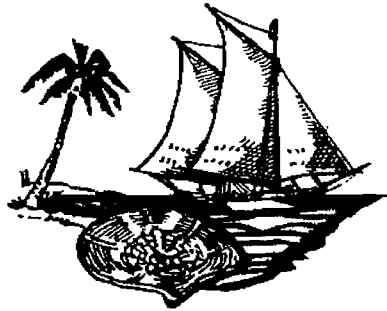


# Shire Of Broome



## Monthly Financial Activity Report

For the period ending

**31 August 2007**

**SHIRE OF BROOME**

**Monthly Financial Activity Report**

**For the period ending**

**31 August 2007**

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**SHIRE OF BROOME**  
**STATEMENT OF FINANCIAL ACTIVITY - OPERATING**  
**For the period ending**  
**31 August 2007**

	Actual to YTD Budget Variance	Actual YTD	Budget YTD	Actual % of Amended Budget	Amended Budget	Annual Budget
OPERATING REVENUE & EXPENSES	%	\$	\$	%	\$	\$
<b>Revenue</b>						
Governance	11%	80,983	40,270	22%	366,088	366,088
General Purpose Funding						
Rates	1%	10,064,257	9,968,735	99%	10,172,179	10,172,179
Other General Purpose Funding	0%	564,490	560,000	25%	2,240,000	2,240,000
Rangers & Beach	6%	9,295	15,136	10%	94,600	94,600
Development Services	11%	234,003	139,788	27%	873,675	873,675
Community Culture & The Arts	14%	120,986	63,666	30%	397,911	436,088
Waste Management	0%	1,599,590	1,596,388	72%	2,217,205	2,217,205
Parks & Ovals	6%	18,117	27,741	10%	173,384	173,384
Roads, Drainage, Footpaths & St Lighting	15%	268,377	139,017	31%	868,859	868,859
Other Services	2%	308,000	345,996	14%	2,162,475	2,162,475
Broome Recreation & Aquatic Centre (BRAC)	4%	72,148	98,944	12%	618,400	618,400
<b>Total Revenue</b>	2%	<u>13,340,246</u>	<u>12,995,681</u>	66%	<u>20,184,776</u>	<u>20,222,953</u>
<b>Expenses</b>						
Governance	5%	308,968	403,517	17%	1,834,168	1,819,168
General Purpose Funding	1%	9,524	10,019	15%	62,619	62,619
Rangers & Beach	4%	174,355	142,814	20%	892,586	892,586
Development Services	0%	331,869	342,378	16%	2,139,863	2,139,863
Community Culture & The Arts	1%	284,980	300,315	15%	1,876,967	1,894,039
Waste Management	5%	241,961	351,993	11%	2,199,954	2,194,054
Parks & Ovals	4%	412,817	331,867	20%	2,074,170	2,003,070
Roads, Drainage, Footpaths & St Lighting	4%	734,951	595,981	20%	3,724,881	3,651,281
Other Services	2%	385,658	455,628	14%	2,847,676	2,816,376
Broome Recreation & Aquatic Centre (BRAC)	3%	233,614	297,020	13%	1,856,377	1,854,677
<b>Total Expenses</b>	1%	<u>3,118,697</u>	<u>3,231,532</u>	16%	<u>19,509,261</u>	<u>19,327,733</u>
<b>NET OPERATING SURPLUS/(DEFICIT)</b>		<u><b>10,221,549</b></u>	<u><b>9,764,149</b></u>		<u><b>675,515</b></u>	<u><b>895,220</b></u>
				NB: % of year elapsed	<b>17%</b>	

**SHIRE OF BROOME**  
**STATEMENT OF FINANCIAL ACTIVITY - CASH SUMMARY**  
**For the period ending 31 August 2007**

	Actual YTD	Budget YTD	Amended Budget	Annual Budget
	\$	\$	\$	\$
<b>NET OPERATING SURPLUS/(DEFICIT)</b>	<b>10,221,549</b>	<b>9,764,149</b>	<b>675,515</b>	<b>895,220</b>
<b>NET NON OPERATING REVENUE/(EXPENSE)</b>	<b>(806,216)</b>	<b>(754,260)</b>	<b>(4,026,210)</b>	<b>(4,066,610)</b>
<b>NET OVERALL REVENUE/(EXPENSE)</b>	<b>9,415,333</b>	<b>9,009,889</b>	<b>(3,350,695)</b>	<b>(3,171,390)</b>

**Adjustments to Determine the Cash Position**

- Depreciation	523,055	3,297,064	3,297,064	3,297,064
- Net Accrued (Income)/Expenditure	25	(8,674)	(8,674)	(8,674)
- Current Position/Rounding Adjustments	(25)			
- (Profit)/Loss on sale of assets	-	(25,740)	(117,000)	(117,000)
- Surplus/(Deficit) brought forward	309,795	309,795	309,795	-
- Wages Over/(Under) allocated	-		-	-
- Overheads Over/(Under) allocated	-		-	-
- Plant Costs Over/(Under) allocated	-		-	-
- Activity Based Costing Over/(Under) Alloc	-		-	-
- Alloc Expenses Over/(Under) Alloc	-		-	-
- Additional Restricted Cash Now budgeted to be spent/(retained)				-
<b>CASH SURPLUS/(DEFICIT)</b>	<b>10,248,183</b>	<b>12,582,334</b>	<b>130,490</b>	<b>-</b>

**Materiality Notes:**

1. The Amended Budget represents 0.68 % Surplus of the budgeted operating expenses excluding depreciation.  
Should the Amended Budget predict a Deficit more than 2% (\$320,613) of the budgeted operating expenses excluding depreciation an action plan to remedy the situation will be prepared in accordance with Finance Policy 2.1.1.
2. The "Actual to YTD Budget Variance %" is calculated by dividing the difference between the Actual YTD and Budget YTD by the amended budget.  
Should the "Actual to YTD Budget Variance %" be more than 10% then commentary on the variance will be prepared in accordance with Finance Policy 2.1.1.

## SHIRE OF BROOME

### Monthly Statement of Financial Activity For The Period Ending 31 August 2007

#### NOTES TO THIS MONTH'S REPORT

##### OVERVIEW

There have been a number of budget amendments this month, the most significant being those identifying the back pay paid to workers under the Outside Workforce Workplace Agreement 2007. The amendments for the back pay totalled \$170K and were covered by the surplus brought forward from 2006/2007.

With typical operating expenditure and income plus rates the Current Position has decreased this month by \$1,074K from \$11,323K to reflect a \$10,284K surplus net current position at 31 August 2007.

The \$310K "Actual" surplus at 30 June 2007 reflects the surplus expected at this time to be brought forward from the 2006-2007 year. This will be subject to further end of year adjustments, although no significant changes are expected.

The estimated 2007-2008 closing position is a \$130K surplus after the inclusion of the identified budget amendments. It is expected that the majority of this surplus will be absorbed by back pay in 2007-2008 relating to the previous year.

##### OPERATING ACTIVITIES

###### Governance

Services in Governance include Councillor payments, Councillor support services, Corporate Support and general civic and community services.

Actual income to date is in excess of the expected year to date figure as a result of receiving a transfer of \$11K for employee long service leave entitlements which has not been budgeted for. Secondly, a rebate for advertising expenses has been received which was \$9K more than what was budgeted for. Budget amendments may be required in the future.

A budget amendment of \$15K was required for repairs to the Shire's Administration Office air conditioning system. These were unforeseen repairs and were not allocated for in the original budget. This budget amendment for building maintenance operating expenses will decrease the end of year surplus by \$15K.

The total budget amendments for Governance to date is \$15K more than originally budgeted.

###### General Purpose Income

Services in General Purpose Income include collection of rates, property related income and expenses and grants and grant related expenses.

There are no operating budget amendments this year.

### You're Welcome Program

Budget amendments were required to reduce the budgeted salary expenditure and reallocate expenditure to program activities for the You're Welcome Program. These amendments were required to match the grant funding received for the program. The total amendments have reduced the budgeted salary and other operating expenses, which will increase the surplus by \$8.5K.

The total budget amendments to date, including those previously reported to council produce a net forecast indicating that Community, Culture & the Arts projects are expected to cost \$21K more than originally budgeted.

### **Waste Management**

Services provided in Waste Management include rubbish collection and recycling, refuse site operations, litter control and sewerage.

A budget amendment was required for the budgeted salary, superannuation and workers compensation operating expenses as a result back pay owing in accordance with the Outside Workforce Workplace Agreement 2007. The budget amendments represent the portion of back pay relating to the 2006/2007 financial year. The total period of back pay is from 1st July 2006 to 7th August 2007.

The total back pay paid to Waste Management workers was \$11.8K. This figure will reduce the surplus by \$11.8K and has been allowed for in the 2006/2007 surplus.

The total budget amendments to date, including those previously reported to council produce a net forecast indicating that Waste Management Services are expected to cost \$11.8K more than originally budgeted.

### **Parks and Ovals**

Services provided in Parks and Ovals include the provision of parks and gardens and other recreation facilities.

A budget amendment was required for the budgeted salary, superannuation and workers compensation operating expenses as a result back pay owing in accordance with the Outside Workforce Workplace Agreement 2007. The budget amendments represent the portion of back pay relating to the 2006/2007 financial year. The total period of back pay is from 1st July 2006 to 7th August 2007.

The total back pay paid to Parks & Ovals workers was \$71.1K. This figure will reduce the surplus by \$71.1K and has been allowed for in the 2006/2007 surplus.

The total budget amendments to date, including those previously reported to council produce a net forecast indicating that the Parks and Ovals core service is expected to cost \$71.1K more than originally budgeted.

### Works and Depot Departments

Budget amendments were required for the budgeted salary, superannuation and workers compensation operating expenses as a result back pay owing in accordance with the Outside Workforce Workplace Agreement 2007. The budget amendments represent the portion of back pay relating to the 2006/2007 financial year. The total period of back pay is from 1st July 2006 to 7th August 2007.

The total back pay paid to Works and Depot workers was \$85.5K. This figure will reduce the surplus by \$85.5K and has been allocated for in the 2006/2007 surplus.

The total budget amendments to date, including those previously reported to council produce a net forecast indicating that Other Services are expected to cost \$99K more than originally budgeted.

### **Broome Recreation and Aquatic Centre (BRAC)**

Council activities in BRAC are the operation of the BRAC aquatic, stadium and outdoor areas.

A budget amendment was required for the budgeted salary, superannuation and workers compensation operating expenses as a result back pay owing in accordance with the Outside Workforce Workplace Agreement 2007. The budget amendments represent the portion of back pay relating to the 2006/2007 financial year. The total period of back pay is from 1st July 2006 to 7th August 2007.

The total back pay paid to BRAC maintenance workers was \$1.7K. This figure will reduce the surplus by \$1.7K and has been allowed for in the 2006/2007 surplus.

The total budget amendments to date, including those previously reported to council produce a net forecast indicating that BRAC operations are expected to cost \$1.7K more than originally budgeted.

## **Investments in Assets**

### Land and Buildings

There were no budget amendments required this month.

Some new projects have commenced this month, the most significant being the continuance of the Refuse Site building construction. No upgrade or renewal projects have commenced to date.

The total Land and Buildings budget amendments to date, including those previously reported to council, produce a net forecast indicating that Infrastructure is expected to cost \$70K less than originally budgeted.

### Infrastructure

Drainage infrastructure committed expenditure to date stands at 2% of the budget.

Parks and ovals, including BRAC ovals, infrastructure committed expenditure stands at 26% of the budget.

Transport infrastructure committed expenditure stands at 34% of the amended budget.

Committed expenditure includes actual expenditure to date plus materials on order but not paid for.

This month infrastructure budget amendments recognise:

- \$13K reallocation of expenditure for BRAC Stage 2 Project lighting infrastructure to site works infrastructure.
- \$50K reallocation of expenditure for BRAC Stage 2 Project turf installation to site works infrastructure.
- \$63K total reallocation from lighting and turf expenditure to site works infrastructure for the BRAC Stage 2 Project carried over from 2006-2007.

These budget amendments will have no effect on the surplus.

The total infrastructure budget amendments to date, including those previously reported to council, produce a net forecast indicating that Infrastructure is expected to cost \$407K more than originally budgeted.

Offsetting amendments elsewhere include:

- \$617K transfer from BRAC Reserve
- \$150K transfer from Public Open Space Reserve
- \$620K grant income from CSRFF



## **Reserve Transfers**

Reserve transfers made this month include:

- \$32.7K transfer to Footpath Reserve for developer contributions received up to 31 August 2007.
- \$55K transfer from Road Reserve for Cape Leveque Roads To Recovery grant funds from 2006/2007.

This month reserve budget amendments recognise:

- \$32.7K transfer to Footpath Reserve for developer contributions received up to 31 August 2007.
- \$27K transfer from Road Reserve to adjust original budget up to \$55K.

These budget amendments will decrease the end of year surplus by \$5.7K, before the effect of offsetting budget amendments elsewhere.

The total reserve budget amendments previously reported to council, produce a net forecast indicating that reserves are expected to provide \$761K more funds than originally budgeted, the effect of this change is largely reduced by the application of offsetting amendments elsewhere.

## **Restricted Cash**

Restricted Cash are external funds set aside for a particular purpose from unspent grants or loans, for example loan funded building construction.

A budget amendment was required to recognise the release from restricted cash of \$20K of unspent KIPSS program grant funds brought forward from 2006/2007. This amendment will increase the end of year surplus by \$20K, before the effect of offsetting budget amendments elsewhere.

The total restricted cash budget amendments to date including those previously reported to council, produce a net forecast indicating that restricted cash items are expected to provide \$20K more funds than originally budgeted, the effect of this change is largely reduced by the application of offsetting amendments elsewhere.

## **ADJUSTMENTS TO DETERMINE THE CASH POSITION**

### **Budget Allocations**

This month no budget amendments for Wages, Overhead and Plant Costs have been made.

**SHIRE OF BROOME  
SUMMARY OF REVISED BUDGETS**

<b><u>SUMMARY OF REVISED FORECASTS TO DATE</u></b>		
<b>DESCRIPTION</b>	<b>REASON</b>	
<b>NET REVISED FORECASTS</b>		<b>\$</b>
Increase/(Decrease) in Revenue		<b>1,428,523</b>
Increase/(Decrease) in Expenses		<b>1,607,828</b>
<b>NET TOTAL OF REVISED FORECASTS</b>		<b>(179,305)</b>
<b>BALANCE CARRIED FORWARD</b>		
Balance carried forward from 2007/2008 (Budget)		-
Balance carried forward from 2006/2007 (Actual)		309,795
<b>NET ADJUSTMENTS TO BALANCE CARRIED FORWARD</b>		<b>309,795</b>
<b>OTHER ADJUSTMENTS</b>		
Current Position Adjustments	Towards the end of the financial year staff estimate change in these liabilities if required.	-
Reallocation of wages included in Revised Forecasts	Staff revise budgets where the labour component is changed. This does not change the overall labour cost, only time on a particular job. Labour becomes over or under allocated in the budget, hence this adjustment.	-
Reallocation of overheads included in Revised Forecasts	As above	-
Reallocation of plant costs allocated, included in Revised Forecasts	As above	-
Increase in Depreciation	Changes to depreciation are also included in some revised budgets but have no cash impact on Councils operations	-
Changes to accrued expenditure & profit/loss.	Changes to these items are included in some revised budgets but have no cash impact on Councils operations.	-
Adjustments to restricted cash as the result of Revised Forecasts.	If restricted cash is now going to be spent in the current year it is no longer restricted for that year's funding.	-
<b>NET OTHER ADJUSTMENTS</b>		<b>-</b>
<b>PREDICTED BUDGET SURPLUS/(DEFICIT)</b>		<b>130,490</b>