

# **Finance Report**

## **Quarterly Review One**



# **Alpine Shire**

**For the period ending 30 September 2015**

## Contents

Introduction .....	3
Preparation of report.....	3
Business Unit alignment.....	3
Capital Works Expenditure.....	3
Summary of performance.....	3
Income Statement .....	4
Income Statement – explanations of variances.....	5
Income Statement – graphs .....	6
Income .....	6
Expenses .....	6
Balance Sheet .....	7
Balance Sheet – explanations of variances .....	8
Cash.....	9
Term deposit summary.....	10
Interest bearing liabilities .....	11
Departmental summaries .....	12
Directorate summary – YTD.....	12
Directorate summary – forecast.....	12
Councillor and executive summary – YTD.....	13
Councillor summary – YTD.....	13
Councillor and executive summary – forecast.....	14
Councillor summary – forecast.....	14
Corporate services summary – YTD.....	15
Corporate services summary – forecast.....	16
Alpine@Home summary – YTD .....	17
Alpine@Home summary – forecast.....	17
Facilities summary – YTD .....	18
Facilities summary – YTD ( <i>cont.</i> ).....	19
Facilities summary – forecast .....	20
Asset maintenance summary – YTD .....	21
Asset maintenance summary – forecast.....	22
Planning and amenity summary – YTD .....	23
Planning and amenity summary – forecast .....	24
Economic and community development summary – YTD .....	25
Economic and community development summary – forecast .....	26
Dinner Plain detail – YTD .....	27
Dinner Plain detail – YTD ( <i>cont.</i> ).....	28
Capital Projects summary – YTD.....	29
Capital Projects summary ( <i>cont.</i> ).....	30
Capital Projects summary – forecast.....	31
Capital works summary – forecast ( <i>cont.</i> ).....	32
Conclusion .....	33

## Introduction

### Preparation of report

The purpose of this report is to provide Council with a summary of financial performance for 2015 quarter one against budget. This report provides an overview for the quarter including:

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

This report also includes a summary of each department's quarterly performance with explanations for variances which are approximately greater than \$10,000 or 10%.

This report has been prepared for internal management reporting purposes and as required under section 138 of the Local Government Act 1989. This report has not been audited.

The Quarterly Finance Report is prepared based on a rigorous process which includes:

- Each department reviewing their budget and providing explanations for variances at the master account level.
- Departments submitting their quarterly budget explanations to the Finance department for review and further analysis.
- Departmental managers presenting to the Executive on their departmental performance for the quarter.
- Presentation of the Quarterly Finance Report to the Finance Committee.

This report is also provided to the Audit Committee for noting.

### Business Unit alignment

Phase 1 of the HR review is complete and realigned business (department) structures put in place at the end of the 2014/15 Financial year are now being utilised by Managers to report actual and forecast data. Data review in Quarter one has highlighted minor financial anomalies that are to be revised particularly relating to forecasting.

The report highlights the need to further improve budget phasing, where year to date variances are identified, but are forecast to balance by year end. An introductory note is provided in the departmental summaries where phasing can be improved.

Employee costs are now centralised. It must be noted that staff hours vary seasonally in some business units, and this will be reflected in future Quarterly reports.

### Capital Works Expenditure

Capital works expenditure for the Quarter is overall in accordance with the forecast. However this overall performance includes a number of noteworthy variances in specific areas.

Expenditure for Bridge renewal and Waste Renewal was higher than expected due to the carry forward from Q4 2014/15 to Q1 2015/16 of the Running Creek Bridge and Baling Shed Improvement projects.

Actual expenditure was less than forecast for a range of projects in specific areas including Building renewal, Road upgrade, Road new and Footpath new. These variances are attributed to incorrect forecasting and contractor delays associated with the Gapsted Hall project.

### Summary of performance

Council's operating performance has been favourable against budget for the quarter.

We have also seen a favourable result in employee costs and materials and services expenditure, largely due to phasing; further analysis will be provided in Quarter two.

Council's cash is currently in a sound position, however normalisation of the receipt of Financial Assistance Grants will impact this, and therefore the reserve will be monitored closely.

## Income Statement

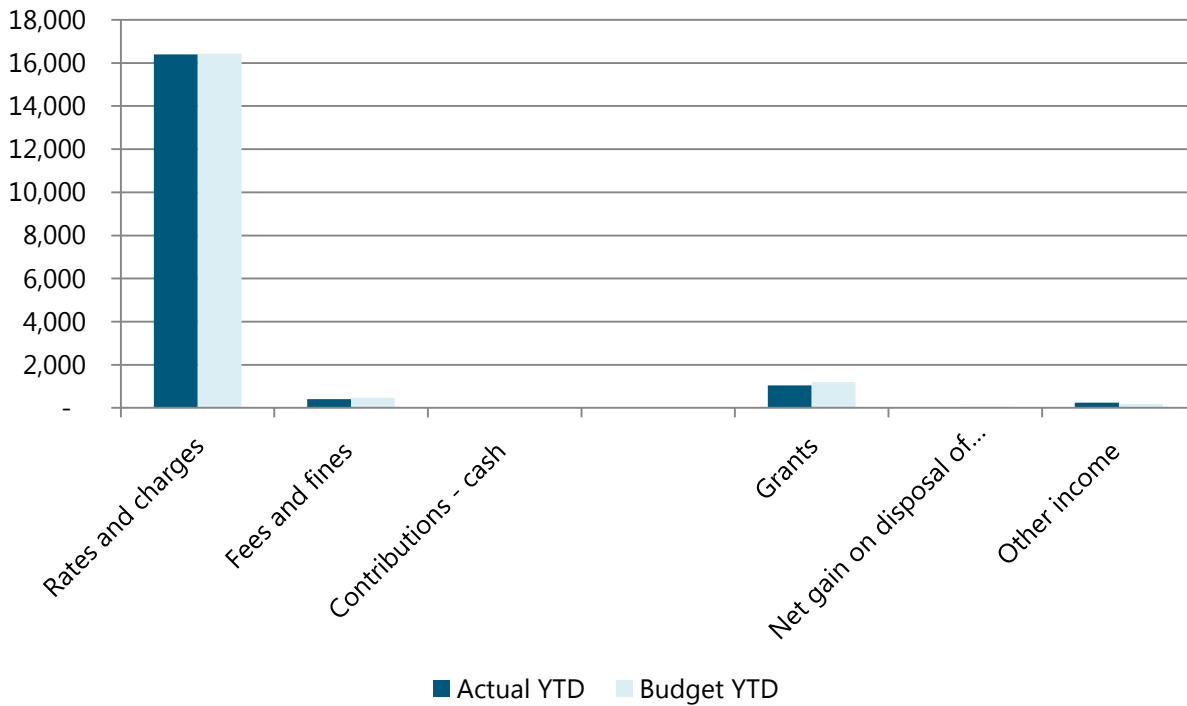
	Actual YTD September \$'000	YTD Budget September \$'000	Variance		Ref
			\$'000	%	
<b>Income</b>					
Rates and charges	16,513	16,433	80	0%	
Fees and fines	407	462	(55)	-12%	<b>1</b>
Contributions - cash	22	21	1	5%	
Contributions - non-monetary assets	-	-	-		
Grants	937	1,195	(258)	-22%	<b>2</b>
Net gain on disposal of property, infrastructure, plant and equipment	17	44	(27)	-61%	<b>3</b>
Other income	238	186	52	28%	<b>4</b>
<b>Total income</b>	<b>18,134</b>	<b>18,341</b>	<b>(207)</b>	<b>-1%</b>	
<b>Expenses</b>					
Employee costs	2,463	2,592	129	5%	<b>5</b>
Materials and services	1,843	2,803	960	34%	<b>6</b>
Depreciation and amortisation	1,039	1,050	11	1%	
Landfill rehabilitation	-	-	-	0%	
Finance costs	22	41	19	46%	<b>7</b>
Other expenses	192	266	74	28%	<b>8</b>
<b>Total expenses</b>	<b>5,559</b>	<b>6,752</b>	<b>1,193</b>	<b>18%</b>	
<b>Surplus (deficit) for the year</b>	<b>12,575</b>	<b>11,589</b>	<b>986</b>	<b>9%</b>	

**Income Statement – explanations of variances**

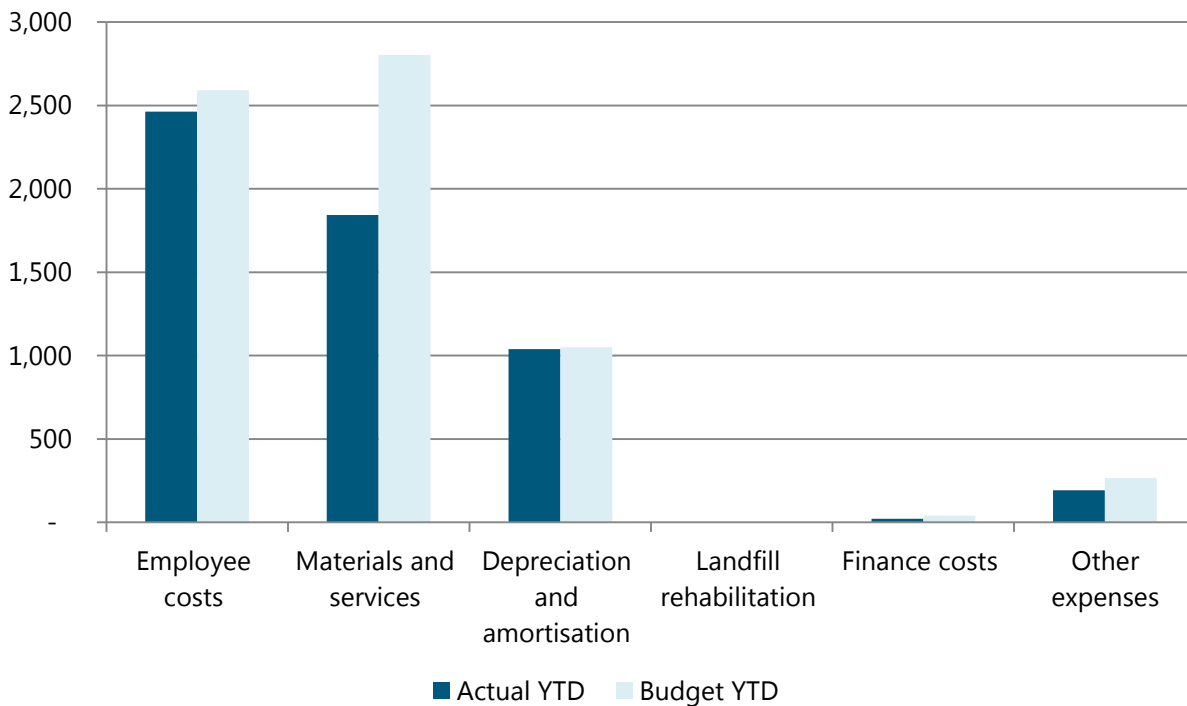
Ref	Item	Explanation
1	Fees and fines	Fees and fines are under budget due to a decline in HACC service demand, and reduced patronage at the Myrtleford Holiday Park over the winter months.
2	Grants	Grants are under budget due to the timing of Financial Assistance Grant payments received from the Victorian Grants Commission. The VGC paid 50% of Council's 2015/16 grant last year in advance; and in this quarter, paid only half of the budgeted amount. Council will receive it's full 2015/16 allocation, but the amount will be receipted across 2 financial years.
3	Net gain on disposal of property	Net gain on disposal of property is unfavourable due to the decision to defer the motor vehicle renewal program (budget amounts are an estimate of motor vehicle sales).
4	Other income	The Other income result is due to three key items; higher interest gained on Council investments, a higher than budgeted cash balance and increased income from property rentals.
5	Employee Costs	Employee costs are under budget due to seasonal activity and staffing vacancies. Employee costs are reported centrally and managed locally; the exceptions being HACC staff and the Dinner Plain Coordinator.
6	Materials and services	There are a variety of factors that have had an impact on Material and Services these being delays in works and timing of payments in areas such as Waste, Insurance, Plant, HACC, VASP projects and Building Maintenance.
7	Finance costs	The Alpine Shire Council benefited from the early loan repayment strategy.
8	Other expenses	The favourable result relates to a delay in contributions to recreational committees and event sponsorships.

## Income Statement – graphs

### Income



### Expenses



## Balance Sheet

	Actual	Budget	Variance		Ref
	\$'000	\$'000	\$'000	%	
<b>Current assets</b>					
Cash assets	11,869	7,283	4,586	63%	<b>1</b>
Receivables	14,719	1,528	13,191	863%	<b>2</b>
Other	128	380	(252)	-66%	
<b>Total current assets</b>	<b>26,716</b>	<b>9,191</b>	<b>17,525</b>	<b>191%</b>	
<b>Non-current assets</b>					
Investment in associate	505	492	13	3%	
Inventory	150	983	(833)	-85%	<b>3</b>
Property, Infrastructure, plant and equipment	196,553	198,621	(2,068)	-1%	
<b>Total non-current assets</b>	<b>197,213</b>	<b>200,101</b>	<b>(2,888)</b>	<b>-1%</b>	
<b>Total assets</b>	<b>223,929</b>	<b>209,292</b>	<b>14,637</b>	<b>7%</b>	
<b>Current liabilities</b>					
Payables	1,462	1,934	472	24%	<b>4</b>
Interest bearing liabilities	-	-	-	0%	
Employee benefits	2,527	2,665	138	5%	
Provision for landfill rehabilitation	226	321	95	30%	<b>5</b>
Other	30	30	-	0%	
<b>Total current liabilities</b>	<b>4,245</b>	<b>4,950</b>	<b>705</b>	<b>14%</b>	
<b>Non-current liabilities</b>					
Interest bearing liabilities	-	-	-	0%	
Employee benefits	329	338	9	3%	
Provision for landfill rehabilitation	3,779	3,819	40	1%	
Other	447	447	-	0%	
<b>Total non-current liabilities</b>	<b>4,555</b>	<b>4,604</b>	<b>49</b>	<b>1%</b>	
<b>Total liabilities</b>	<b>8,800</b>	<b>9,554</b>	<b>754</b>	<b>8%</b>	
<b>Net assets</b>	<b>215,129</b>	<b>199,738</b>	<b>15,391</b>	<b>8%</b>	
<b>Equity</b>					
Accumulated surplus	96,351	83,869	12,482	15%	<b>6</b>
Asset revaluation reserve	116,488	113,856	2,632	2%	
Other reserves	2,290	2,013	277	14%	<b>7</b>
<b>Total equity</b>	<b>215,129</b>	<b>199,738</b>	<b>15,391</b>	<b>8%</b>	

## Balance Sheet – explanations of variances

<b>1</b>	Cash assets	Cash assets are high due to the receipt in advance of half of Council's 2015/16 Financial Assistance Grant (\$1.4M), holding \$800k collected for the Fire Services Levy (due to be paid to the SRO in October), and the carry-over of identified 2014/15 capital works (\$2M).
<b>2</b>	Receivables	Receivables is essentially outstanding rates. The actual balance will reduce through the year as rates payments are received.
<b>3</b>	Inventory	The variance is due to the Land inventory being reclassified / transferred to Property, Infrastructure, plant and equipment.
<b>4</b>	Payables	The actual balance is September year to date, whereas the budget balance is as at the June 2016. Payables are lower in September as the creditors' ledger is closed earlier in June.
<b>5</b>	Provision for landfill rehabilitation	The provision has been revised down as a result of expected savings relating to the rehabilitation of the Porepunkah landfill.
<b>6</b>	Accumulated Surplus	The actual balance is September year to date, whereas the budget balance is as at the June 2016. It is expected that over the financial year the Year to Date surplus will reduce through normal expenditure and a decrease in income over the remaining three quarters.
<b>7</b>	Other Reserves	The plant reserves are higher than budget as a strategy to fund 2015/16 large plant purchases.



## Cash

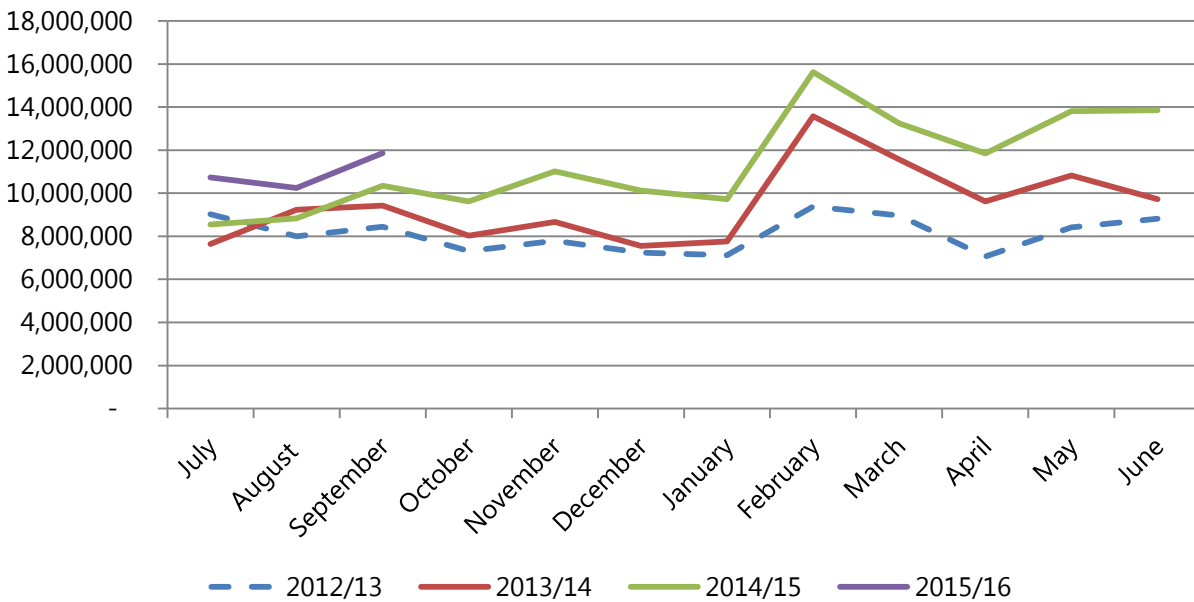
This graph shows the cash position as at the end of the quarter and the variation from month to month in Quarter one.

The Quarter one result is favourable and higher than the previous year due to the receipt in advance of half of Council’s 2015/16 Financial Assistance Grant (\$1.4M), holding \$800k collected for the Fire Services Levy (due to be paid to the SRO in October), and the carry-over of identified 2014/15 capital works (\$2M).

The rise in cash balance from August to September is due to receipt of (first instalment) rate payments and is a normal variant to cash flow.

In comparison to previous years, the cost reduction effort to contain recurrent expenditure such as employee costs has also contributed to the strong cash position.

### Monthly Cash Balance

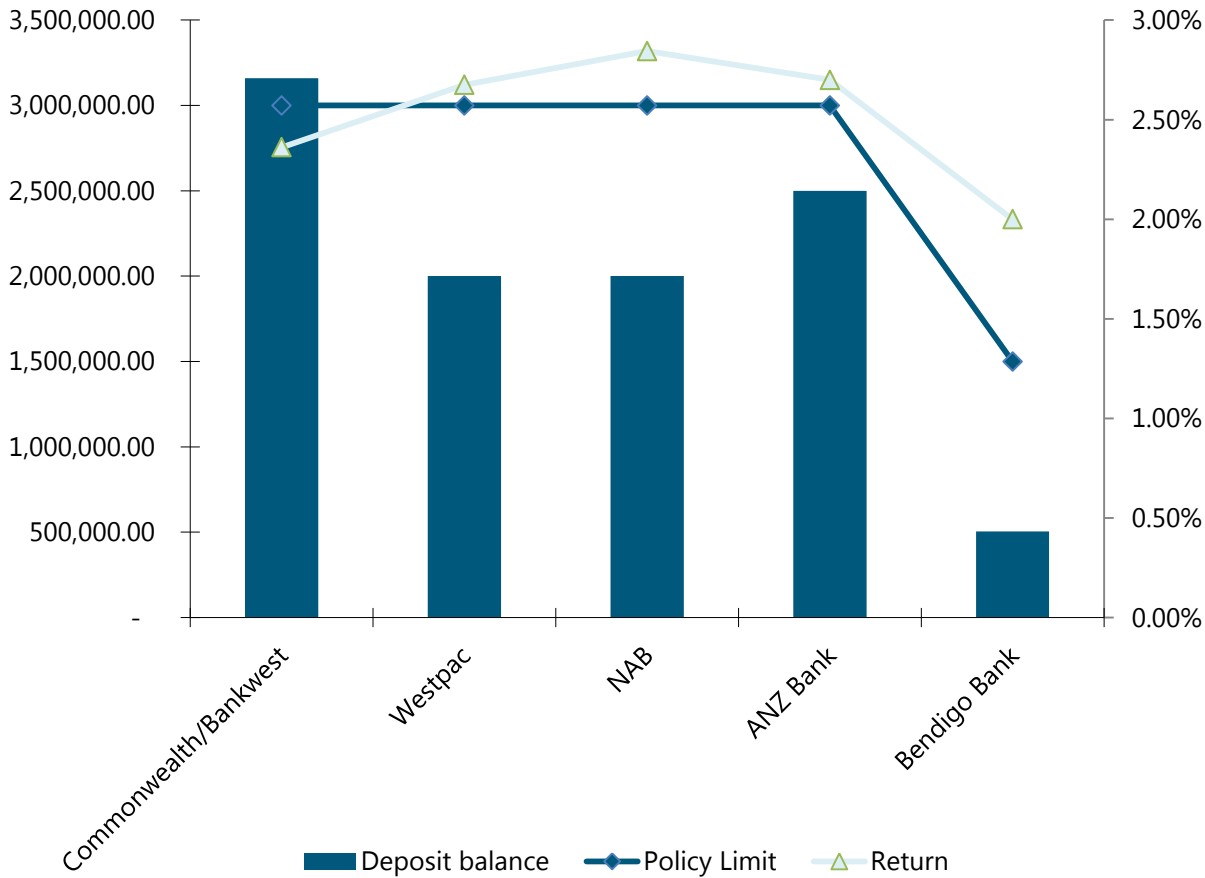


## Term deposit summary

This table shows a listing of Council's current term 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
24/03/2015	NAB	500,000	3.00%	8/09/2015	329	133,333	
24/03/2015	NAB	500,000	3.00%	8/09/2015	329	133,333	
2/04/2015	ANZ Bank	500,000	2.80%	13/11/2015	1,151	500,000	
14/05/2015	NAB	500,000	2.80%	13/11/2015	1,151	500,000	
23/06/2015	NAB	505,467	2.85%	21/09/2015	829	353,827	
2/07/2015	National Bank	1,000,000	2.90%	2/10/2015	2,384	1,000,000	
3/07/2015	Westpac	500,000	2.70%	3/10/2015	1,110	500,000	
18/07/2015	Bankwest	1,000,000	2.85%	6/10/2015	2,342	1,000,000	
14/08/2015	ANZ Bank	1,000,000	2.75%	14/02/2016	2,260	1,000,000	
17/08/2015	Westpac	1,000,000	2.66%	4/01/2016	2,186	1,000,000	
13/08/2015	ANZ Bank	1,000,000	2.60%	13/12/2015	2,137	1,000,000	
23/08/2015	Westpac	500,000	2.68%	16/12/2015	1,101	500,000	
8/09/2015	NAB	500,000	2.80%	8/12/2015	844	366,667	
8/09/2015	NAB	500,000	2.85%	8/03/2016	859	366,667	
21/09/2015	NAB	500,000	2.80%	21/12/2015	345	150,000	
1/09/2015	Comm Bank on Call	2,160,486	1.90%	30/09/2015	1,652	1,057,832	
1/09/2015	Bendigo Bank on call	503,428	2.00%	30/09/2015	828	503,493	
	<b>Total Investments</b>	<b>11,163,914</b>			<b>21,836</b>	<b>10,065,152</b>	<b>2.64%</b>
	Cash at bank	704,783					
	<b>Total Cash assets</b>	<b>11,868,696</b>					

## Term deposit summary (continued)



## Interest bearing liabilities

As part of Council's 2015.16 budget, there was an amount budgeted to pay out all existing loans of Council.

This payout was made for all loans during the month of July. The balance of the loans is now zero.

Bank	Original loan amount \$	Current interest rate %	Balance as at end of quarter \$
Commonwealth Bank	450,000	6.56	-
Commonwealth Bank	200,000	6.83	-
Bendigo Bank	1,000,000	5.11	-
ANZ Bank	300,000	6.15	-
<b>Total</b>	<b>1,950,000</b>		<b>-</b>

## Departmental summaries

The following pages show a breakdown of each department's performance for the quarter. Explanations have been provided for variances that are approximately greater than \$10,000 and or 10%.

### Directorate summary – YTD

	YTD Actuals	YTD Budget	YTD Variance	YTD Variance
	\$	\$	\$	%
<b>Income</b>				
Corporate Performance	(16,244,336)	(16,610,203)	(365,867)	2%
Assets - Operating	(91,260)	(14,698)	76,562	(521%)
Sustainable Development	(1,784,191)	(1,802,189)	(17,998)	1%
Assets - Capital	(153,979)	(52,244)	101,735	(195%)
<b>Income Total</b>	<b>(18,273,766)</b>	<b>(18,479,334)</b>	<b>(205,568)</b>	<b>1%</b>
<b>Expenditure</b>				
Councillor & Executive	2,237,929	2,470,547	232,618	9%
Corporate Performance	2,336,490	2,778,090	441,600	16%
Assets - Operating	337,636	568,699	231,063	41%
Sustainable Development	692,269	968,933	276,664	29%
Assets - Capital	485,775	472,972	(12,803)	(3%)
<b>Expenditure Total</b>	<b>6,090,099</b>	<b>7,259,241</b>	<b>1,169,142</b>	<b>16%</b>
<b>Total</b>	<b>(12,183,668)</b>	<b>(11,220,093)</b>	<b>963,575</b>	<b>(9%)</b>

### Directorate summary – forecast

	Year End Forecast	Original Budget	Forecast Variance	Forecast Variance
	\$	\$	\$	%
<b>Income</b>				
Corporate Performance	(20,800,250)	(22,533,050)	(1,732,800)	8%
Assets - Operating	(143,760)	(154,792)	(11,032)	7%
Sustainable Development	(2,466,933)	(2,553,866)	(86,933)	3%
Capital Works	(2,719,879)	(2,678,018)	41,861	(2%)
<b>Income Total</b>	<b>(26,130,822)</b>	<b>(27,919,726)</b>	<b>(1,788,904)</b>	<b>6%</b>
<b>Expenditure</b>				
Councillor & Executive	9,063,154	9,069,700	6,546	0%
Corporate Performance	7,269,346	7,263,578	(5,768)	(0%)
Assets - Operating	2,458,869	2,373,606	(85,263)	(4%)
Sustainable Development	2,781,081	2,703,881	(77,200)	(3%)
Capital Works	7,668,328	8,568,882	900,554	11%
<b>Expenditure Total</b>	<b>29,240,778</b>	<b>29,979,647</b>	<b>738,869</b>	<b>2%</b>
<b>Total</b>	<b>3,109,956</b>	<b>2,059,921</b>	<b>(1,050,035)</b>	<b>(51%)</b>

**Councillor and executive summary – YTD**

	YTD Actuals	YTD Budget	YTD Variance	YTD Variance
	\$	\$	\$	%
<b>Councillor &amp; executive Expenditure</b>				
1.11 Council Representation	22,568	56,272	33,704	60%
1.12 Council Support	2,162,799	2,317,873	155,074	7%
1.14 Human Resources	46,361	43,002	(3,359)	(8%)
1.15 Business Improvement	4,710	41,250	36,540	89%
1.16 Marketing and Communications	1,491	12,150	10,659	88%
<b>Councillor and executive total</b>	<b>2,237,929</b>	<b>2,470,547</b>	<b>232,618</b>	<b>9%</b>

**Councillor summary – YTD**

	YTD Actuals	YTD Budget	YTD Variance	YTD Variance
	\$	\$	\$	%
1.11 Council Representation				
2001 Peter Roper	1,681	6,370	4,986	74%
2022 Jan Vonarx	5,723	17,610	11,884	67%
2023 John Forsyth	1,681	6,460	4,779	74%
2024 Ron Janas	1,742	6,460	4,718	73%
2025 Kate Farrell	5,397	6,460	1,063	16%
2026 Daryl Pearce	2,764	6,452	3,688	57%
2027 Tony Keeble	1,897	6,460	4,779	74%
<b>Councillor total</b>	<b>20,671</b>	<b>56,272</b>	<b>35,897</b>	<b>60%</b>

**Note:** Inaccurate budget phasing is producing year to date variances that are forecast to balance by year end. This anomaly will be rectified in future reports either by refining the phasing or by providing narrative by exception.

**Council Support** expenditure is under budget as the Shires Employees Costs are under budget for the Quarter and the Local Laws review is outstanding.

**Councillor Representation** expenditure is under budget due to phasing (monthly / quarterly) of budget as it relates to the Councillor payment schedule. Councillor allowances are processed at the commencement of Quarter two, the exception is Councillor Farrell who receives monthly allowance payments. Councillor Vonarx receives a higher allowance as Mayor.

**Business Improvement** expenditure is favourable to budget as expected payment to contractors has not occurred.

**Marketing and Communications** expenditure is under budget as the Corporate rebranding project has not completed, but this is expected to occur in 2015/16.

**Councillor and executive summary – forecast**

	Year End Forecast	Original Annual Budget	Forecast Variance	Forecast Variance
	\$	\$	\$	%
<b>Councillor &amp; executive Expenditure</b>				
1.11 Council Representation	225,822	225,068	(754)	(0%)
1.12 Council Support	8,457,632	8,457,632	-	0%
1.14 Human Resources	176,759	173,400	(3,359)	(2%)
1.15 Business Improvement	165,000	165,000	-	0%
1.16 Marketing and Communications	48,600	48,600	-	0%
<b>Councillor and executive total</b>	<b>9,063,154</b>	<b>9,069,700</b>	<b>6,546</b>	<b>0%</b>

**Councillor summary – forecast**

	Year End Forecast	Original Annual Budget	Forecast Variance	Forecast Variance
	\$	\$	\$	%
1.11 Council Representation				
2001 Peter Roper	25,477	25,477	-	0%
2022 Jan Vonarx	70,439	70,439	-	0%
2023 John Forsyth	25,837	25,837	-	0%
2024 Ron Janas	25,837	25,837	-	0%
2025 Kate Farrell	25,837	25,837	-	0%
2026 Daryl Pearce	25,804	25,804	-	0%
2027 Tony Keeble	25,837	25,837	-	0%
<b>Councillor total</b>	<b>225,068</b>	<b>225,068</b>	<b>-</b>	<b>(0%)</b>

**Councillor & executive** year end is forecast to be on budget.

## Corporate services summary – YTD

	YTD Actuals	YTD Budget	YTD Variance	YTD Variance
	\$	\$	\$	%
<b>Corporate Services</b>				
<b>Income</b>				
2.12 Rates	(12,255,354)	(12,176,581)	78,773	(1%)
2.13 Accounting Services	(577,663)	(984,883)	(407,220)	41%
2.14 IT Services	(1,500)	-	1,500	(100%)
2.15 Customer Services	(176)	-	176	(100%)
<b>Total Income</b>	<b>(12,834,693)</b>	<b>(13,161,464)</b>	<b>(326,771)</b>	<b>2%</b>
<b>Expenditure</b>				
2.11 Risk Management	359,346	398,703	39,357	10%
2.12 Rates	38,201	22,760	(15,441)	(68%)
2.13 Accounting Services	839,513	832,907	(6,606)	(1%)
2.14 IT Services	184,358	106,755	(77,603)	(73%)
2.15 Customer Services	11,065	15,600	4,535	29%
<b>Total Expenditure</b>	<b>1,432,484</b>	<b>1,376,725</b>	<b>(55,759)</b>	<b>(4%)</b>
<b>Total Corporate Services</b>	<b>(11,402,210)</b>	<b>(11,784,739)</b>	<b>(382,529)</b>	<b>3%</b>

**Rates income** is favourable to budget as Council has received supplementary rate payments and debt collection income.

**Accounting services** income is unfavourable to budget due to the impact on the Financial Assistance Grant early prepayment in the 2014/15 FY.

**IT Services** income is favourable to budget due to a one off shared service payment.

**Risk management** expenditure is under budget due to insurance premiums being less than budgeted.

**Rates** expenditure is over budget for the quarter primarily due to the costs associated with issuing rates notices in the quarter and phasing of the budget distribution and is expected to balance full year.

**IT services** expenditure is over budget electricity costs have been charged to IT \$35k. These will be journalled in Quarter 2 to the correct account. CIVICA costs are over budget YTD \$55k, this is predominately due to the early payment as most of the costs have been paid in Quarter one.

**Customer service** expenditure is under budget as the Alpine Shire Council has only received July's invoice from the Customer Service and Library Service at Mt Beauty.

**Corporate services summary – forecast**

	Year End Forecast \$	Original Annual Budget \$	Forecast Variance \$	Forecast Variance %
<b>Corporate Services</b>				
<b>Income</b>				
2.12 Rates	(12,390,554)	(12,284,767)	105,787	(1%)
2.13 Accounting Services	(2,055,184)	(3,939,529)	(1,884,345)	48%
2.14 IT Services	(1,500)	-	1,500	(100%)
2.15 Customer Services	(176)	-	176	(100%)
<b>Total Income</b>	<b>(14,447,414)</b>	<b>(16,224,296)</b>	<b>(1,776,882)</b>	<b>11%</b>
<b>Expenditure</b>				
2.11 Risk Management	380,201	415,858	35,657	9%
2.12 Rates	281,996	265,455	(16,541)	(6%)
2.13 Accounting Services	970,835	964,230	(6,605)	(1%)
2.14 IT Services	427,018	427,018	-	0%
2.15 Customer Services	65,249	62,399	(2,850)	(5%)
<b>Total Expenditure</b>	<b>2,125,299</b>	<b>2,134,960</b>	<b>9,661</b>	<b>0%</b>
<b>Total Corporate Services</b>	<b>(12,322,115)</b>	<b>(14,089,336)</b>	<b>(1,767,221)</b>	<b>13%</b>

**Rates income** is forecast to be favourable due to the receipt of unbudgeted supplementary rate payments and debt collection income.

**Accounting services** income is forecast to be \$1.8M under budget due to the receipt of this amount (half of Council's 2015/16 FAG allocation) in 2014/15. This is a matter of timing and contributed to Council's significant 2014/15 cash surplus.

**Risk Management** expenditure will be under budget due to a reduction in insurance premiums.



**Alpine@Home summary – YTD**

	YTD Actuals	YTD Budget	YTD Variance	YTD Variance
	\$	\$	\$	%
<b>HACC</b>				
<b>Income</b>				
2.41 HACC Services	(318,550)	(350,303)	(31,753)	9%
2.42 Maternal & Child Health	(41,232)	(43,388)	(2,156)	5%
<b>Total Income</b>	<b>(359,783)</b>	<b>(393,691)</b>	<b>(33,908)</b>	<b>9%</b>
<b>Expenditure</b>				
2.41 HACC Services	373,260	443,229	69,969	16%
2.42 Maternal & Child Health	817	801	(16)	(2%)
<b>Total Expenditure</b>	<b>374,077</b>	<b>444,030</b>	<b>69,953</b>	<b>16%</b>
<b>Total HACC</b>	<b>14,294</b>	<b>50,339</b>	<b>36,045</b>	<b>72%</b>

**HACC services** (both income and expenditure) continue to be less than expected for Quarter one and full year. This is due to a decrease in client hours, more specifically veterans and domestic assistance, over the year.

The decline in hours is due to a decline in demand being experienced in the Shire, in part via proactive engagement through assessment and care coordination.

As at the end of Quarter one, Council's contribution to the HACC program has been significantly reduced.

**Alpine@Home summary – forecast**

	Year End Forecast	Original Annual Budget	Forecast Variance	Forecast Variance
	\$	\$	\$	%
<b>Corporate Services</b>				
<b>HACC</b>				
2.41 HACC Services	(1,399,037)	(1,399,037)	-	0%
2.42 Maternal & Child Health	(169,549)	(169,549)	-	0%
<b>Total Income</b>	<b>(1,568,586)</b>	<b>(1,568,586)</b>	<b>-</b>	<b>0%</b>
<b>Expenditure</b>				
2.41 HACC Services	1,720,680	1,760,680	40,000	2%
2.42 Maternal & Child Health	3,200	3,200	-	0%
<b>Total Expenditure</b>	<b>1,723,880</b>	<b>1,763,880</b>	<b>40,000</b>	<b>2%</b>
<b>Total HACC</b>	<b>155,294</b>	<b>195,294</b>	<b>40,000</b>	<b>20%</b>

**HACC services** demand and resultant expenditure is notoriously difficult to forecast, however the forecast has been adjusted to factor in the active measures being introduced to reduce HACC expenditure.

## Facilities summary – YTD

	YTD Actuals	YTD Budget	YTD Variance	YTD Variance
	\$	\$	\$	%
<b>Facilities</b>		-		
<b>Income</b>				
2.21 Property Management	(134,953)	(150,501)	(15,548)	10%
2.22 Airports	(4,847)	(10,600)	(5,753)	54%
2.23 Waste and Recycle Service	(2,809,596)	(2,782,628)	26,968	(1%)
2.24 School Crossing	(18,325)	(8,935)	9,390	(105%)
2.26 Visitor Information Centres	(38,905)	(47,301)	(8,396)	18%
2.27 Swimming Pools Management & Maint.	(39,003)	(48,267)	(9,264)	19%
2.29 Recreation	(4,230)	(6,816)	(2,586)	38%
<b>Total Income</b>	<b>(3,049,860)</b>	<b>(3,055,048)</b>	<b>(5,188)</b>	<b>0%</b>
<b>Expenditure</b>				
2.21 Property Management	25,002	80,107	55,105	69%
2.22 Airports	9,258	18,600	9,342	50%
2.23 Waste and Recycle Service	344,288	572,406	228,118	40%
2.24 School Crossing	163	220	57	26%
2.25 Library Services	85,863	85,863	(0)	(0%)
2.26 Visitor Information Centres	22,990	37,087	14,097	38%
2.27 Swimming Pools Management & Maint.	20,579	49,536	28,957	58%
2.29 Recreation	11,531	99,779	88,248	88%
2.30 Bright Office	10,256	13,737	3,481	25%
<b>Total Expenditure</b>	<b>529,929</b>	<b>957,335</b>	<b>427,406</b>	<b>45%</b>
<b>Total Facilities</b>	<b>(2,519,931)</b>	<b>(2,097,713)</b>	<b>422,218</b>	<b>(20%)</b>

**Facilities summary – YTD (cont...)**

**Note:** Inaccurate budget phasing is producing year to date variances that are forecast to balance by year end. This anomaly will be rectified in future reports either by refining the phasing or by providing narrative by exception.

**Property Management** income is under budget as this is a known lower revenue period which is seasonally effected. It is expected that Quarter two and three will bring income in line with budget.

**Airports** income is under budget as hanger invoices are to be issued in Quarter two and will see a positive reflection in Quarter two and three.

**Waste and Recycle Service** over budget to due higher than budget waste and Recycling charges.

**School Crossing** income is over budget as the annual subsidy is paid in Quarter one.

**Visitor Information** Centre income is under budget due to the expected seasonal variation due to lower use of VICs in winter.

**Swimming Pools Management & Maintenance** income is under budget due to the expected seasonal variation; that is lower use of in winter and most pools being closed.

**Recreation** income is under budget due to an outstanding invoice for the Bright Community Centre.

**Airport** expenditure is under budget as payment to the airports committees will occur over the year following receipt of payments for annual rentals.

**Property management** expenditure is under budget due to timing of works relative to budget distribution; for example trees works have not been undertaken and planned Myrtleford Holiday park improvements. The expenditure will be reflected in Quarter two and three.

**Waste and Recycle Services** expenditure is under budget as there are invoices outstanding that have impacted on the actual which will be reflected in the YTD total in Quarter two.

**Visitor Information Centres** expenditure is under budget as activity and sales reflect decreased patronage.

**Swimming Pools Management & Maintenance** expenditure is under budget due to a reduction in patronage and pool closure. YTD actuals will be reflected in Quarter two.

**Recreation** expenditure is under budget and contributions for works to various committees will occur in Quarter two, three and four.

**Bright Office** expenditure is under budget due to lower security and utilities costs in the first quarter.

**Facilities summary – forecast**

	<b>Year End Forecast</b>	<b>Original Annual Budget</b>	<b>Forecast Variance</b>	<b>Forecast Variance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>
<b>Facilities</b>				
<b>Income</b>				
2.21 Property Management	(606,954)	(602,000)	4,954	(1%)
2.22 Airports	(22,847)	(10,600)	12,247	(116%)
2.23 Waste and Recycle Service	(3,645,345)	(3,597,318)	48,027	(1%)
2.24 School Crossing	(18,325)	(17,870)	455	(3%)
2.26 Visitor Information Centres	(182,404)	(189,210)	(6,806)	4%
2.27 Swimming Pools Management & Maint.	(287,329)	(295,915)	(8,586)	3%
2.29 Recreation	(26,296)	(27,255)	(959)	4%
<b>Total Income</b>	<b>(4,789,500)</b>	<b>(4,740,168)</b>	<b>49,332</b>	<b>(1%)</b>
<b>Expenditure</b>				
2.21 Property Management	265,002	266,468	1,466	1%
2.22 Airports	35,758	18,600	(17,158)	(92%)
2.23 Waste and Recycle Service	2,265,336	2,229,603	(35,733)	(2%)
2.24 School Crossing	313	220	(93)	(42%)
2.25 Library Services	343,452	343,452		0%
2.26 Visitor Information Centres	139,790	140,850	1,060	1%
2.27 Swimming Pools Management & Maint.	180,429	178,040	(2,389)	(1%)
2.29 Recreation	134,831	132,555	(2,276)	(2%)
2.30 Bright Office	55,256	54,950	(306)	(1%)
<b>Total Expenditure</b>	<b>3,420,167</b>	<b>3,364,738</b>	<b>(55,429)</b>	<b>(2%)</b>
<b>Total Facilities Services</b>	<b>(1,369,333)</b>	<b>(1,375,430)</b>	<b>(6,097)</b>	<b>0%</b>

**Airports** income is forecast to be over budget due to hanger income being fully collected (including collection in arrears).

**Waste and Recycle Service** income is forecast to be over budget to due higher than budget waste and Recycling charges.

**Airport** expenditure is forecast to be over budget due to finalisation of airport works and the redistribution of hanger income to the Committee of Management.

**Waste and Recycle Service** expenditure is forecast to be over budget. The Shire is currently undertaking a waste service review that is likely to significantly change the way that waste is disposed of. In the meantime, the current Myrtleford landfill cell is quickly filling and therefore an amount has been forecast to divert waste from that site. Whilst this incurs a cost, there will be significant recurrent savings to offset that.

**Asset maintenance summary – YTD**

	YTD Actuals	YTD Budget	YTD Variance	YTD Variance
	\$	\$	\$	%
<b>Asset Maintenance</b>				
<b>Income</b>				
3.11 Maintenance - Roads	(849)	(3,750)	(2,901)	77%
3.16 Open Spaces	(45,000)	(4,523)	40,477	(895%)
3.19 Emergency Management	(45,411)	(6,425)	38,986	(607%)
<b>Total Income</b>	<b>(91,260)</b>	<b>(14,698)</b>	<b>76,562</b>	<b>(521%)</b>
<b>Expenditure</b>				
3.109 Rail Trail Maintenance	2,295	5,600	3,305	59%
3.11 Maintenance - Roads	25,643	42,000	16,357	39%
3.12 Maintenance Bridges	20,449	10,000	(10,449)	(104%)
3.13 Maintenance - Buildings	48,373	102,747	54,374	53%
3.14 Maintenance - Drainage	10,946	12,750	1,804	14%
3.15 Maintenance - Footpaths	553	6,000	5,447	91%
3.16 Open Spaces	80,453	123,744	43,291	35%
3.17 Operations	148,907	236,483	87,576	37%
3.19 Emergency Management	16	29,375	29,359	100%
<b>Total Expenditure</b>	<b>337,636</b>	<b>568,699</b>	<b>231,063</b>	<b>41%</b>
<b>Total public works and services</b>	<b>246,376</b>	<b>554,001</b>	<b>307,625</b>	<b>56%</b>

**Note:** Inaccurate budget phasing is producing year to date variances that are forecast to balance by year end. This anomaly will be rectified in future reports either by refining the phasing or by providing narrative by exception.

**Maintenance - roads** income under budget as there has been limited engagement of private works contractors in Quarter one.

**Open spaces** income is over budget due to a successful funding application for the management of hazardous trees.

**Emergency Management** income is over budget due to receipt of the emergency management grant and roadside weeds and pest management grant (this grant will be journalled and the result will be reflected in the Quarter two income line).

**Rail Trail Maintenance** expenditure is under budget as seasonal conditions has resulted that limited grass control has been required. Finances will be redirected to other works associated with Rail Trail Maintenance.

**Maintenance Roads** expenditure is under budget as emulsion and premix were not purchased in Quarter one and will be reflected in Quarter two.

**Maintenance Bridges** expenditure is over budget as there has been unbudgeted bridge load assessments carried out.

**Maintenance Buildings** expenditure is under budget as building assessments are yet to be finalised. These assessments will enable further planning for works and it is expected that expenditure will increase over Quarter two, three and four.

**Maintenance Drainage** expenditure is under budget as there has been less than predicted works due to seasonal conditions.

**Operations** expenditure is under budget as significant works are expected in Quarter two and three.

**Maintenance Footpaths** expenditure is under budget. There has been normal programmed works on footpaths in the Shire however, material costs have been minimalised which is reflected in this line item.

**Open Spaces** expenditure is under budget as tree management and planting is seasonal and the expenditure will be reflected more so in Quarter three and four.

**Emergency Management** expenditure is under budget as seasonal costs are expected in Quarter two, three and four and the SES contribution is to be paid in Quarter two.

**Asset maintenance summary – forecast**

	Year End Forecast	Original Annual Budget	Forecast Variance	Forecast Variance
	\$	\$	\$	%
<b>Asset Maintenance</b>		-		
<b>Income</b>				
3.109 Rail Trail Maintenance	-	-	-	-
3.11 Maintenance - Roads	(31,349)	(29,000)	2,349	(8%)
3.12 Maintenance Bridges	-	-	-	-
3.13 Maintenance - Buildings	-	-	-	-
3.14 Maintenance - Drainage	-	-	-	-
3.15 Maintenance - Footpaths	-	-	-	-
3.16 Open Spaces	(45,000)	(18,092)	26,908	(149%)
3.17 Operations	-	-	-	-
3.19 Emergency Management	(67,411)	(107,700)	(40,289)	37%
<b>Total Income</b>	<b>(143,760)</b>	<b>(154,792)</b>	<b>(11,032)</b>	<b>7%</b>
<b>Expenditure</b>				
3.109 Rail Trail Maintenance	22,400	22,400	-	0%
3.11 Maintenance - Roads	246,215	213,000	(33,215)	(16%)
3.12 Maintenance Bridges	50,449	40,000	(10,449)	(26%)
3.13 Maintenance - Buildings	410,992	411,000	8	0%
3.14 Maintenance - Drainage	50,999	51,000	1	0%
3.15 Maintenance - Footpaths	23,988	24,000	12	0%
3.16 Open Spaces	593,594	494,974	(98,620)	(20%)
3.17 Operations	964,931	961,931	(3,000)	(0%)
3.19 Emergency Management	95,301	155,301	60,000	39%
<b>Total Expenditure</b>	<b>2,458,869</b>	<b>2,373,606</b>	<b>(85,263)</b>	<b>(4%)</b>
<b>Total public works and services</b>	<b>2,315,109</b>	<b>2,218,814</b>	<b>(96,295)</b>	<b>(4%)</b>

**Open spaces** income is forecast to be over budget due to receipt of an unbudgeted competitive grant (relating to hazardous tree management).

**Emergency Management** income is forecast to be under budget as payment for the Municipal Emergency Resource Program was received in advance in 2014/15.

**Maintenance – roads** expenditure is forecast to be over budget due to unbudgeted development engineering costs.

**Maintenance – bridges** expenditure is forecast to be over budget due to the unplanned conduct of bridge load assessments.

**Open Spaces** expenditure is forecast to be over budget due to the inclusion of facility cleaning expenses (which were inadvertently omitted during the restructure).

**Emergency management** expenditure is forecast to be under budget as staffing costs that had been incorrectly budgeted to this account have now been transferred to the Staff Master account.

**Planning and amenity summary – YTD**

	YTD Actuals	YTD Budget	YTD Variance	YTD Variance
	\$	\$	\$	%
<b>Planning and amenity Income</b>				
4.21 Statutory Planning	(27,405)	(27,999)	(594)	2%
4.22 Building	(35,785)	(46,950)	(11,165)	24%
4.23 Environmental Health	(6,061)	(4,500)	1,561	(35%)
4.24 Local Laws	(23,076)	(10,551)	12,525	(119%)
4.25 Strategic Planning		(1,458)	(1,458)	100%
<b>Total Income</b>	<b>(92,326)</b>	<b>(91,458)</b>	<b>868</b>	<b>(1%)</b>
<b>Expenditure</b>				
4.21 Statutory Planning	736	16,252	15,516	95%
4.22 Building	750	5,847	5,097	87%
4.23 Environmental Health	1,647	38,769	37,122	96%
4.24 Local Laws	12,347	9,549	(2,798)	(29%)
4.25 Strategic Planning	4,000	23,001	19,001	83%
<b>Total Expenditure</b>	<b>19,480</b>	<b>93,418</b>	<b>73,938</b>	<b>79%</b>
<b>Total development services</b>	<b>(72,846)</b>	<b>1,960</b>	<b>74,806</b>	<b>3817%</b>

**Building** income was less than budget as the number of building permits received in first quarter was less than anticipated. This is expected to increase during the second quarter.

**Environmental Health** income was above budget as there was an increase in septic tank applications received for the first quarter.

**Local Laws** income was above budget as the budget proportioned equally across the yearly quarters. The first quarter is biased as it receives income for Dinner Plain dog permits. The remaining three quarters have been reforecast.

**Strategic planning** income is below budget as no planning scheme amendment applications have been received.

**Environmental Health** expenditure is under budget as costs are not incurred evenly throughout the year; they are irregular and as needed. It is expected that this budget item will be in surplus full year.

**Building and Statutory Planning** expenditure is less than budget as costs are not incurred evenly throughout the year; they are irregular and as needed. A large portion of the budget is allocated for professional advice should Council be required to manage a difficult application or need to undertake enforcement at the Tribunal or Magistrates Court.

**Local Laws** expenditure is over budget as the State government levy is paid in the first quarter. Budget has been reforecast for the remaining three quarters.

**Strategic Planning** is under budget for the quarter as there has been no panel hearing.

**Planning and amenity summary – forecast**

	<b>Year End Forecast</b>	<b>Original Annual Budget</b>	<b>Forecast Variance</b>	<b>Forecast Variance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>
<b>Planning and amenity</b>				
<b>Income</b>				
4.21 Statutory Planning	(113,624)	(115,000)	(1,376)	1%
4.22 Building	(186,232)	(187,800)	(1,568)	1%
4.23 Environmental Health	(162,061)	(162,998)	(937)	1%
4.24 Local Laws	(99,562)	(100,000)	(438)	0%
4.25 Strategic Planning	(4,378)	(5,836)	(1,458)	25%
<b>Total Income</b>	<b>(565,857)</b>	<b>(571,634)</b>	<b>(5,777)</b>	<b>1%</b>
<b>Expenditure</b>				
4.21 Statutory Planning	64,999	65,000	1	0%
4.22 Building	23,380	23,380	-	0%
4.23 Environmental Health	154,965	155,080	115	0%
4.24 Local Laws	38,137	38,200	63	0%
4.25 Strategic Planning	92,000	92,000	-	0%
<b>Total Expenditure</b>	<b>373,481</b>	<b>373,660</b>	<b>179</b>	<b>0%</b>
<b>Total development services</b>	<b>(192,376)</b>	<b>(197,974)</b>	<b>(5,598)</b>	<b>3%</b>

The Planning and Amenity department forecasts to be on budget full year 2015/16.



**Economic and community development summary – YTD**

	YTD Actuals	YTD Budget	YTD Variance	YTD Variance
	\$	\$	\$	%
<b>Economic and community development Income</b>				
4.13 Festivals & Events	-	(12,501)	(12,501)	100%
4.14 Community Development	(32,840)	(33,648)	(808)	2%
4.15 Youth	(64,112)	(42,100)	22,012	(52%)
4.16 Dinner Plain Rates and Charges	(1,570,431)	(1,607,644)	(37,213)	2%
4.17 Dinner Plain Management	(24,482)	(14,838)	9,644	(65%)
<b>Total Income</b>	<b>(1,691,865)</b>	<b>(1,710,731)</b>	<b>(18,866)</b>	<b>1%</b>
<b>Expenditure</b>				
4.11 Economic Development	21,135	9,927	(11,208)	(113%)
4.12 Tourism	126,455	64,677	(61,778)	(96%)
4.13 Festivals & Events	18,850	64,248	45,398	71%
4.14 Community Development	8,948	80,912	71,964	89%
4.15 Youth	8,262	18,411	10,149	55%
4.16 Dinner Plain Rates and Charges	209,451	280,939	71,488	25%
4.17 Dinner Plain Management	279,688	356,401	76,713	22%
<b>Total Expenditure</b>	<b>672,789</b>	<b>875,515</b>	<b>202,726</b>	<b>23%</b>
<b>Total Economic and community development</b>	<b>(1,019,076)</b>	<b>(835,216)</b>	<b>183,860</b>	<b>(22%)</b>

**Festivals & Events** income is under budget as logistics costs are now not being charged which is being balanced by providing less sponsorship contributions to event organisers.

**Youth** income is above budget as the Economic and Community Development unit has been successful in attaining further grant monies for youth projects.

**Dinner Plain Management** income is over budget as payment of the school lease has been received in Quarter one.

**Economic development** expenditure is over budget due to timing and budget spread over the full year as services have been invoiced in Quarter one; earlier than expected.

**Tourism** expenditure is over budget due to timing and budget spread over the full year and as services have been invoiced in Quarter one; earlier than expected.

**Dinner Plain rates and charges** income is under budget due to grants associated with the Adventure Park funding not received in this Quarter; expected in Quarter three.

**Festivals and events** expenditure is under budget and expenditure is expected in Quarter two and three due to seasonal activities.

**Community development** expenditure is under budget and expenditure is expected in Quarter two and three due to seasonal activities; in particular community grant expenditure.

**Youth** expenditure is under budget and expenditure is expected in Quarter two and three due to seasonal activities.

**Dinner Plain rates and charges** expenditure is under budget as there are invoices outstanding. These have impacted on the actual which will be reflected in the YTD total for Quarter two.

**Dinner Plain Management** expenditure is under budget as there are invoices outstanding that have impacted on the actual which will be reflected in the YTD total for Quarter two.

**Economic and community development summary – forecast**

	<b>Year End Forecast</b>	<b>Original Annual Budget</b>	<b>Forecast Variance</b>	<b>Forecast Variance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>
<b>Economic and community development</b>				
<b>Income</b>				
4.11 Economic Development	(10,000)	(10,000)	-	0%
4.13 Festivals & Events	(20,000)	(70,000)	(50,000)	71%
4.14 Community Development	(154,477)	(134,600)	19,877	(15%)
4.15 Youth	(86,816)	(100,636)	(13,820)	14%
4.16 Dinner Plain Rates and Charges	(1,570,431)	(1,607,644)	(37,213)	2%
4.17 Dinner Plain Management	(59,352)	(59,352)		0%
<b>Total Income</b>	<b>(1,901,076)</b>	<b>(1,982,232)</b>	<b>(81,156)</b>	<b>4%</b>
<b>Expenditure</b>				
4.11 Economic Development	49,700	49,700	-	0%
4.12 Tourism	258,700	258,700	-	0%
4.13 Festivals & Events	206,999	257,000	50,001	19%
4.14 Community Development	312,845	314,340	1,495	0%
4.15 Youth	102,746	92,745	(10,001)	(11%)
4.16 Dinner Plain Rates and Charges	578,235	565,085	(13,150)	(2%)
4.17 Dinner Plain Management	898,375	792,651	(105,724)	(13%)
<b>Total Expenditure</b>	<b>2,407,600</b>	<b>2,330,221</b>	<b>(77,379)</b>	<b>(3%)</b>
<b>Total Economic and community development</b>	<b>506,524</b>	<b>347,989</b>	<b>(158,535)</b>	<b>(46%)</b>

**Festivals & Events** forecast income is under budget due to the decision to reduce event sponsorship (and therefore not charge a levy).

**Community Development** income is forecast to be over budget as the Economic and Community Development unit has been successful in attaining further grant monies for projects, and the transfer of grant funds from Youth.

**Youth** income is forecast to be under budget due to the transfer of 'Walk to School' funding to Community Development (the forecast will be monitored to ensure that the cost centres balance at year end).

**Festivals & Events** forecast expenditure is under budget due to the decision to reduce event sponsorship (offsets with income).

**Youth** is forecast to be over budget due to delivery of the 'Walk to School' program (offset with income).

**Dinner Plain Management** expenditure is forecast to be over budget due to unbudgeted activities such as Marketing, community WiFi and the Audit program (as determined by Council, and funded from the Dinner Plain reserve).

**Dinner Plain detail – YTD**

	YTD Actuals	YTD Budget	YTD Variance	YTD Variance
	\$	\$	\$	%
<b>Income</b>				
<b>4.16 Dinner Plain Rates and Charges</b>				
1601 Dinner Plain Rates & Charges	(1,263,405)	(1,300,618)	(37,213)	3%
1602 Dinner Plain Waste & Recycling Rates	(307,026)	(307,026)		0%
<b>4.16 Dinner Plain Rates and Charges Total</b>	<b>(1,570,431)</b>	<b>(1,607,644)</b>	<b>(37,213)</b>	<b>2%</b>
4.17 Dinner Plain Management				
<b>1605 Dinner Plain Village Services</b>	(24,482)	(14,838)	9,644	(65%)
<b>4.17 Dinner Plain Management Total</b>	<b>(24,482)</b>	<b>(14,838)</b>	<b>9,644</b>	<b>(65%)</b>
<b>Income Total</b>	<b>(1,594,913)</b>	<b>(1,622,482)</b>	<b>(27,569)</b>	<b>2%</b>
<b>Expenditure</b>				
<b>4.16 Dinner Plain Rates and Charges</b>				
2701 Dinner Plain Marketing	7,434	16,374	8,940	55%
2702 Bus Services	144,000	139,500	(4,500)	(3%)
2708 Dinner Plain Events	-	15,000	15,000	100%
2709 Snow Clearing	31,054	62,500	31,446	50%
2710 Dinner Plain TV	1,652	1,500	(152)	(10%)
2711 Snow Grooming	10,247	31,000	20,753	67%
2717 Employee costs - Dinner Plain	15,065	15,065		0%
<b>4.16 Dinner Plain Rates and Charges Total</b>	<b>209,451</b>	<b>280,939</b>	<b>71,488</b>	<b>25%</b>
<b>4.17 Dinner Plain Management</b>				
2703 Resort Maintenance	17,065	20,976	3,911	19%
2704 Waste Management Dinner Plain	20,199	63,100	42,901	68%
2706 Public Facilities	6,052	10,299	4,247	41%
2707 Council Administration	236,372	262,026	25,654	10%
<b>4.17 Dinner Plain Management Total</b>	<b>279,688</b>	<b>356,401</b>	<b>76,713</b>	<b>22%</b>
<b>9.1 Renewals</b>				
3622 Renewal - Dinner Plain Equipment		3,750	3,750	100%
<b>9.12 Plant and Motor Vehicles Renewal Total</b>		<b>3,750</b>	<b>3,750</b>	<b>100%</b>
<b>9.13 Road Renewal</b>				
3005 Renewal projects Dinner Plain	872	-	(872)	(100%)
<b>9.13 Road Renewal Total</b>	<b>872</b>	<b>-</b>	<b>(872)</b>	<b>(100%)</b>
<b>9.1 Renewals Total</b>	<b>872</b>	<b>3,750</b>	<b>2,878</b>	<b>77%</b>
<b>Expenditure Total</b>	<b>490,011</b>	<b>641,090</b>	<b>151,079</b>	<b>24%</b>

### Dinner Plain detail – YTD (*cont...*)

This tabulation is a new addition to the Quarterly report.

**Dinner Plain Rates and Charges** income is under budget as the State Government Adventure Park grant, planned for Quarter one is now expected in Quarter three and rates payments for the quarter did not meet budget.

**Dinner Plain Village Services** income is higher than expected due to timing of lease income received. YTD result will balance at the end of full year budget.

**Dinner Plain Marketing** expenditure is underspent in this quarter as actual activity was lower in Quarter one than budgeted. There are also outstanding invoices from suppliers which will appear in Quarter two. Expenditure and activity as planned will occur across Quarter two - Quarter four.

**Dinner Plain Events** expenditure is under budget for Quarter One due to phasing of expenditure in the budget. This budget is forecast to be fully spent by year end.

**Dinner Plain Snow Clearing & Grooming** expenditure is under budget due to timing of Contractor invoice being processed.

**Dinner Plain Resort Maintenance and Waste Management** expenditure is under budget due to timing of Contractor invoice being processed.

**Dinner Plain Public Facilities** expenditure is under spent as utilities invoices for the quarter are yet to be received.

**Dinner Plain Renewal - Equipment** expenditure is under spent as works have not been completed in this quarter. Works will be undertaken in Quarter two - Quarter three.

**Capital Projects summary – YTD**

	YTD Actuals	YTD Budget	YTD Variance	YTD Variance
	\$	\$	\$	%
<b>Assets - projects</b>	-		-	
<b>Income</b>				
9.12 Plant and Motor Vehicles Renewal	(16,636)	(43,994)	(27,358)	62%
9.18 Building Renewal	(10,000)	-	(10,000)	100%
9.28 Building Upgrade	-	(8,250)	(8,250)	100%
9.29 Recreation and Other Upgrades	(60,000)	-	60,000	100%
9.39 Recreation and Other New	(11,750)	-	11,750	(100%)
9.5 Projects Grant income	(55,593)	-	55,593	(100%)
<b>Total Income</b>	<b>(153,979)</b>	<b>(52,244)</b>	<b>101,735</b>	<b>(195%)</b>
<b>Expenditure</b>				
9.11 Office Equipment and Furniture Renewal	-	12,830	12,830	100%
9.12 Plant and Motor Vehicles Renewal	93,297	127,060	33,763	27%
9.13 Road Renewal	13,199	20,000	6,801	34%
9.14 Bridge Renewal	99,622	30,000	(69,622)	(232%)
9.15 Kerb Renewal	-	-	-	-
9.16 Footpath Renewal	-	2,000	2,000	100%
9.17 Drainage Renewal	964	-	(964)	(100%)
9.18 Building Renewal	3,247	30,680	27,433	89%
9.19 Recreation and Other Renewal	23,890	-	(23,890)	(100%)
9.1A Waste Renewal	79,909	4,032	(75,877)	(1882%)
9.21 Office Equipment and Furniture Upgrade	-	-	-	-
9.23 Road Upgrade	2,547	20,000	17,453	87%
9.24 Bridge Upgrade	-	-	-	-
9.26 Footpath Upgrade	3,485	-	(3,485)	(100%)
9.27 Drainage Upgrade	1,684	-	(1,684)	(100%)
9.28 Building Upgrade	25,198	20,000	(5,198)	(26%)
9.29 Recreation and Other Upgrades	70,925	80,000	9,075	11%
9.33 Road New	-	25,000	25,000	100%
9.36 Footpath New	2,234	27,000	24,766	92%
9.38 Building New	551	-	(551)	(100%)
9.39 Recreation and Other New	65,023	74,370	9,347	13%
<b>Total Expenditure</b>	<b>485,775</b>	<b>472,972</b>	<b>(12,803)</b>	<b>(3%)</b>
<b>Total assets - capital</b>	<b>331,796</b>	<b>420,728</b>	<b>88,932</b>	<b>21%</b>

**Capital Projects summary (cont...)**

**Note:** Inaccurate budget phasing is producing year to date variances that are forecast to balance by year end. This anomaly will be rectified in future reports either by refining the phasing or by providing narrative by exception.

**Plant and Motor Vehicle Renewals** income is under budget as there were less plant sales than planned.

**Building Renewals** income is above budget as the community contribution for Gapstead Hall has been received.

**Building Upgrade** income is under budget as the Lakeview Children Upgrade milestone payment has been delayed due to project timeframes.

**Recreation and Other Upgrades** income is above budget as the Alpine Shire Council has received additional funding through the "shade sails" grants and will be expended in Quarter four.

**Recreation and Other New** income is above budget following receipt of developer contribution which is to be journalled to Open Space reserve.

**Project Grants** income is above budget due to receipt of "Roads to Recovery" grant for 2014/15 financial year.

**Office Equipment and Furniture Renewal** expenditure is unspent for Quarter one. Expenditure is planned to coincide with the office renovation / refurbishment.

**Plant and Motor Vehicle Renewals** expenditure is below budget due to delay in the purchase of new mowers; expenditure to be incurred in Quarter two.

**Road Renewals** expenditure is under budget as expenditure for Employee costs and Plant for some roads projects have not been allocated to the respective budgets e.g.; gravel road resheeting.

**Bridge Renewals** expenditure is above budget due to expenditure against the Kancoona South bridge project. The project expenditure was carried forward from Quarter four 2014/15 to Quarter one 2015/16.

**Footpath Renewal** expenditure is under budget due to incorrect forecasting for Quarter one. Expenditure is re-forecasted to occur primarily in Quarter three and four.

**Building Renewals** expenditure is under budget due to delays in the works with the Gapstead hall project.

**Recreation and Other Renewal** expenditure is under budget due to no forecast budget for public place bin replacement.

**Waste Renewal** expenditure is over budget due to a carried forward of the Myrtleford baling shed project from Quarter four 2014/15 to Quarter one 2015/16. Additionally there has been greater than budgeted costs associated with the Porepunkah Landfill Rehabilitation project.

**Road Upgrade** expenditure is under budget due to delays with the Railway avenue / Mill road / Church street intersection project; expenditure re-forecasted for Quarter two.

**Footpath Upgrade** expenditure is over budget due to costs incurred for detailed planning and design in the Shire.

**Drainage Upgrade** expenditure is over budget due to costs incurred for detailed planning and design in the Shire.

**Building Upgrades** expenditure is over budget due to additional design work for the Mt Beauty library project and design and documentation costs for the Porepunkah transfer station project.

**Recreation and Other Upgrades** expenditure is under budget due to extension of project time for the Alpine Better Places project consultant costs

**Road New** expenditure is under budget as the Kerb and Channel construction (Porcellatos lane) project is not complete.

**Footpath New** expenditure is under budget due to the delays in the Harrierville Shared path project; expenditure is re-forecasted to occur in Quarter two.

**Recreation and Other New** expenditure is under budget due to revised forecasting for "Alpine Safer Parks" project and Myrtleford Skate Park; expenditure for projects to occur in Quarter two.

**Capital Projects summary – forecast**

	Year End Forecast	Original Annual Budget	Forecast Variance	Forecast Variance
	\$	\$	\$	%
<b>Assets - capital</b>				
<b>Income</b>				
9.12 Plant and Motor Vehicles Renewal	(817,636)	(844,994)	(27,358)	3%
9.13 Road Renewal	-	-	-	-
9.18 Building Renewal	(10,000)	(8,650)	1,350	(16%)
9.28 Building Upgrade	(383,000)	(443,000)	(60,000)	14%
9.29 Recreation and Other Upgrades	(334,900)	(274,900)	60,000	(22%)
9.36 Footpath New	-	-	-	-
9.39 Recreation and Other New	(58,750)	(47,000)	11,750	(25%)
9.41 Flood Recovery	-	-	-	-
9.42 Bushfire Recovery	-	-	-	-
9.5 Projects Grant income	(1,569,523)	(1,059,474)	510,049	(48%)
<b>Total Income</b>	<b>(3,173,809)</b>	<b>(2,678,018)</b>	<b>495,791</b>	<b>(19%)</b>
<b>Expenditure</b>				
9.11 Office Equipment and Furniture Renewal	51,321	51,321	-	0%
9.12 Plant and Motor Vehicles Renewal	823,310	1,038,335	215,025	21%
9.13 Road Renewal	2,139,416	1,566,181	(573,235)	(37%)
9.14 Bridge Renewal	888,423	914,424	26,001	3%
9.15 Kerb Renewal	64,508	64,508	-	0%
9.16 Footpath Renewal	54,596	54,596	-	0%
9.17 Drainage Renewal	27,493	27,493	-	0%
9.18 Building Renewal	93,881	101,314	7,433	7%
9.19 Recreation and Other Renewal	127,024	127,024	-	0%
9.1A Waste Renewal	424,152	1,121,342	697,190	62%
9.21 Office Equipment and Furniture Upgrade	-	-	-	(100%)
9.23 Road Upgrade	145,508	192,021	46,513	24%
9.24 Bridge Upgrade	-	-	-	-
9.26 Footpath Upgrade	225,025	225,025	-	0%
9.27 Drainage Upgrade	66,658	66,658	-	0%
9.28 Building Upgrade	502,365	1,239,621	737,256	59%
9.29 Recreation and Other Upgrades	1,315,094	1,076,972	(238,122)	(22%)
9.33 Road New	25,000	25,000	-	0%
9.36 Footpath New	27,000	27,000	-	0%
9.38 Building New	327,948	327,948	-	0%
9.39 Recreation and Other New	339,606	322,099	(17,507)	(5%)
9.41 Flood Recovery	-	-	-	-
9.42 Bushfire Recovery	-	-	-	-
<b>Total Expenditure</b>	<b>7,668,328</b>	<b>8,568,882</b>	<b>900,554</b>	<b>11%</b>
<b>Total assets - capital</b>	<b>4,494,519</b>	<b>5,890,864</b>	<b>1,396,345</b>	<b>24%</b>

**Capital Projects summary – forecast (cont...)**

**Plant and Motor Vehicles Renewal** income is forecast to be under budget to the decision to defer the plant and motor vehicle renewal program.

**Building Upgrade** income forecast is less than budgeted as the Porepunkah transfer station project is on hold for strategic reasons.

**Recreation and other Upgrades** income forecast to be over budget due to successful grant application to the competitive Municipal Association of Victoria shade program.

**Recreation and other New** income is forecast to be over budget due to unbudgeted developer contributions.

**Projects Grants income** is over budget due to additional funding through the “roads to recovery” program supported by the fuel excise scheme (balances with Road Renewal).

**Plant and Motor vehicle renewal** expenditure is forecast to be under budget due to the decision to defer the plant and motor vehicle renewal program (including not proceeding with the purchase of the Dinner Plain snow blower).

**Road Renewal** expenditure is forecast over budget due to additional projects made possible as a result of the increased roads to recovery funding provided through the Fuel Excise Program contribution.

**Waste Renewal** expenditure is forecast to be under budget due to the decision not to proceed with planned waste projects.

**Road upgrade** expenditure is forecast to be under budget due to the development of a revised scope for Mafeking Square.

**Building Upgrade** expenditure is forecast to be under budget due to the decision to postpone the Mt Beauty Library redevelopment and the Porepunkah Transfer Station upgrade projects.

**Recreation and Other Upgrades** expenditure is forecast to be over budget due to the inclusion of unbudgeted projects made possible by successful funding applications (such as Alpine Events Centre).

**Recreation and Other New** is forecast to be over budget due to the decision to deliver additional new projects including the Dinner Plain Oval feasibility study, and the carry forward of the Dinner Plain Gravity Park project from 2014/15.



## Conclusion

Council's operating performance for Quarter one has been favourable to budget. This has primarily been due to a reduction of Employee, and Materials and Services costs for the Quarter.

The benefits of early loan repayments and prepayment of the Financial Assistance Grants in 2014/15 continues to have a positive impact on the Councils Quarterly position.

The implementation of the new chart of accounts has allowed managers to provide analysis under a new reporting structure however has raised some specific challenges that have yet to be resolved, such as transparent grant reporting, and efficiently managing staff resources against budget. These issues will be monitored and addressed over the next reporting period.

Phasing of budgets has had an impact in interpreting the result of "actual" against "budget". Where this was experienced, forecasted result and narrative was provided to demonstrate the identified cause.

Capital works expenditure for the Quarter is overall in accordance with the forecast. However the overall performance included a number of noteworthy variances.

Council's cash is currently in a sound position, however normalisation of the receipt of Financial Assistance Grants will impact this, and therefore the cash reserve will be monitored closely.