contributions	4,332,954	4,185,548	147,406	4%	▲
Purchase property, plant and equipment	(1,043,558)	(1,116,306)	72,748	-7%	▼
Purchase and construction of infrastructure	(8,548,458)	(8,262,185)	(286,273)	3%	▲
Proceeds from disposal of assets	148,885	162,428	(13,543)	-8%	▼
Amount attributable to investing activities	(5,110,178)	(5,030,515)	(79,663)	2%	▼
FINANCING ACTIVITIES					
Repayment of debentures	(560,046)	(556,454)	(3,593)	1%	▲
Proceeds from new debentures	0	0	0	0%	▼
Proceeds from self supporting loans	3,919	5,586	(1,667)	-30%	▼
Advances to community groups	0	0	0	0%	▼
Transfers to Reserves (Restricted Assets)	(176,076)	0	(176,076)	0%	▲
Transfers from Reserves (Restricted Assets)	0	0	0	0%	▼
Amount attributable to financing activities	(732,203)	(550,868)	(181,335)	33%	▲
Surplus/(deficiency) before general rates	(6,530,085)	(7,321,170)	791,084	-11%	▲
Total amount raised from general rates	10,426,614	10,426,634	(20)	0%	▼
Net current assets at June 30 c/fwd - surplus/(deficit)	3,896,528	3,105,464	791,064		▲

Shire of Wyndham East Kimberley

Note to Statement of Financial Activity

Net Current Assets

as at 31 January 2019

Composition of Estimated Net Current Asset Position

	YTD Actual 2018/19	Brought Forward 1 July 2018
CURRENT ASSETS		
① Cash - Municipal (Unrestricted)	6,431,752	2,933,354
Cash Investments - Restricted Reserves	11,532,000	12,390,559
Cash - Restricted Reserves	634,839	3,546,193
Receivables	2,469,460	2,864,614
Inventories	5,823	15,414
	<u>21,073,874</u>	<u>21,750,133</u>
LESS: CURRENT LIABILITIES		
Payables and Provisions	(627,484)	(2,979,207)
Less:		
Restricted - Reserves	(12,166,840)	(15,936,752)
② NET CURRENT ASSET POSITION	<u>8,279,550</u>	<u>2,834,174</u>
Less:		
<i>Restricted - Grants</i>	(1,961,964)	
<i>Restricted - Unspent Loans</i>	(459,963)	
<i>Restricted - Capital works reserve</i>	(1,961,095)	
ADJUSTED NET CURRENT ASSET POSITION	<u><u>3,896,528</u></u>	<u><u>2,834,174</u></u>
① Cash - Municipal brought forward balances represented by:		
Cash on Hand	1,550	1,550
Cash at Bank - Municipal		
Unrestricted	2,047,180	2,931,804
Restricted - Grants	1,961,964	
Restricted - Loans	459,963	
Restricted - Capital works reserve	1,961,095	
	<u>6,431,752</u>	<u>2,933,354</u>

② Net current asset position and Unrestricted cash will remain overstated until the position of grants/loans and reserves are finalised for the 2018/19 financial year.

Shire of Wyndham East Kimberley
Notes to Statement of Financial Activity
as at 31 January 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	▲	9,958	
Rates Revenue - Interim Rates	(31,636)	▼	Decreased income. Due to the uncertainty and fluctuation throughout the year interim rates were not included in the budget. Budget to be amended at the Mid-Year Budget Review.
Non Payment Penalty Interest - Rates	65,192	▲	Increased income due to more ratepayers paying later than anticipated and arrears interest applied in September. Budget to be amended in mid year budget review.
Grants Commission - General Purpose Grant	(25,369)	▼	Actual amounts granted lower than budgeted. Budget to be amended at the Mid-Year Budget Review.
Interest Income - Municipal Fund	41,250	▲	Increase in interest income due to more Municipal funds available for investment.
Governance	▼	(163)	
No material variances to report			
Law, Order and Public Safety	▼	(41,789)	
Emergency Services Levy - Rates	(54,167)	▼	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	▼	(11,958)	
No material variances to report			
Education and Welfare	▲	17	
No material variances to report			
Housing	▼	(7,329)	
No material variances to report			
Community Amenities	▲	137,875	
Rubbish Disposal Charges	155,093	▲	Additional waste income than expected year to date.
Recreation and Culture	▼	(9,920)	
No material variances to report			
Transport	▲	87,619	
MRWA Direct Grants	96,565	▲	Increased grant income. Budget to be amended at the Mid-Year Budget Review.
Economic Services	▼	(12,280)	
No material variances to report			
Other Property and Services	▲	79,427	
Other income - Public work overheads	76,769	▲	Increased income due to Facebook lease income. Budget to be amended during the Mid-year Budget Review

Shire of Wyndham East Kimberley
Notes to Statement of Financial Activity
as at 31 January 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	▲	(15,598)	
No material variances to report			Non cash item. Timing variance of 22k related to admin allocations.
Governance	▼	72,619	
No material variances to report			
Law, Order and Public Safety	▼	27,890	
No material variances to report			
Health	▼	11,162	
No material variances to report			
Education and Welfare	▼	34,194	
No material variances to report			
Housing	▼	1,616	
No material variances to report			
Community Amenities	▼	179,516	
Refuse Collection	24,292	▼	Timing Variance. Awaiting supplier invoice.
Direct Salaries - Community Development Services	38,552	▼	Potential savings due to staff vacancies, mainly for the Manager Community Services position.
Recreation and Culture	▼	127,117	
			Timing variance related to maintenance and operations, insurance allocations and admin allocations which is a non cash item.
Direct Salaries - Kununurra Swimming Complex	26,283	▼	Potential savings due to staff vacancies.
Depreciation - Kununurra Swimming Complex	20,052	▼	Non cash item - due to 2018 infrastructure revaluation. Budget to be adjusted in mid year budget review.
Direct Salaries - Recreation Services	20,361	▼	Potential savings due to staff vacancies.
Depreciation - Kununurra Parks and Gardens	(40,242)	▲	Non cash item. Due to changes in asset values during the revaluation in 2017/18. Budget to be amended during the budget review.
Parks and Gardens Maintenance - Wyndham	21,991	▼	Timing variance. Due to internal allocation of staff hours, internal plant and overhead allocations.
Transport	▲	(506,024)	
WANDRRA Monsoonal Trough and Associated Flooding (January 2017) - Expenditure	32,427	▼	To transfer extra salary cost to Engineering technical as WANDRRA engineer did some engineering technical work this time was charged here.
Stormwater Management Strategy	31,425	▼	Timing variance. Awaiting data confirmation from Geoscience Australia.
Street Lighting Upgrades	69,911	▼	Timing variance. Project is in progress.
Administration Salary and Wages Allocated - Streets, Roads & Bridges - Maintenance	(85,333)	▲	Non cash item. Variance due to cost allocation based on actual expenditure for the sub programme and administration overheads.
Depreciation - Streets, Roads & Bridges - Maintenance	(569,126)	▲	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.
Direct Salaries - East Kimberley Regional Airport	(54,405)	▲	Leave accruals for terminated employee to be adjusted and additional salaries due to acting position.
Depreciation - East Kimberley Regional Airport	(80,166)	▲	Non cash item. Due to changes in asset values during the revaluation and asset additions in 2017/18. Budget to be amended during the budget review.
Depreciation - Wyndham Airport	65,504	▼	Non cash item. Due to changes in asset values during the revaluation and asset additions in 2017/18. Budget to be amended during the budget review.
Economic Services	▲	(112,351)	
Direct Salaries - Building Control	(53,836)	▲	Increased expenditure due to temporary staff to cover leave and training. Budget to be amended in Mid year budget review.
Building Maintenance - East Kimberley Tourism House	(29,117)	▲	Variance due to Shire taking ownership and head lease of this building. Repairs required to bring building up to standard with some major items that can fail in the next 6 months.
Other Property and Services	▼	312,237	
			Timing variance related to insurance allocations.
Public Works Overheads Allocated - Payroll	78,672	▼	Non-cash item. Variance due to internal allocations of overheads.
Direct Salaries - Operations	(37,934)	▲	Timing variance. Three pay periods in December.
Indirect Salaries - Outdoor Workforce	113,223	▼	Timing variance. Salary and leave allocations to be reviewed.
Direct Salaries - Financial Services	22,285	▼	Timing variance. Leave accruals to be reviewed.
Direct Salaries - Organisational Development	65,416	▼	Potential savings due to staff vacancies.
ABC Allocations	34,380	▼	Non cash item. Variance due to cost allocation based on actual expenditure for the sub programme and administration overheads.

Shire of Wyndham East Kimberley
Notes to Statement of Financial Activity
as at 31 January 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

Software Licencing - Information Services	22,273	▼	Timing variance. Awaiting supplier invoice.
Direct Salaries - Development Services	37,625	▼	Potential savings due to staff vacancies, mainly Regulatory Services Support Officer vacancy.
Plant Operating Cost Allocated	(37,977)	▼	Non Cash Item. Variance due to cost allocation based on actual expenditure related to plant operations..

Non Cash Expenditure and Revenue

Depreciation on Assets

699,323

Depreciation - Kununurra Swimming Complex	(20,052)	▼	
Depreciation - Kununurra Parks and Gardens	40,242	▲	
Depreciation - Streets, Roads & Bridges - Maintenance	569,126	▲	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	80,166	▲	
Depreciation - Wyndham Airport	(65,504)	▼	

INVESTING ACTIVITIES

Non-operating grants, subsidies and contributions

▲

147,406

Wyndham Boat Ramp - Grant	(135,413)	▼	Grant funding unsuccessful. Project not going ahead but maintenance contract awarded for Shire's portion of cost.
Aboriginal Roads Funding - State Grants	(43,900)	▼	Timing variance. Budget to be rephased.
WANDRRA Funding - Monsoonal Trough and Associated Flooding	294,322	▲	Income based on progress claims. More funds than budgeted claimed due to greater expenditure than expected.

Insurance Claim Revenue - Capital Recovery

▲

Income related to insurance settlement received for Wyndham pool & basketball courts.

Purchase property, plant and equipment

▼

72,748

Wyndham Multipurpose Court - Renewal/Upgrade	(30,000)	▲	Expenditure related to insurance claim for Wyndham pool & basketball courts.
Wyndham Boat Ramp Pontoon Jetty	27,166	▼	Grant funding unsuccessful. Project not going ahead but maintenance contract awarded for Shire's portion of cost (\$45k).

Purchase and construction of infrastructure

▲

286,273

WANDRRA Monsoonal Trough and Associated Flooding - (2018) Expenditure	(296,332)	▲	Greater expenditure than expected offset by increased claim income.
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Proceeds from disposal of assets

▼

(13,543)

No material variances to report

FINANCING ACTIVITIES

Repayment of debentures

▲

(3,593)

No material variances to report

Proceeds from new debentures

▼

-

No material variances to report

Proceeds from self supporting loans

▼

(1,667)

No material variances to report

Advances to community groups

▼

-

Transfers to Reserves (Restricted Assets)

▲

(176,076)

Reserve investment interest

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 January 2019

	YTD	Revised Annual	Annual Budget	Budget Remaining	
	Actual	Budget		(Budget less YTD Actual)	
	2018/19	2018/19	2018/19	2018/19	%
	\$	\$	\$	\$	
Estimated Surplus/(Deficit) July 1 B/Fwd	2,834,174	2,834,174	1,622,636	(1,211,538)	-43% ▲
Revenue					
General Purpose Funding	1,344,253	2,462,981	2,462,981	1,118,728	45% ▼
Governance	13,824	47,551	47,551	33,727	71% ▼
Law, Order and Public Safety	404,616	468,486	468,486	63,870	14% ▼
Health	18,373	85,000	85,000	66,627	78% ▼
Education and Welfare	6,723	11,500	11,500	4,777	42% ▼
Housing	77,995	146,280	146,280	68,286	47% ▼
Community Amenities	2,450,646	2,823,441	2,895,441	444,795	16% ▼
Recreation and Culture	414,105	671,484	671,484	257,379	38% ▼
Transport	2,600,623	4,374,726	4,374,726	1,774,103	41% ▼
Economic Services	39,933	89,500	89,500	49,567	55% ▼
Other Property and Services	89,383	71,471	71,471	(17,912)	-25% ▲
	7,460,475	11,252,421	11,324,421	3,863,946	34% ▼
Expenses					
General Purpose Funding	(176,852)	(298,312)	(298,312)	(121,460)	41% ▼
Governance	(469,887)	(875,979)	(865,979)	(396,092)	44% ▼
Law, Order and Public Safety	(642,764)	(1,156,524)	(1,156,524)	(513,760)	44% ▼
Health	(156,454)	(289,036)	(289,036)	(132,582)	46% ▼
Education and Welfare	(71,673)	(200,635)	(160,635)	(88,962)	44% ▼
Housing	(281,942)	(462,740)	(462,740)	(180,798)	39% ▼
Community Amenities	(2,331,605)	(4,791,677)	(4,791,677)	(2,460,072)	52% ▼
Recreation and Culture	(3,698,818)	(6,644,572)	(6,657,167)	(2,958,349)	45% ▼
Transport	(6,541,493)	(10,548,753)	(10,548,753)	(4,007,260)	38% ▼
Economic Services	(442,448)	(594,999)	(591,999)	(149,551)	23% ▼
Other Property and Services	(452,250)	(957,224)	(957,224)	(504,974)	54% ▼
	(15,266,186)	(26,820,451)	(26,780,046)	(11,513,860)	43% ▼
Operating activities excluded from budget					
(Profit)/Loss on asset disposals	0	89,773	89,773	89,773	100% ▼
Loss on revaluation of non current assets	0	0	0	0	0% ▲
Depreciation on assets	4,283,834	6,144,866	6,144,866	1,861,032	30% ▼
Movement in employee benefit provisions	0	0	0	0	0% ▲
Amount attributable to operating activities	(687,704)	(6,499,218)	(7,598,351)	(6,910,647)	91% ▼
INVESTING ACTIVITIES					
Non-operating grants, subsidies and contributions	4,332,954	7,877,054	8,108,635	3,775,681	48% ▲
Purchase property, plant and equipment	(1,043,558)	(2,926,247)	(2,351,468)	(1,307,910)	45% ▼
Purchase and construction of infrastructure	(8,548,458)	(13,300,513)	(10,985,671)	(2,437,213)	18% ▼
Proceeds from disposal of assets	148,885	359,583	359,583	210,698	59% ▲
Amount attributable to investing activities	(5,110,178)	(7,990,123)	(4,868,921)	241,257	-3% ▼
FINANCING ACTIVITIES					
Repayment of debentures	(560,046)	(903,765)	(903,765)	(343,719)	38% ▼
Proceeds from new debentures	0	0	0	0	0% ▲
Proceeds from self supporting loans	3,919	9,576	9,576	5,657	59% ▲
Advances to community groups	0	0	0	0	0% ▲
Transfers to Reserves (Restricted Assets)	(176,076)	(1,468,810)	(1,471,252)	(1,295,176)	88% ▼
Transfers from Reserves (Restricted Assets)	0	6,425,704	4,395,756	4,395,756	68% ▼
Amount attributable to financing activities	(732,203)	4,062,705	2,030,315	2,762,518	68% ▼
Surplus/(deficiency) before general rates	(6,530,085)	(10,426,634)	(10,436,956)	(3,906,871)	37% ▲
Total amount raised from general rates	10,426,614	10,426,634	10,426,634	20	0% ▼
Net current assets at June 30 c/fwd - surplus/(deficit)	3,896,528	0	0	(3,896,528)	▲

REPORT ON INVESTMENT PORTFOLIO AS AT 31 Jan 2019

INVESTMENT POLICY - CP FIN - 3203				INVESTMENTS REGISTER 2018-19							
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%								
<small>Note: "S & P" relates to Standard & Poors credit rating agency</small>											
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									
				MUNICIPAL FUNDS							
				Institution Name	S&P Rating	Term to Maturity	Interest Rate	Maturity Date	Principal	Interest on Maturity	% of portfolio
				NAB		4 Months	2.74%	11-Apr-19	1,006,556.99	9,067.29	6.28%
				Bankwest		120 Days	2.67%	8-Feb-19	1,001,808.22	8,793.95	6.25%
				NAB		90 Days	2.70%	11-Apr-19	1,003,109.59	6,678.24	6.26%
				Bankwest		120 Days	2.66%	14-May-19	1,008,957.81	8,823.54	6.29%
				TOTAL MUNICIPAL INVESTMENTS					4,020,432.61	33,363.02	25.08%
				RESERVE FUNDS							
				NAB		120 Days	2.68%	1-Mar-19	1,112,217.87	9,799.71	6.94%
				CBA		119 Days	2.65%	18-Mar-19	1,936,489.92	16,730.74	12.08%
				CBA		119 Days	2.65%	18-Mar-19	1,053,612.02	9,102.92	6.57%
				CBA		4 Months	2.65%	9-May-19	1,008,788.89	8,788.90	6.29%
				NAB		120 Days	2.65%	12-Feb-19	527,010.19	4,591.49	3.29%
				Bankwest		4 Months	2.67%	12-Apr-19	1,029,580.03	9,188.37	6.42%
				NAB		126 Days	2.68%	18-Mar-19	1,027,318.48	9,504.24	6.41%
				NAB		126 Days	2.68%	18-Mar-19	1,027,318.48	9,504.24	6.41%
				Bankwest		124 Days	2.67%	18-Mar-19	1,025,426.49	9,301.32	6.40%
				Bankwest		124 Days	2.67%	18-Mar-19	769,069.86	6,975.99	4.80%
				NAB		4 Months	2.65%	18-Feb-19	1,015,244.82	9,066.28	6.33%
				TOTAL RESERVE INVESTMENTS					11,532,077.05	102,554.20	71.94%
				TRUST FUNDS - T292							
				Bankwest		4 Months	2.65%	29-May-19	476,939.06	4,155.25	2.98%
				TOTAL TRUST INVESTMENTS					476,939.06	4,155.25	2.98%
				TOTAL INVESTMENTS HELD & INTEREST PAID					16,029,448.72	140,072.47	100.00%

Counterparty Credit

