

**Finance Report
June Quarter Review**



Alpine Shire

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| Contents | |
| Introduction..... | 3 |
| Performance Summary (by Department) | 4 |
| Income | 4 |
| Expenses..... | 5 |
| Narrative | 6 |
| Departmental Summaries | 7 |
| 1.1 Councillor & Executive | 7 |
| 2.1 Business and Finance Services..... | 8 |
| 2.2 Community Services..... | 9 |
| 2.3 Governance..... | 11 |
| 2.4 HACC Services..... | 12 |
| 2.5 Human Resources | 13 |
| 3.1 Public Works & Services | 14 |
| 3.2 Project Delivery | 16 |
| 3.3 Emergency Management | 16 |
| 4.1 Economic Development..... | 17 |
| 4.2 Development Services and Amenity | 18 |
| 4.3 Sustainability | 19 |
| 4.4 Dinner Plain | 19 |
| 9.1 Renewals..... | 20 |
| 9.2 Upgrade..... | 22 |
| 9.3 New | 23 |
| 9.4 Emergency Incident Expenditure | 23 |
| 9.5 Projects Grant income | 24 |
| 9.6 Carry Forward Projects | 24 |
| Cash..... | 25 |
| Term Deposit Summary..... | 26 |
| Loan Borrowings..... | 28 |
| Balance Sheet | 29 |

Introduction

The purpose of this report is to provide Council with a summary of the financial performance in the fourth quarter of the financial year (ending 30 June 2014) against budget. This report also includes a summary of each Department's year end performance with explanations for variances which are approximately greater than \$10,000 or 10%.

This report also provides a summary of:

- Cash balance;
- Current investments;
- Loans balances; and
- Balance sheet.

Please note this finance report was generated on 19 July 2014 for the financial year ending 30 June 2014. This allowed for final close off of creditors to ensure all 2013/14 invoices are captured. This report has been prepared prior to the financial audit for the year ending 30 June 2014 being conducted. As such, this report is subject to change. This report has also been prepared for internal management reporting purposes and is not in accordance with Australian Accounting Standards.



Performance Summary (by Department)

| Department | Q4 3 months actual | Q4 3 months budget | Q4 Budget v Actual variance (3 months) | Q4 Budget v Actual Variance % (3 months) | Jun YTD Actuals | Original Budget + Carry FWD | Budget v Actual Variance (annual) | Budget v Actual (%) |
|--------------------------------------|---------------------|---------------------|--|--|----------------------|-----------------------------|-----------------------------------|---------------------|
| Income | | | | | | | | |
| 1.1 Councillor & Executive | \$14,937 | \$18,000 | \$3,063 | 17% | -\$9,466 | \$0 | \$9,466 | 100% |
| 2.1 Business and Finance Services | -\$650,993 | -\$578,542 | \$72,451 | -13% | -\$13,595,490 | -\$14,818,759 | -\$1,223,269 | 8% |
| 2.2 Community Services | -\$90,355 | -\$91,221 | -\$866 | 1% | -\$618,071 | -\$483,491 | \$134,580 | -28% |
| 2.3 Governance | -\$284 | -\$510 | -\$226 | 44% | -\$2,951 | -\$3,000 | -\$49 | 2% |
| 2.4 HACC Services | -\$317,423 | -\$323,663 | -\$6,240 | 2% | -\$1,230,518 | -\$1,294,700 | -\$64,182 | 5% |
| 3.1 Public Works & Services | -\$808,261 | -\$1,497,765 | -\$689,504 | 46% | -\$5,301,969 | -\$5,996,808 | -\$694,839 | 12% |
| 3.2 Project Delivery | -\$5,580 | -\$146,849 | -\$141,269 | 96% | -\$31,613 | -\$160,000 | -\$128,387 | 80% |
| 3.3 Emergency Management | \$0 | \$0 | \$0 | 0% | -\$5,427 | -\$10,000 | -\$4,573 | 46% |
| 4.1 Economic Development | -\$76,313 | -\$69,192 | \$7,121 | -10% | -\$279,592 | -\$316,000 | -\$36,408 | 12% |
| 4.2 Development Services and Amenity | -\$159,874 | -\$155,682 | \$4,192 | -3% | -\$591,214 | -\$610,800 | -\$19,586 | 3% |
| 4.3 Sustainability | -\$42,637 | \$0 | \$42,637 | 100% | -\$68,562 | -\$25,060 | \$43,502 | -174% |
| 4.4 Dinner Plain | -\$97,095 | -\$263,200 | -\$166,105 | 63% | -\$1,704,210 | -\$2,155,400 | -\$451,190 | 21% |
| 9.1 Renewals | -\$84,751 | -\$425,876 | -\$341,125 | 80% | -\$220,324 | -\$1,058,420 | -\$838,096 | 79% |
| 9.2 Upgrade | \$0 | \$0 | \$0 | 0% | -\$49,720 | -\$55,859 | -\$6,139 | 11% |
| 9.3 New | -\$42,325 | -\$35,997 | \$6,328 | -18% | -\$168,760 | -\$153,000 | \$15,760 | -10% |
| 9.4 Emergency Incident Expenditure | -\$614,649 | -\$299,468 | \$315,181 | -105% | -\$1,014,795 | -\$400,791 | \$614,004 | -153% |
| 9.5 Projects Grant income | -\$614,309 | -\$545,877 | \$68,432 | -13% | -\$2,218,030 | -\$2,624,517 | -\$406,487 | 15% |
| 9.6 - Carry Forward Projects | -\$680,000 | -\$1,000,000 | -\$320,000 | 32% | -\$770,000 | -\$1,000,000 | -\$230,000 | 23% |
| Total income | -\$4,269,913 | -\$5,415,842 | -\$1,145,929 | 221% | -\$27,880,712 | -\$31,166,605 | -\$3,285,893 | -48% |

Finance Report – June Quarter Review

| Department | Q4 3 months actual | Q4 3 months budget | Q4 Budget v Actual variance (3 months) | Q4 Budget v Actual Variance % (3 months) | Jun YTD Actuals | Original Budget + Carry FWD | Budget v Actual Variance (annual) | Budget v Actual (%) |
|--------------------------------------|--------------------|---------------------|--|--|---------------------|-----------------------------|-----------------------------------|---------------------|
| Expenses | | | | | | | | |
| 1.1 Councillor & Executive | \$367,149 | \$386,244 | \$19,095 | 5% | \$1,306,119 | \$1,332,500 | \$26,381 | 2% |
| 2.1 Business and Finance Services | \$566,661 | \$546,859 | -\$19,802 | -4% | \$2,326,993 | \$2,646,784 | \$319,791 | 12% |
| 2.2 Community Services | \$424,493 | \$515,161 | \$90,668 | 18% | \$1,858,577 | \$1,895,520 | \$36,943 | 2% |
| 2.3 Governance | \$272,834 | \$296,402 | \$23,568 | 8% | \$1,054,512 | \$1,120,400 | \$65,888 | 6% |
| 2.4 HACC Services | \$447,445 | \$603,837 | \$156,392 | 26% | \$1,641,471 | \$1,840,141 | \$198,670 | 11% |
| 2.5 Human Resources | \$56,996 | \$101,487 | \$44,491 | 44% | \$241,400 | \$270,000 | \$28,600 | 11% |
| 3.1 Public Works & Services | \$1,948,446 | \$3,352,612 | \$1,404,166 | 42% | \$7,148,498 | \$8,734,200 | \$1,585,702 | 18% |
| 3.2 Project Delivery | \$299,637 | \$392,017 | \$92,380 | 24% | \$1,230,471 | \$1,278,300 | \$47,829 | 4% |
| 3.3 Emergency Management | \$8,319 | \$31,455 | \$23,136 | 74% | \$14,300 | \$42,100 | \$27,800 | 66% |
| 4.1 Economic Development | \$484,453 | \$500,009 | \$15,556 | 3% | \$1,502,846 | \$1,528,135 | \$25,289 | 2% |
| 4.2 Development Services and Amenity | \$366,349 | \$517,849 | \$151,501 | 29% | \$1,383,586 | \$1,545,505 | \$161,919 | 10% |
| 4.3 Sustainability | \$68,309 | \$87,632 | \$19,323 | 22% | \$177,478 | \$206,825 | \$29,347 | 14% |
| 4.4 Dinner Plain | \$519,495 | \$1,099,948 | \$580,453 | 53% | \$1,516,609 | \$2,379,656 | \$863,047 | 36% |
| 9.1 Renewals | \$1,896,668 | \$3,741,903 | \$1,845,235 | 49% | \$3,132,614 | \$5,968,438 | \$2,835,824 | 48% |
| 9.2 Upgrade | \$530,582 | \$1,299,948 | \$769,366 | 59% | \$965,127 | \$1,962,077 | \$996,950 | 51% |
| 9.3 New | \$92,321 | \$179,112 | \$86,791 | 48% | \$233,791 | \$257,343 | \$23,552 | 9% |
| 9.4 Emergency Incident Expenditure | \$421,537 | \$51,638 | -\$369,899 | -716% | \$906,118 | \$52,198 | -\$853,920 | -1,636% |
| 9.6 - Carry Forward projects | \$166,564 | \$1,048,000 | \$881,436 | 84% | \$222,195 | \$1,997,278 | \$1,775,083 | 89% |
| Total expenditure | \$8,938,258 | \$14,752,113 | \$5,813,855 | 39% | \$26,862,705 | \$35,057,400 | \$8,194,695 | 23% |
| Net | \$4,668,345 | \$9,336,271 | \$4,667,926 | 50% | -\$1,018,007 | \$3,890,795 | \$4,908,802 | 126% |

Narrative

The Performance Summary (by Department) on the previous pages provides an overview of the financial performance of Council for the year ended 30 June 2014.

Key areas to highlight during quarter four include:

Income

- Finance and Business Services department had less budgeted cash inflow. This was due to Council not taking out the loan to fund the Defined Benefits superannuation expense of \$1.5 million paid in February 2012/13 as budgeted. This was partly offset by the sale of the Mount Beauty Girl Guide Hall which was not budgeted for.
- Public Works and Services income was less than budgeted due to Council not accessing income from the waste management reserve to carry out major works as originally budgeted.
- Renewal income was less than budgeted due to items of plant not being traded in as expected.
- Emergency incident income was higher than budgeted due to Council submitting a claim for works carried out over 2012/13 and 2013/14 for fire and flood damage that was not budgeted.
- Projects grant income and carry forward projects income was less than budgeted due to a number of large projects not yet being completed. This includes the Bright to Harrietteville Shared Trail. As a result the grant income is not yet received but is in line with key milestones.

Expenses

- Finance and Business Services being favourable due to the cost of implementing the Fire Services Levy being less than expected, employee costs being under budget due to staff taking leave, including the Manager taking leave without pay for 3 months and tree works for managed properties not being undertaken as expected.
- HACC services expenditure was favourable to budget due to a reduction in the demand for service.
- Public Works and Services expenditure was less than budget due to major projects relating to waste management being deferred until 2014/15 and 2015/16.
- Development Services and Amenity expenditure was less than budgeted due to employee costs being less than expected from positions being vacant during the year.
- Renewal projects expenditure was less than budgeted due to a number of large items of plant not being purchased.
- Upgrade projects expenditure was less than budgeted due to the timing of completion of key projects such as the Bright Splash Park. The Bright Splash Park is expected to be completed in coming months.
- Emergency incident expenditure was higher than budgeted due to works carried out following the Harrietteville bushfires.
- Carried forward project expenditure was expenditure on projects that were identified during quarter 3 review as not going to be completed by the end of the financial year. These projects are carried forward into 2014/15 budget and include the Bright to Harrietteville shared trail, Myrtleford Skate Park redevelopment and the Bright Sports Centre redevelopment.

Departmental Summaries

The following pages show a breakdown of each department’s performance for the financial year ending 30 June 2014. The departmental summaries are shown as net income and expenditure. Explanations have been provided for variances that are approximately greater than \$10,000 or 10%.

| Business Unit | Q4 3 months actual | Q4 3 months budget | Q4 Budget v Actual variance (3 months) | Q4 Budget v Actual Variance % (3 months) | Jun YTD Actuals | Original Budget + Carry FWD | Budget v Actual Variance (annual) | Budget v Actual (%) |
|---|--------------------|--------------------|--|--|------------------|-----------------------------|-----------------------------------|---------------------|
| 1.1 Councillor & Executive | | | | | | | | |
| 1.11 Council Representation | 79,740 | 94,128 | 14,388 | 15% | 249,941 | 253,700 | 3,759 | 1% |
| 1.12 Council Executive | 302,345 | 310,116 | 7,771 | 3% | 1,046,712 | 1,078,800 | 32,088 | 3% |
| 1.1 Councillor & Executive Total | 382,085 | 404,244 | 22,159 | 5% | 1,296,653 | 1,332,500 | 35,847 | 3% |

Quarter 4

Council representation - favourable for quarter 4 as a result of Councillor training and conferences being less than forecast (\$8K).

Year end

Council executive – favourable for the end for the year due to 2 staff being on maternity leave during the year.

| Business Unit | Q4 3 months actual | Q4 3 months budget | Q4 Budget v Actual variance (3 months) | Q4 Budget v Actual Variance % (3 months) | Jun YTD Actuals | Original Budget + Carry FWD | Budget v Actual Variance (annual) | Budget v Actual (%) |
|--|--------------------|--------------------|--|--|---------------------|-----------------------------|-----------------------------------|---------------------|
| 2.1 Business and Finance Services | | | | | | | | |
| 2.12 Revenue Collection | 62,887 | 70,158 | 7,271 | 10% | (10,918,966) | (10,802,621) | 116,345 | -1% |
| 2.13 Accounting Services | (258,097) | (272,704) | (14,607) | 5% | (1,044,866) | (916,259) | 128,607 | -14% |
| 2.14 IT Services | 110,063 | 100,902 | (9,161) | -9% | 521,352 | 539,800 | 18,448 | 3% |
| 2.15 Property Management | (108,476) | (26,072) | 82,404 | -316% | (534,369) | (247,918) | 286,451 | -116% |
| 2.17 Corporate Overheads | 109,292 | 96,033 | (13,259) | -14% | 708,352 | (744,977) | (1,453,329) | 195% |
| 2.1 Business and Finance Services Total | (84,332) | (31,683) | 52,649 | -166% | (11,268,497) | (12,171,975) | (903,479) | 7% |

Quarter 4

Accounting services – unfavourable for quarter 4 due to debt services costs being higher than budgeted (\$11K).

Property management – favourable for quarter 4 due to tree management works not being undertaken at Bright Holiday Park as anticipated.

Corporate overheads – unfavourable for quarter 4 due to loan repayments for borrowings being costed to this account, however they were budgeted in other departments.

Year end

Revenue collection – favourable at year end due to supplementary valuations being carried out during the year.

Accounting services – favourable due to staff taking leave (including the Manager Finance and Business Services on unpaid maternity leave for 3 months).

Property management – favourable due to the sale of the Mount Beauty Girl Guide Hall.

Corporate overheads – unfavourable at year end due to Council not taking out the loan for the defined benefit superannuation expense as originally budgeted.

| Business Unit | Q4 3 months actual | Q4 3 months budget | Q4 Budget v Actual variance (3 months) | Q4 Budget v Actual Variance % (3 months) | Jun YTD Actuals | Original Budget + Carry FWD | Budget v Actual Variance (annual) | Budget v Actual (%) |
|---|--------------------|--------------------|--|--|------------------|-----------------------------|-----------------------------------|---------------------|
| 2.2 Community Services | | | | | | | | |
| 2.21 Community Development | 95,964 | 168,116 | 72,152 | 43% | 252,474 | 462,574 | 210,100 | 45% |
| 2.22 Senior Citizens | (10,323) | 5,875 | 16,198 | 276% | (29,993) | (800) | 29,193 | -3,649% |
| 2.23 Youth Services | 5,769 | 17,939 | 12,170 | 68% | 43,508 | 35,755 | (7,753) | -22% |
| 2.24 Art & Culture | 9,009 | 11,847 | 2,838 | 0% | 12,879 | 14,000 | 1,121 | 8% |
| 2.25 Library Services | 97,831 | 76,180 | (21,651) | -28% | 401,980 | 379,000 | (22,980) | -6% |
| 2.26 Emergency Services | - | 1,656 | 1,656 | 0% | 32,011 | 34,300 | 2,289 | 7% |
| 2.27 Swimming Pools Management & Maint. | 66,646 | 65,699 | (947) | -1% | 320,727 | 295,000 | (25,727) | -9% |
| 2.29 Recreation | 69,242 | 76,628 | 7,386 | 10% | 206,920 | 192,200 | (14,720) | -8% |
| 2.2 Community Services Total | 334,138 | 423,940 | 89,802 | 21% | 1,240,506 | 1,412,029 | 171,523 | 12% |

Quarter 4

Community development – favourable due to the Manager Communities position being vacant for majority of the quarter and partly offset by the grant funding for the Positive Aging Program to now be received in 2014/15.

Senior Citizens – grant income received which was not budgeted for.

Youth services – children’s services grant received which was more than budgeted.

Library services – expenditure higher than expected due to under estimating the monthly service charge.

Year end

Community development – favourable due to the Manager of Communities position being vacant for almost 6 months of the year. The Community Grants Program has \$37K unspent at the end of the year which will be carried forward into 2014/15. Also there were \$72K of an unbudgeted grant for the Resilient Communities Program.

Senior citizens – favourable due to grants being received this year which will be spent in 2014/15.

Library services – unfavourable due to under budgeting for the monthly service charges.

Community services year end (continued)

Swimming pools – unfavourable due to the pools being open for longer hours than originally budgeted.

Recreation – unfavourable due to Council taking back management of the Myrtleford Senior Citizens Centre, therefore utilities and maintenance expenditure were not budgeted for.

| Business Unit | Q4 3 months actual | Q4 3 months budget | Q4 Budget v Actual variance (3 months) | Q4 Budget v Actual Variance % (3 months) | Jun YTD Actuals | Original Budget + Carry FWD | Budget v Actual Variance (annual) | Budget v Actual (%) |
|---|--------------------|--------------------|--|--|------------------|-----------------------------|-----------------------------------|---------------------|
| 2.3 Governance | | | | | | | | |
| 2.31 Risk Management | 29,213 | 36,529 | 7,316 | 20% | 109,165 | 115,000 | 5,835 | 5% |
| 2.33 Customer Service and Council support | 101,736 | 106,348 | 4,612 | 4% | 384,297 | 400,200 | 15,903 | 4% |
| 2.34 Compliance and Reporting | 60,874 | 65,462 | 4,588 | 7% | 231,504 | 251,200 | 19,696 | 8% |
| 2.35 Business Improvement | 54,977 | 60,603 | 5,626 | 9% | 209,749 | 227,000 | 17,251 | 8% |
| 2.36 Procurement | 25,749 | 26,950 | 1,201 | 4% | 116,845 | 124,000 | 7,155 | 6% |
| 2.3 Governance Total | 272,549 | 295,892 | 23,343 | 8% | 1,051,560 | 1,117,400 | 65,840 | 6% |

Quarter 4

No explanations provided due to immaterial variations against budget.

Year end

Customer service – favourable to budget due to reduced use of casuals to backfill staff being on leave.

Compliance and reporting – favourable against budget due to staff resources being reduced in this area.

Business improvement – favourable against budget due to staff not being backfilled when taking leave.

| Business Unit | Q4 3 months actual | Q4 3 months budget | Q4 Budget v Actual variance (3 months) | Q4 Budget v Actual Variance % (3 months) | Jun YTD Actuals | Original Budget + Carry FWD | Budget v Actual Variance (annual) | Budget v Actual (%) |
|--------------------------------|--------------------|--------------------|--|--|-----------------|-----------------------------|-----------------------------------|---------------------|
| 2.4 HACC Services | | | | | | | | |
| 2.41 HACC Services | 111,935 | 264,433 | 152,498 | 58% | 378,245 | 516,105 | 137,860 | 27% |
| 2.42 Maternal & Child Health | 18,087 | 15,741 | (2,346) | -15% | 32,708 | 29,336 | (3,372) | -11% |
| 2.4 HACC Services Total | 130,022 | 280,174 | 150,152 | 54% | 410,953 | 545,441 | 134,488 | 25% |

Quarter 4

HACC services – favourable for the quarter due to a reduction in service demand for outside agency and Veterans. HACC is also favourable due to the timing of completion of minor projects.

Year end

HACC services – favourable for the quarter due to a reduction in service demand for outside agency and Veterans and an unspent bushfire grant.

| Business Unit | Q4 3 months actual | Q4 3 months budget | Q4 Budget v Actual variance (3 months) | Q4 Budget v Actual Variance % (3 months) | Jun YTD Actuals | Original Budget + Carry FWD | Budget v Actual Variance (annual) | Budget v Actual (%) |
|----------------------------------|--------------------|--------------------|--|--|-----------------|-----------------------------|-----------------------------------|---------------------|
| 2.5 Human Resources | | | | | | | | |
| 2.51 Human Resources | 56,996 | 101,487 | 44,491 | 44% | 241,400 | 270,000 | 28,600 | 11% |
| 2.5 Human Resources Total | 56,996 | 101,487 | 44,491 | 44% | 241,400 | 270,000 | 28,600 | 11% |

Quarter 4

Human resources – favourable to budget for the quarter due to the HR Officer taking leave and then resigning. This position has not been backfilled. Also favourable due to scheduled training being postponed to 2014/15.

Year end

Human resources – favourable to budget for the year due to the HR Officer taking leave and then resigning in quarter 4. This position has not been backfilled. Also favourable due to scheduled training being postponed to 2014/15. This was partly offset by HR being unfavourable for the first 3 quarters due to additional resources required as part of the Enterprise Agreement negotiations.

| Business Unit | Q4 3 months actual | Q4 3 months budget | Q4 Budget v Actual variance (3 months) | Q4 Budget v Actual Variance % (3 months) | Jun YTD Actuals | Original Budget + Carry FWD | Budget v Actual Variance (annual) | Budget v Actual (%) |
|---|--------------------|--------------------|--|--|------------------|-----------------------------|-----------------------------------|---------------------|
| 3.1 Public Works & Services | | | | | | | | |
| 3.101 Airports | (7,717) | 607 | 8,324 | 1,371% | (9,127) | 9,750 | 18,877 | 194% |
| 3.102 Local Roads | 121,709 | 137,094 | 15,385 | 11% | 588,865 | 591,961 | 3,096 | 1% |
| 3.103 Local Bridges | 34,179 | 38,898 | 4,719 | 12% | 103,162 | 116,300 | 13,138 | 11% |
| 3.104 Waste & Recycle Service | 129,481 | 147,365 | 17,884 | 12% | 356,822 | 376,000 | 19,178 | 5% |
| 3.105 Footpath Kerb & Channel | 5,939 | 12,894 | 6,955 | 54% | 70,112 | 81,000 | 10,888 | 13% |
| 3.107 Operations expenditure clearance accounts | (84,890) | (135,102) | (50,212) | 37% | (447,440) | (531,019) | (83,579) | 16% |
| 3.108 Open Spaces | 442,205 | 455,656 | 13,451 | 3% | 1,633,559 | 1,596,500 | (37,059) | -2% |
| 3.109 Rail Trail Maintenance | 21,370 | 18,330 | (3,040) | -17% | 51,838 | 52,500 | 662 | 1% |
| 3.110 Operations Engineer | 102,493 | 88,695 | (13,798) | -16% | 369,389 | 326,400 | (42,989) | -13% |
| 3.111 Waste Management | 375,416 | 1,090,410 | 714,995 | 66% | (870,651) | 118,000 | 988,651 | 0% |
| 3.1 Public Works & Services Total | 1,140,185 | 1,854,847 | 714,662 | 39% | 1,846,529 | 2,737,392 | 890,863 | 33% |

Quarter 4

Waste and recycle services – some expenditure still to be accrued in June relating to this business unit. Expected to be slightly higher than budget.

Operations expenditure – unfavourable due to Council budgeting to receive income for sale of rock (gravel) inventory. However, this is now being retained for use by Council.

Waste management – favourable due to deferral of projects to 2014/15.

Year end

Airports – favourable due to expenditure not being allocated to this business unit. For example, insurance and registration was not allocated to the asset but rather costs to corporate overheads.

Operations expenditure – unfavourable due to budgeted to receive income for sale of rock (gravel) inventory. However this is now being retained for use by Council.

Public works and services year end (continued)

Operations engineer – unfavourable due to costs higher than estimated.

Waste management – favourable due to projects being deferred to 2014/15.

| Business Unit | Q4 3 months actual | Q4 3 months budget | Q4 Budget v Actual variance (3 months) | Q4 Budget v Actual Variance % (3 months) | Jun YTD Actuals | Original Budget + Carry FWD | Budget v Actual Variance (annual) | Budget v Actual (%) |
|---------------------------------------|--------------------|--------------------|--|--|------------------|-----------------------------|-----------------------------------|---------------------|
| 3.2 Project Delivery | | | | | | | | |
| 3.21 Project Delivery Manager | 48,187 | 47,980 | (207) | 0% | 137,931 | 154,500 | 16,569 | 11% |
| 3.22 Development Engineering | 180,282 | 72,152 | (108,130) | -150% | 714,001 | 534,300 | (179,701) | -34% |
| 3.25 Building Maintenance | 65,588 | 125,036 | 59,448 | 48% | 346,926 | 429,500 | 82,574 | 19% |
| 3.2 Project Delivery Total | 294,057 | 245,168 | (48,889) | -20% | 1,198,858 | 1,118,300 | (80,558) | -7% |
| 3.3 Emergency Management | | | | | | | | |
| 3.31 Emergency Management | 8,319 | 31,455 | 23,136 | 74% | 8,873 | 32,100 | 23,227 | 72% |
| 3.3 Emergency Management Total | 8,319 | 31,455 | 23,136 | 74% | 8,873 | 32,100 | 23,227 | 72% |

Quarter 4

Development engineering – unfavourable due to project management income (internal charges) yet to be allocated to projects. This forms part of the end of financial year process.

Building maintenance – favourable due to less maintenance being carried out than expected.

Emergency management – favourable due to less expenditure required.

Year end

Development engineering - unfavourable due to project management income (internal charges) yet to be allocated to projects. This forms part of the end of financial year process. Further street lighting also exceeded budget by \$40K.

Building maintenance – favourable due to less maintenance being carried out than expected.

Emergency management – favourable due to less expenditure required.

| Business Unit | Q4 3 months actual | Q4 3 months budget | Q4 Budget v Actual variance (3 months) | Q4 Budget v Actual Variance % (3 months) | Jun YTD Actuals | Original Budget + Carry FWD | Budget v Actual Variance (annual) | Budget v Actual (%) |
|---------------------------------------|--------------------|--------------------|--|--|------------------|-----------------------------|-----------------------------------|---------------------|
| 4.1 Economic Development | | | | | | | | |
| 4.11 Economic Development | 188,356 | 136,458 | (51,898) | -38% | 390,422 | 394,000 | 3,578 | 1% |
| 4.12 Tourism | 26,537 | 97,131 | 70,594 | 73% | 233,398 | 233,135 | (263) | 0% |
| 4.13 Festivals & Events | 98,879 | 107,311 | 8,432 | 8% | 290,235 | 298,000 | 7,765 | 3% |
| 4.14 Visitor Information Centres | 94,369 | 89,917 | (4,452) | -5% | 309,199 | 287,000 | (22,199) | -8% |
| 4.1 Economic Development Total | 408,140 | 430,817 | 22,677 | 5% | 1,223,254 | 1,212,135 | (11,119) | -1% |

Quarter 4

Economic development – unfavourable due to remaining funds for the Alpine Community Plantation (ACP) project being paid to the ACP incorporated body. This was later than originally forecast.

Tourism – favourable due to reduced staff wages as a result of vacant positions which have not yet been replaced.

Year end

Visitor information centres – unfavourable due to the Mount Beauty VIC not being able to rent vacant space thus not receiving budgeted rental income.

| Business Unit | Q4 3 months actual | Q4 3 months budget | Q4 Budget v Actual variance (3 months) | Q4 Budget v Actual Variance % (3 months) | Jun YTD Actuals | Original Budget + Carry FWD | Budget v Actual Variance (annual) | Budget v Actual (%) |
|---|--------------------|--------------------|--|--|-----------------|-----------------------------|-----------------------------------|---------------------|
| 4.2 Development Services and Amenity | | | | | | | | |
| 4.21 Statutory Planning Services | 117,843 | 200,428 | 82,585 | 41% | 422,765 | 516,125 | 93,360 | 18% |
| 4.22 Municipal Building Services | 17,969 | 20,320 | 2,351 | 12% | 68,066 | 63,500 | (4,566) | -7% |
| 4.23 Environmental Health Services | 68,741 | 97,394 | 28,653 | 29% | 165,869 | 192,988 | 27,119 | 14% |
| 4.24 Local Laws Enforcement | 1,921 | 44,025 | 42,104 | 96% | 135,673 | 162,092 | 26,419 | 16% |
| 4.2 Development Services and Amenity Total | 206,475 | 362,167 | 155,692 | 43% | 792,372 | 934,705 | 142,333 | 15% |

Quarter 4

Statutory planning – favourable due to positions being vacant during the year. Also favourable due to Council not progressing the planning scheme amendments as budgeted (\$32K).

Environmental health services – The Pandemic Plan and Heatwave Plan were not undertaken as budgeted (\$30K).

Local laws – favourable due to prosecution costs, animal registrations and pound costs being less than expected.

Year end

Statutory planning – favourable due to positions being vacant during the year. Also favourable due to Council not progressing the planning scheme amendments as budgeted (\$32K).

Environmental health services – The Pandemic Plan and Heatwave Plan were not undertaken as budgeted (\$30K).

Local laws – favourable due to prosecution costs, animal registrations and pound costs being less than expected.

| Business Unit | Q4 3 months actual | Q4 3 months budget | Q4 Budget v Actual variance (3 months) | Q4 Budget v Actual Variance % (3 months) | Jun YTD Actuals | Original Budget + Carry FWD | Budget v Actual Variance (annual) | Budget v Actual (%) |
|---------------------------------|--------------------|--------------------|--|--|------------------|-----------------------------|-----------------------------------|---------------------|
| 4.3 Sustainability | | | | | | | | |
| 4.31 Environment Services | 25,671 | 87,632 | 61,961 | 71% | 108,916 | 181,765 | 72,849 | 40% |
| 4.3 Sustainability Total | 25,671 | 87,632 | 61,961 | 71% | 108,916 | 181,765 | 72,849 | 40% |
| 4.4 Dinner Plain | | | | | | | | |
| 4.41 Dinner Plain Operations | 383,830 | 679,320 | 295,490 | 44% | (320,722) | (593,500) | (272,778) | 46% |
| 4.42 Dinner Plain Projects | 38,570 | 157,428 | 118,858 | 76% | 133,121 | 817,756 | 684,635 | 84% |
| 4.4 Dinner Plain Total | 422,400 | 836,748 | 414,348 | 50% | (187,600) | 224,256 | 411,856 | 184% |

Quarter 4

Environment services – favourable due to employee costs being less than budgeted and Mount Beauty Stadium lighting project being delayed to July 2014, thus will be spent in 2014/15 financial year.

Dinner Plain operations – favourable due to marketing and bus subsidy expenditure being less than budgeted. Snow clearing, resort municipal service contracts and garbage collection invoices for June 2014 are yet to be accrued.

Dinner Plain projects – favourable due to projects yet to be completed. The main project being the snow making. Project to be completed in 2014/15 financial year.

Year end

Environment services – favourable due to employee costs being less than budgeted and Mount Beauty Stadium lighting project being delayed to July 2014, thus will be spent in 2014/15 financial year.

Dinner Plain operations - unfavourable due to originally budgeting to withdraw funds from the reserve to fund projects (cash inflow). Accessing this reserve will now occur in 2014/15. This variance was also attributed to the timing of receiving grant income, now expected to be received in 2014/15.

Dinner Plain projects – favourable due to projects yet to be completed. The main project being the snow making. Project to be completed in 2014/15 financial year.

| Business Unit | Q4 3 months actual | Q4 3 months budget | Q4 Budget v Actual variance (3 months) | Q4 Budget v Actual Variance % (3 months) | Jun YTD Actuals | Original Budget + Carry FWD | Budget v Actual Variance (annual) | Budget v Actual (%) |
|-------------------------------------|--------------------|--------------------|--|--|------------------|-----------------------------|-----------------------------------|---------------------|
| 9.1 Renewals | | | | | | | | |
| 9.11 - Office Equipment & Furniture | 33,194 | 96,339 | 63,145 | 66% | 76,469 | 175,416 | 98,947 | 56% |
| 9.12 - Plant & Motor Vehicles | 127,482 | 614,112 | 486,630 | 79% | 494,317 | 1,190,073 | 695,756 | 58% |
| 9.13 - Roads | 1,322,078 | 1,621,559 | 299,481 | 18% | 1,583,311 | 2,166,023 | 582,712 | 27% |
| 9.14 - Bridges | 259,582 | 377,880 | 118,298 | 31% | 334,806 | 477,386 | 142,580 | 30% |
| 9.15 - Kerbs | - | - | - | 0% | 54,865 | 102,798 | 47,933 | 47% |
| 9.16 - Footpaths | 18,511 | 109,321 | 90,810 | 83% | 18,511 | 109,321 | 90,810 | 83% |
| 9.17 - Drainage | 275 | 52,857 | 52,582 | 0% | 50,700 | 103,282 | 52,582 | 51% |
| 9.18 - Buildings | 7,606 | 69,091 | 61,485 | 89% | 142,594 | 167,453 | 24,859 | 15% |
| 9.19 - Recreation & Other Projects | 31,849 | 90,656 | 58,807 | 65% | 101,937 | 73,640 | (28,297) | -38% |
| 9.20 - Strategies & Reviews | 11,341 | 284,212 | 272,871 | 0% | 54,779 | 344,626 | 289,847 | 84% |
| 9.1 Renewals Total | 1,811,917 | 3,316,027 | 1,504,110 | 45% | 2,912,289 | 4,910,018 | 1,997,729 | 41% |

Quarter 4

Office equipment – favourable due to the postponement of a number of business systems projects until completion of the Strategic Alignment Project.

Plant and motor vehicles – trade in of vehicles has been postponed partly till 2014/15 and partly till completion of the fleet review.

Roads – favourable due to the cancellation of the Anderson Street Roadside improvement project (\$260K).

Year end

Office equipment - favourable due to the postponement of a number of business systems projects until completion of the Strategic Alignment Project.

Plant and motor vehicles – trade in of vehicles has been postponed partly till 2014/15 and partly till completion of the fleet review.

Renewals year end (continued)

Roads – favourable due to the cancelation of the Anderson Street Roadside improvement project (\$260K). The Bay Creek Lane pavement alterations project is currently assessing tenders, and other small roads projects were delayed and will be finalised in 2014/15.

Bridges – favourable mainly due to the swing bridge renewal projects being delayed. This project is carried forward into 2014/15.

Kerbs – favourable due to works being delayed. Projects expected to be completed in 2014/15.

Footpaths – favourable due to works being delayed. Projects expected to be completed in 2014/15.

Drainage - favourable due to works being delayed. Projects expected to be completed in 2014/15.

Buildings – works completed were favourable against budget. Still some minor works to be completed including solar lighting.

Recreation – unfavourable due to the grant for the Myrtleford Skate Park now expected to be received in 2014/15. This is offset by completed projects which are yet to receive the final invoices to close the projects.

Strategies and reviews – favourable due to projects not progressing and being reassessed as part of the 2014/15 budget and Long Term Financial Plan.

| Business Unit | Q4 3 months actual | Q4 3 months budget | Q4 Budget v Actual variance (3 months) | Q4 Budget v Actual Variance % (3 months) | Jun YTD Actuals | Original Budget + Carry FWD | Budget v Actual Variance (annual) | Budget v Actual (%) |
|--|--------------------|--------------------|--|--|-----------------|-----------------------------|-----------------------------------|---------------------|
| 9.2 Upgrade | | | | | | | | |
| 9.21 IT equipment & office furniture upgrade | 10,865 | 39,979 | 29,114 | 73% | 21,119 | 165,788 | 144,669 | 87% |
| 9.23 - Roads | 190,345 | 366,698 | 176,353 | 48% | 349,956 | 660,036 | 310,080 | 47% |
| 9.24 - Bridges | 367 | 26,250 | 25,884 | 99% | 367 | 26,250 | 25,884 | 99% |
| 9.27 - Drainage | 10,489 | 66,832 | 56,343 | 84% | 95,148 | 14,640 | (80,508) | 550% |
| 9.28 - Buildings | 5,341 | 24,360 | 19,019 | 78% | 13,087 | 187,837 | 174,750 | 93% |
| 9.29 - Recreation and Other Projects | 313,175 | 775,829 | 462,654 | 60% | 435,731 | 851,667 | 415,936 | 49% |
| 9.2 Upgrade Total | 530,582 | 1,299,948 | 769,366 | 59% | 915,407 | 1,906,218 | 990,811 | 52% |

Quarter 4

IT equipment – favourable due to the postponement of a number of business systems projects until completion of the Strategic Alignment Project.

Roads – favourable due to a number of projects being deferred to 2014/15. This is mainly attributed to the Byers Lane culvert betterment and a number of smaller projects yet to receive final invoices.

Bridges – favourable due to works being delayed to 2014/15.

Drainage – favourable due to the budget forecast and original budget being incorrect. Drainage works have been completed.

Buildings – favourable due to works for buildings being delayed.

Recreation – favourable due to a number of projects being in their later stages of implementation. These projects are expected to be completed in early 2014/15.

Year end

Refer to quarter 4 explanations already provided.

| Business Unit | Q4 3 months actual | Q4 3 months budget | Q4 Budget v Actual variance (3 months) | Q4 Budget v Actual Variance % (3 months) | Jun YTD Actuals | Original Budget + Carry FWD | Budget v Actual Variance (annual) | Budget v Actual (%) |
|---|--------------------|--------------------|--|--|------------------|-----------------------------|-----------------------------------|---------------------|
| 9.3 New | | | | | | | | |
| 9.36 - Footpaths | 2,088 | 18,915 | 16,827 | 89% | 7,596 | 29,290 | 21,694 | 74% |
| 9.39 - Recreation and Other Projects | 47,908 | 124,200 | 76,292 | 61% | 57,435 | 75,053 | 17,618 | 23% |
| 9.3 New Total | 49,996 | 143,115 | 93,119 | 65% | 65,031 | 104,343 | 39,312 | 38% |
| 9.4 Emergency Incident Expenditure | | | | | | | | |
| 9.41 Flood Recovery | 421,537 | (299,468) | (721,005) | 241% | 642,451 | (255,463) | (897,914) | 351% |
| 9.42 Bushfire Recovery | (614,649) | 51,638 | 666,287 | 1290% | (751,128) | (93,130) | 657,998 | 706% |
| 9.4 Emergency Incident Expenditure Total | (193,112) | (247,830) | (54,718) | 22% | (108,677) | (348,593) | (239,916) | 69% |

Quarter 4

Footpaths – favourable due to works not progressing within expected timeframe. Revised in the 2014/15 budget.

Recreation - favourable mainly due to works at Dinner Plain expected to be undertaken in 2014/15.

Emergency incident – unfavourable due to the timing of works being expended versus the timing of grant income being received. Works must be undertaken and claimed back. A claim was submitted in April 2014 for income.

Year end

Refer to quarter 4 explanations already provided.

| Business Unit | Q4 3 months actual | Q4 3 months budget | Q4 Budget v Actual variance (3 months) | Q4 Budget v Actual Variance % (3 months) | Jun YTD Actuals | Original Budget + Carry FWD | Budget v Actual Variance (annual) | Budget v Actual (%) |
|---|--------------------|--------------------|--|--|--------------------|-----------------------------|-----------------------------------|---------------------|
| 9.5 Projects Grant income | | | | | | | | |
| 9.5 Projects Grant income | (614,309) | (545,877) | 68,432 | 12% | (2,218,030) | (2,624,517) | (406,487) | 15% |
| 9.5 Projects Grant income Total | (614,309) | (545,877) | 68,432 | -13% | (2,218,030) | (2,624,517) | (406,487) | 15% |
| | | | | | | | | |
| 9.6 Carry Forward Projects | | | | | | | | |
| 9.61 - Carry Forward Projects | (513,436) | 48,000 | 561,436 | 1,170% | (547,805) | 997,278 | 1,545,083 | 155% |
| 9.6 - Carry Forward Projects Total | (513,436) | 48,000 | 561,436 | 1,170% | (547,805) | 997,278 | 1,545,083 | 155% |

Quarter 4

Projects grant income – favourable due to receiving roads to recovery grant income in quarter 4 which was more than budgeted.

Carry forward projects – these are the projects which were identified in the quarter 3 review as not expecting to be completed in the current financial year. As a result, they were separated out and will be carried forward into the 2014/15 year. Key projects include the Bright Sports Centre redevelopment and the Bright to Harrierville Shared Trail.

Year end

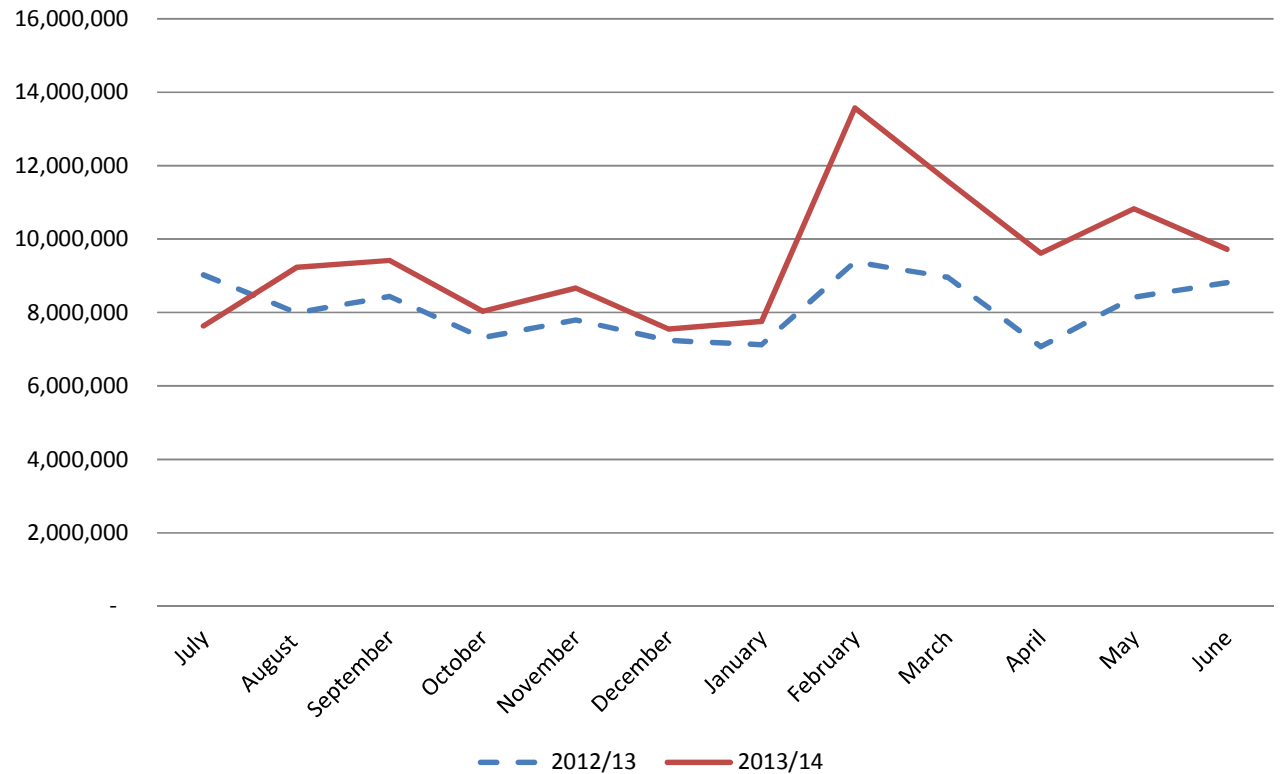
Refer to quarter 4 explanations already provided.

Cash

This graph shows the cash position as at 30 June 2014 and the fluctuations from month to month. This is favourable compared to prior years due to capital works projects being delayed to 2014/15 and will be carried forward.

The spike in cash, which appears in February, is as a result of rates being due and grant income being received from the Victorian Grants Commission.

Monthly Cash Balance

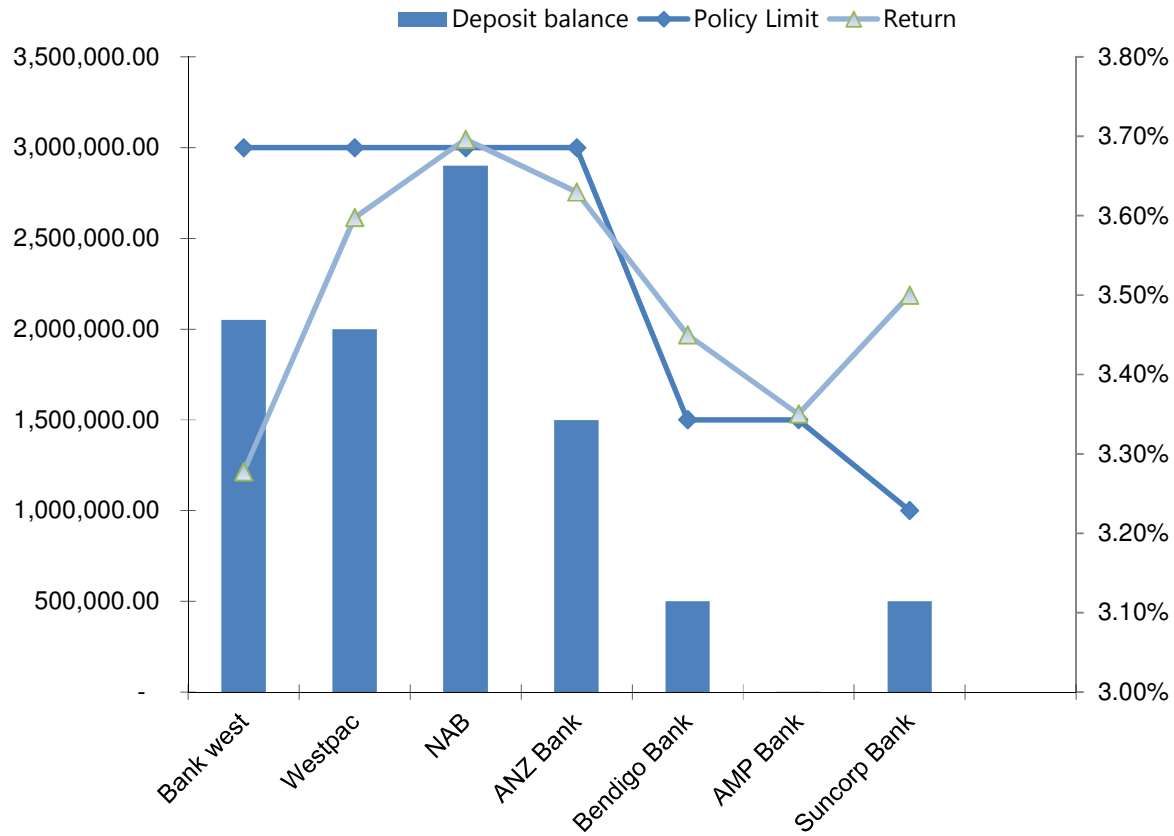


Term Deposit Summary

This table shows a listing of Council's current terms deposits. The graph over the page shows how the term deposits with each financial institution compare to Council's investment policy limits.

| Date | Securities | Deposit | Rate | Due | Interest | Average deposit balance for month | Return |
|--|--------------------------|---------------------|-------|------------|------------------|-----------------------------------|--------------|
| 1/12/2013 | NAB | 500,000.00 | 3.80% | 2/06/2014 | 104.11 | 33,333.33 | |
| 11/02/2014 | Westpac | 1,000,000.00 | 3.57% | 10/07/2014 | 2,934.25 | 1,000,000.00 | |
| 17/02/2014 | NAB | 500,000.00 | 3.75% | 26/08/2014 | 1,541.10 | 500,000.00 | |
| 17/02/2014 | Suncorp Bank | 500,000.00 | 3.50% | 24/06/2014 | 1,150.68 | 400,000.00 | |
| 21/02/2014 | Suncorp Bank | 500,000.00 | 3.50% | 21/07/2014 | 1,438.36 | 500,000.00 | |
| 6/03/2014 | ANZ Bank | 1,500,000.00 | 3.55% | 6/06/2014 | 875.34 | 300,000.00 | |
| 7/04/2014 | NAB | 900,000.00 | 3.72% | 7/09/2014 | 2,751.78 | 900,000.00 | |
| 22/04/2014 | NAB | 500,000.00 | 3.72% | 22/09/2014 | 1,528.77 | 500,000.00 | |
| 23/05/2014 | Westpac | 500,000.00 | 3.65% | 23/11/2014 | 1,500.00 | 500,000.00 | |
| 22/05/2014 | Bank west | 1,500,000.00 | 3.55% | 20/08/2014 | 4,376.71 | 1,500,000.00 | |
| 22/05/2014 | NAB | 500,000.00 | 3.64% | 22/09/2014 | 1,495.89 | 500,000.00 | |
| 2/06/2014 | NAB | 500,000.00 | 3.62% | 9/09/2014 | 1,388.49 | 466,666.67 | |
| 6/06/2014 | ANZ Bank | 1,500,000.00 | 3.65% | 6/09/2014 | 3,600.00 | 1,200,000.00 | |
| 3/06/2014 | Westpac | 500,000.00 | 3.60% | 3/11/2014 | 1,331.51 | 450,000.00 | |
| 1/06/2014 | AMP Bank | 862.58 | 3.35% | 30/06/2014 | 387.46 | 140,719.30 | |
| 1/06/2014 | Bank west | 551,133.28 | 2.50% | 30/06/2014 | 1,081.02 | 526,096.40 | |
| 23/01/2014 | Bendigo Bank | 500,000.00 | 3.45% | 23/07/2014 | 1,082.02 | 381,581.93 | |
| Total Investments (excluding expired) | | 9,451,995.86 | | | 28,567.49 | 9,798,397.64 | 3.55% |
| | Cash at bank | 271,683.14 | | | | | |
| | Total Cash assets | 9,723,679.00 | | | | | |

Investments June 2014



Loan Borrowings

The table below shows Council's current loans with financial institutions. This table does not include leases or hire purchase agreements. The loans below have varying terms and payback periods.

| Bank | Original loan amount | Current interest rate % | Balance as at 30 June 2014 |
|-------------------|----------------------|-------------------------|----------------------------|
| Commonwealth Bank | 450,000 | 6.56 | 200,140.46 |
| Commonwealth Bank | 200,000 | 6.83 | 26,560.24 |
| Bendigo Bank | 1,000,000 | 5.36 | 745,564.24 |
| ANZ Bank | 300,000 | 6.15 | 253,584.12 |
| | | | |
| Total | | | 1,225,849.06 |

Balance Sheet

| | 13/14 Actual YTD June | 13/14 Budget YTD June | Variance | Variance % | Explanation |
|---|--------------------------|-----------------------------|---------------|------------|--|
| Current assets | \$'000 | \$'000 | \$'000 | | |
| Cash assets | 9,724 | 11,313 | 1,589 | 14% | Reduced cash due to Council not taking out the loan for the Defined Benefits Superannuation call as originally budgeted. |
| Receivables | 1,351 | 1,602 | 251 | 16% | Rate debtors variance has decreased due to implementation of strong collection processes. |
| Other | 357 | 311 | (46) | -15% | |
| Total current assets | 11,432 | 13,226 | 1,794 | 14% | |
| Non-current assets | | | | | |
| Investment in associate | 462 | 481 | 19 | 4% | |
| Land inventory | 746 | 1,545 | 799 | 52% | Less than budgeted due to the unanticipated drop in land values at 30 June 2013. |
| Property, Infrastructure, plant and equipment | 184,793 | 193,593 | 8,800 | 5% | Valuations not yet complete for Roads and Capital works projects not completed. |
| Other | 208 | 178 | (30) | -17% | |
| Total non-current assets | 186,209 | 195,797 | 9,588 | 5% | |
| Total assets | 197,641 | 209,023 | 11,382 | 5% | |

Finance Report – June Quarter Review

| | 13/14 Actual YTD June | 13/14 Budget YTD June | Variance | Variance % | Explanation |
|---------------------------------------|--------------------------|-----------------------------|----------------|-------------|---|
| Current liabilities | \$'000 | \$'000 | \$'000 | | |
| Payables | 2,327 | 2,166 | (161) | -7% | Accruals for June expenditure are yet to be included as part of the year end audit process. |
| Interest bearing liabilities | 196 | 315 | 119 | 38% | New loan budgeted not taken out. |
| Employee benefits | 2,354 | 2,407 | 53 | 2% | |
| Provision for landfill rehabilitation | 286 | 321 | 35 | 11% | |
| Other | 43 | 30 | (13) | -43% | |
| Total current liabilities | 5,206 | 5,239 | 33 | 1% | |
| Non-current liabilities | | | | | |
| Interest bearing liabilities | 1,142 | 2,260 | 1,118 | 49% | New loan budgeted not taken out. |
| Employee benefits | 394 | 320 | (74) | -23% | |
| Provision for landfill rehabilitation | 3,330 | 1,241 | (2,089) | -168% | Changes to amount at end of last year which were not originally budgeted. |
| Other | 537 | 506 | (31) | -6% | |
| Total non-current liabilities | 5,403 | 4,327 | (1,076) | -25% | |
| Total liabilities | 10,609 | 9,566 | (1,043) | -11% | |
| Net assets | 187,032 | 199,457 | 12,425 | 6% | |
| | | | | | |
| Equity | | | | | |
| Accumulated surplus | 77,721 | 85,740 | 8,019 | 9% | |
| Asset revaluation reserve | 107,611 | 112,749 | 5,138 | 5% | |
| Other reserves | 1,700 | 968 | (732) | -76% | |
| Total equity | 187,032 | 199,457 | 12,425 | 6% | |

