

SHIRE OF WYNDHAM EAST KIMBERLEY

MONTHLY FINANCIAL REPORT

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

For the period ended 30 NOVEMBER 2024

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 30 NOVEMBER 2024**

FOR THE YEAR ENDED

	Adopted Budget Estimates	YTD Budget Estimates	YTD Actual	Variance \$	Variance %	
Note	(a)	(b)	(c)	(c) - (b)	((c)-(b))/(b)	
OPERATING ACTIVITIES						
Revenue from operating activities						
General rates	12,102,067	12,102,060	12,320,773	218,713	1.81%	▲
Grants, subsidies and contributions	5,321,000	2,217,055	1,115,054	(1,102,001)	-49.71%	▼
Fees and charges	9,728,050	6,474,965	5,836,801	(638,164)	-9.86%	▼
Interest revenue	784,000	326,655	386,983	60,328	18.47%	▲
Other revenue	444,700	185,280	444,751	259,471	140.04%	▲
	<u>28,379,817</u>	<u>21,306,015</u>	<u>20,104,361</u>	<u>(1,201,654)</u>	<u>-5.64%</u>	
Expenditure from operating activities						
Employee costs	13,902,338	5,792,075	5,248,532	(543,543)	-9.38%	▼
Materials and contracts	7,969,796	3,320,060	2,721,852	(598,208)	-18.02%	▼
Utility charges	1,428,650	595,215	485,720	(109,495)	-18.40%	▼
Depreciation	9,189,530	3,828,880	3,724,573	(104,307)	-2.72%	▼
Finance costs	241,015	100,415	2,573	(97,842)	-97.44%	▼
Insurance	731,439	304,665	913,835	609,170	199.95%	▲
Other expenditure	1,809,550	753,905	410,494	(343,411)	-45.55%	▼
Loss on asset disposals	0	0	0	0	0.00%	
	<u>35,272,318</u>	<u>14,695,215</u>	<u>13,507,577</u>	<u>(1,187,638)</u>	<u>-8.08%</u>	
Non-cash amounts excluded from operating activities	2(b) (9,189,530)	(3,828,880)	(3,724,573)	104,307	-2.72%	▼
Amount attributable to operating activities	2,297,030	10,439,680	10,321,357	(2,284,985)	-21.89%	
INVESTING ACTIVITIES						
Inflows from investing activities						
Capital grants, subsidies and contributions	34,016,500	14,173,525	8,877,628	(5,295,897)	-37.36%	▼
Proceeds from disposal of assets	0	0	0	0	0.00%	
Proceeds from financial assets at amortised cost - self supporting loans	0	0	0	0	0.00%	
	<u>34,016,500</u>	<u>14,173,525</u>	<u>8,877,628</u>	<u>(5,295,897)</u>	<u>-37%</u>	
Outflows from investing activities						
Payments for property, plant and equipment	(1,380,000)	(574,975)	(517,335)	57,640	-10.02%	▼
Payments for construction of infrastructure	(46,765,073)	(19,464,550)	(2,420,463)	17,044,087	-87.56%	▼
	<u>(48,145,073)</u>	<u>(20,039,525)</u>	<u>(2,937,798)</u>	<u>17,101,727</u>	<u>-85.34%</u>	
Non-cash amounts excluded from investing activities	0	0	0	0	0.00%	
Amount attributable to investing activities	(14,128,573)	(5,866,000)	5,939,831	11,805,831	-201.26%	
FINANCING ACTIVITIES						
Inflows from financing activities						
Proceeds from new borrowings	4,000,000	4,000,000	4,000,000	0	0.00%	
Transfers from reserve accounts	9,097,252	3,769,680	657	(3,769,023)	-99.98%	▼
	<u>13,097,252</u>	<u>7,769,680</u>	<u>4,000,657</u>	<u>(3,769,023)</u>	<u>-49%</u>	
Outflows from financing activities						
Repayment of borrowings	(791,478)	(791,480)	(84,839)	706,641	-89.28%	▼
Transfers to reserve accounts	(2,739,590)	(1,141,455)	(197,405)	944,050	-82.71%	▼
	<u>(3,531,068)</u>	<u>(1,932,935)</u>	<u>(282,244)</u>	<u>1,650,691</u>	<u>-85.40%</u>	
Amount attributable to financing activities	9,566,184	5,836,745	3,718,413	(2,118,332)	-36.29%	
MOVEMENT IN SURPLUS OR DEFICIT						
Surplus at the start of the financial year	2,265,359	1,905,542	1,905,542	-	-	
Amount attributable to operating activities	2,297,030	10,439,680	2,872,210	(2,284,985)	-21.89%	
Amount attributable to investing activities	(14,128,573)	(5,866,000)	5,939,831	11,805,831	-201.26%	
Amount attributable to financing activities	9,566,184	5,836,745	3,718,413	(2,118,332)	-36.29%	
Surplus/(deficit) remaining after the imposition of general rates	(0)	12,315,967	14,435,996	7,402,514	-259.44%	

This statement is to be read in conjunction with the accompanying notes.

KEY 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 30 NOVEMBER 2024**

	Actual 30 June 2024	Actual 30 November 2024
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	21,789,978	37,857,809
Trade and other receivables	3,899,841	5,083,890
Other financial assets	10,381	10,381
Inventories	16,621	15,649
Other Assets	0	0
TOTAL CURRENT ASSETS	25,716,821	42,967,730
NON CURRENT ASSETS		
Trade and other receivables	45,933	48,457
Other Financial Assets	11,565	12,145
Inventories	46,283	46,283
Property, plant and equipment	56,299,404	56,377,204
Infrastructure	268,322,901	265,087,251
TOTAL NON-CURRENT ASSETS	324,726,087	321,571,340
TOTAL ASSETS	350,442,908	364,539,070
CURRENT LIABILITIES		
Trade and other payables	1,006,548	490,048
Other liabilities	2,452,619	2,427,452
Borrowings	0	629,701
Employee related provisions	2,429,249	1,863,694
TOTAL CURRENT LIABILITIES	5,888,416	5,410,895
NON-CURRENT LIABILITIES		
Borrowings	4,106,423	3,476,722
Employee related provisions	188,034	197,114
Other Provisions	5,328,640	5,470,272
TOTAL NON-CURRENT LIABILITIES	9,623,097	9,144,108
TOTAL LIABILITIES	15,511,514	14,555,003
NET ASSETS	334,931,393	349,984,066
EQUITY		
Retained surplus	121,135,756	136,048,124
Reserve accounts	19,397,080	19,536,104
Revaluation Surplus	194,398,557	194,399,839
TOTAL EQUITY	334,931,393	349,984,066

This statement is to be read in conjunction with the accompanying notes.

SHIRE OF WYNHAM EAST KIMBERLEY
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2024

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPERATION 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 Specify 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 require 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

Matters of non-compliance with Basis of Preparation

The following matters of non-compliance with the basis of preparation have not been corrected.

1. Balances as at 30 June 2024 have not been finalised and may be subject to change.

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 effect 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 2024-25 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 30 November 2024

SHIRE OF WYNHAM EAST KIMBERLEY
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2024

2 STATEMENT OF FINANCIAL ACTIVITY INFORMATION

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

	Note	Adopted Budget Opening 01 July 2024	Actual as at 30 June 2024	Actual as at 30 Nov 2024
Current assets		\$	\$	\$
Cash and cash equivalents		10,630,558	21,789,978	37,857,809
Trade and other receivables		4,702,416	3,899,841	5,083,890
Other financial assets		10,381	10,381	10,381
Inventories		30,245	16,621	15,649
Other assets		0	0	0
		15,373,600	25,716,821	42,967,730
Less: current liabilities				
Trade and other payables		(812,342)	(1,006,548)	(490,048)
Other liabilities		0	(2,452,619)	(2,427,452)
Borrowings		(791,477)	0	(629,701)
Employee provisions		(1,942,396)	(2,429,249)	(1,863,694)
Other provisions		(137,644)	0	0
		(2,080,040)	(5,888,416)	(5,410,895)
Net current assets		13,293,560	19,828,405	37,556,835
Less: Total adjustments to net current assets	2(c)	(10,717,372)	(17,922,863)	(18,916,784)
Closing funding surplus/ (deficit)		2,576,188	1,905,542	18,640,051

(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

Adjustments to operating activities

	Adopted Budget Estimates 30 June 2025	YTD Budget Estimates	YTD Actual
Less: Movement in liabilities associated with restricted cash	0	0	0
Add: Loss on asset disposals	0	0	0
Add: Depreciation	(765,794)	(3,593,330)	(3,724,573)
Movement in current employee provisions associated with resitricted cash	0	0	0
Total non-cash amounts excluded from operating activities	(765,794)	(3,593,330)	(3,724,573)

(c) Current assets and liabilities excluded from budgeted deficiency

The following current assets and liabilities have been excluded from th 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

Adjustments to net current assets

	Adopted Budget Opening 01 July 2024	Actual as at 30 June 2024	Actual as at 30 Nov 2024
Less: Reserve accounts	(12,481,218)	(19,397,080)	(19,536,104)
Less: Financial assets at amortised cost - self supporting loans		(10,381)	(10,381)
Add: Current liabilities not expected to be cleared at the end of the year			
- Current portion of borrowings	791,477	0	629,701
- Current portion of unspent capital grants held in reserve	972,369	982,369	0
- Current portion of employee benefit provisions held in reserve	0	502,229	0
Total adjustment to net current assets	(10,717,372)	(17,922,863)	(18,916,784)

CURRENT AND NON-CURRENT CLASIFICATION

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 orliabilities are classified as current if expected to be settled within the next 12 months, being the Council's operation cycle.

SHIRE OF WYNHAM EAST KIMBERLEY
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2024

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 actual materially.

The material variance adopted by Council for the 2024-25 year is \$50,000 and 10.00% whichever is the greater.

Description	Var. \$	Var. %	
	\$	%	
Revenue from operating activities			
General rates	218,712.50	1.81%	▲
Rates Model Variance			
Grants, subsidies and contributions	(1,102,001)	-49.71%	▼
Timing of Receipt of Grants			
Fees and charges	(638,164)	-9.86%	▼
Reduced Fees Collected From Leisure Centre, Timing of Airport Fees			
Interest revenue	60,328	18.47%	▲
Higher rates penalty payments than budgeted			
Other revenue	259,471	140.04%	▲
Rates Model Variance - Emergency Services Levy timing of collection			
Expenditure from operating activities			
Employee costs	(543,543)	-9.38%	▼
Delay in filling budgeted positions			
Materials and contracts	(598,208)	-18.02%	▼
Property building expenses not as high as anticipated			
Finance costs	(97,842)	-97.44%	▼
Timing of Loan Payments			
Insurance	693,120	314.03%	▲
Timing of Insurance Expense Payment			
Other expenditure	(343,411)	-45.55%	▼
Timing of community grants and marketing (tourism) payments			
Investing Activities			
Capital grants, subsidies and contributions	(5,295,897)	-37.36%	▼
Outflows from investing activities			
Payment for property, plant and equipment	(517,335)	0.00%	
Budget to be Adjusted at Budget Review			
Payment for construction of infrastructure	(2,420,463)	0.00%	
Delay in stage 2 airport project			
Inflows from financing activities			
Transfers from reserve accounts	(3,769,023)	-99.98%	▼
Delay in capital works program			
Outflows from financing activities			
Repayment of borrowings	706,641	-89.28%	▼
Transfers to reserve accounts	944,050	-82.71%	▼