

Financial Report

31 December 2024

Financial Report - 31 December 2024

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Income Statement

For the financial year to date 31 December 2024

	YTD Budget	YTD Actuals	YTD Variance Fav / (Unfav)		Annual Budget
	\$	\$	\$	%	\$
Income					
Rates	64,631,417	64,741,014	109,597	0.17	65,213,001
Waste management charge	15,058,927	15,131,969	73,042	0.49	15,058,927
Government grants-recurrent	4,761,503	4,930,845	169,342	3.56	5,920,506
Government grants-non-recurrent	8,703,367	8,963,623	260,256	2.99	16,324,717
User charges	7,633,618	7,906,333	272,715	3.57	18,668,472
Statutory fees and fines	955,310	925,695	(29,615)	(3.10)	2,127,640
Reimbursements	-	22,680	22,680	100.00	57,031
Interest income	744,480	745,444	964	0.13	1,250,000
Capital contributions	100,000	180,438	80,438	80.44	1,009,212
Other revenue	288,042	959,105	671,063	232.97	673,668
Contributions	100,000	901,000	801,000	801.00	103,500
Total income	102,976,664	105,408,146	2,431,482	2.36	126,406,674
Expenses					
Employee benefits	21,131,162	20,005,936	1,125,226	5.32	42,552,693
External contracts	10,323,902	10,977,647	(653,745)	(6.33)	24,238,306
Materials and related costs	9,959,804	10,431,558	(471,754)	(4.74)	18,570,641
Other expenditure	3,623,767	3,842,020	(218,253)	(6.02)	7,955,573
Interest expenditure	397,223	397,223	-	-	966,484
Financial year projects allocation	778,494	785,837	(7,343)	(0.94)	2,637,819
Total expenses	46,214,352	46,440,221	(225,869)	(0.49)	96,921,516
Earnings before Depreciation	56,762,312	58,967,925	2,205,613	3.89	29,485,158
Depreciation	6,220,000	6,220,000	-	-	12,440,000
Net Surplus	50,542,312	52,747,925	2,205,613	4.36	17,045,158

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Balance Sheet

For the financial year to date 31 December 2024

	31-Dec-24	30-Jun-24
	\$	\$
ASSETS		
Current assets		
Cash assets	34,815,544	40,410,000
Other Financial Assets	5,000,000	10,000,000
Receivables	56,936,809	14,589,000
Accrued income	835,322	990,000
Prepayments	288,755	1,790,000
Inventories	29,080	32,000
Total current assets	97,905,510	67,811,000
Non-current assets		
Investments in associates	1,649,722	1,650,000
Other Financial Assets	5,000	5,000
Property, infrastructure, plant & equipment		
At cost	1,351,844,347	1,351,852,000
Accumulated depreciation	(343,056,484)	(336,844,000)
Work in progress	27,052,399	11,466,000
Right of use assets	1,120,503	1,121,000
Total non-current assets	1,038,615,487	1,029,250,000
TOTAL ASSETS	1,136,520,997	1,097,061,000
LIABILITIES		
Current liabilities		
Creditors	5,568,215	2,667,000
Trust funds	2,465,333	3,729,000
Prepaid income	673,830	289,000
Unearned Income	-	8,018,000
Accrued expenses	2,000	5,977,000
Provisions	7,598,746	12,728,000
Borrowings	1,324,810	2,617,000
Lease liabilities	401,579	402,000
Total current liabilities	18,034,513	36,427,000
Non-current liabilities		
Provisions	21,956,492	16,861,000
Borrowings	17,065,879	17,066,000
Lease liabilities	804,467	804,000
Total non-current liabilities	39,826,838	34,731,000
TOTAL LIABILITIES	57,861,351	71,158,000
NET ASSETS	1,078,659,646	1,025,903,000
Presented by:		
Accumulated surplus	399,781,779	399,772,000
YTD surplus/(deficit)	52,746,925	-
Asset revaluation reserve	590,134,952	590,134,000
Other reserves	35,995,990	35,997,000
TOTAL EQUITY	1,078,659,646	1,025,903,000

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Statement of Cash Flows

For the financial year to date 31 December 2024

	31-Dec-24 YTD \$	30-Jun-24 * \$
Inflows from operating activities		
Rates	37,910,004	76,630,000
Statutory fees & fines	925,695	1,865,000
User charges	7,906,333	17,097,000
Grants	5,981,649	7,683,000
Contributions	1,474,579	1,403,000
Interest	745,444	2,104,000
Other receipts	638,141	7,148,000
Total inflows from operating activities	55,581,845	113,930,000
Outflows from operating activities		
Payments to suppliers	(23,798,423)	(56,542,000)
Payments to employees	(20,005,936)	(38,645,000)
Trust	(1,263,666)	(77,000)
Other payments	(3,842,020)	(7,894,000)
Total outflows from operating activities	(48,910,045)	(103,158,000)
Movement in operating activities	6,671,800	10,772,000
Inflows from investing activities		
Proceeds from sale of assets	7,728	279,000
Proceeds from investments	5,000,000	-
Outflows from investing activities		
Payments for property, infrastructure, P&E	(15,584,160)	(17,651,000)
Payments for investments	-	(5,000,000)
Movement in investing activities	(10,576,432)	(22,372,000)
Outflows from financing activities		
Repayment of borrowings	(1,292,477)	(1,897,000)
Borrowing costs	(397,223)	(697,000)
Interest paid - lease liabilities	-	(75,000)
Repayment of lease liabilities	(124)	(420,000)
Movement in financing activities	(1,689,824)	4,911,000
TOTAL CASH MOVEMENT FOR PERIOD	(5,594,456)	(6,689,000)
Opening bank balance	40,410,000	47,099,000
Net increase/(decrease) in cash and cash equivalents	(5,594,456)	(6,689,000)
CLOSING BANK BALANCE	34,815,544	40,410,000

*Comparative reflective of annual report which has been rounded to the nearest thousand

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1. Income Statement Variance Analysis

a. Operating Income year to date

	YTD Budget	YTD Actuals	YTD Variance Fav / (Unfav)		Annual Budget
	\$	\$	\$	%	\$
Income					
Rates	64,631,417	64,741,014	109,597	0.17	65,213,001
Waste management charge	15,058,927	15,131,969	73,042	0.49	15,058,927
Government grants-recurrent	4,761,503	4,930,845	169,342	3.56	5,920,506
Government grants-non-recurrent	8,703,367	8,963,623	260,256	2.99	16,324,717
User charges	7,633,618	7,906,333	272,715	3.57	18,668,472
Statutory fees and fines	955,310	925,695	(29,615)	(3.10)	2,127,640
Reimbursements	-	22,680	22,680	100.00	57,031
Interest income	744,480	745,444	964	0.13	1,250,000
Capital contributions	100,000	180,438	80,438	80.44	1,009,212
Other revenue	288,042	959,105	671,063	232.97	673,668
Contributions	100,000	901,000	801,000	801.00	103,500
Total Operating Income	102,976,664	105,408,146	2,431,482	2.36	126,406,674

Significant variance commentary:

Rates and Waste Management Charge \$182,639.

- Reflective of supplementary valuations.

Recurrent Government Grants \$169,342.

- Additional funding received from:
 - Department of Education \$96,660.
 - Department of Transport and Planning \$37,288.
 - Department of Health \$19,025.

Non-Recurrent Government Grants \$260,256.

- New funding received from:
 - Department of Social Services \$73,057.
 - Cricket Victoria \$22,173.
 - Department of Education \$85,995.
- Additional funding received from Department of Government Services \$80,000.

User Charges \$272,715.

- Leisure facilities income (offset by corresponding expenditure) \$241,002.
- Living and Learning community program fee income \$38,616.
- Playhouse childcare fee income \$16,245.
- Edendale nursery plant sales \$14,234.
- Synthetic pitch rental income (\$56,061).

Statutory Fees and Fines (\$29,615).

- Planning application fees (\$105,936).
- Planning prosecution income \$70,000.

Capital Contributions \$80,438.

- Yarra Plenty Regional Library \$75,000.

Other Revenue \$671,063.

- Insurance claim refunds \$353,124.
- Aligned Leisure facilities \$130,591.
- Recycling collection - container deposit scheme refunds \$114,211.
- Non-residential rental income \$40,256.

Contributions \$801,000.

- Developer contributions received for open space and DPO4 area open space \$800,500.

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b. Operating Expenditure year to date

	YTD	YTD	YTD		Annual
	Budget	Actuals	Variance		Budget
	\$	\$	\$	%	\$
Expenditure					
Employee benefits	21,131,162	20,005,936	1,125,226	5.32	42,552,693
External contracts	10,323,902	10,977,647	(653,745)	(6.33)	24,238,306
Materials and related costs	9,959,804	10,431,558	(471,754)	(4.74)	18,570,641
Bad and doubtful debts	-	-	-	-	-
Other expenditure	3,623,767	3,842,020	(218,253)	(6.02)	7,955,573
Interest expenditure	397,223	397,223	-	-	966,484
Financial year projects allocation	778,494	785,837	(7,343)	(0.94)	2,637,819
Total operating expenditure	46,214,352	46,440,221	(225,869)	(0.49)	96,921,516

Significant variance commentary:

Employee Benefits \$1,125,226.

- Year to date variances resulting from timing of position vacancies due to resignations, staff being on secondment or long service leave, as well as timing of the new Enterprise Agreement.

External Contracts (\$653,745).

- Leisure facilities expenditure (offset by corresponding income) (\$437,511).
- Agency and temporary staff engaged to backfill vacant roles (\$203,918).
- Cleaning service requirements for public facilities (\$63,814).
- External consultants engaged to provide specialised services (\$45,871).
- Former Plenty landfill site leachate compliance requirements due to higher rainfall (\$44,101).
- Recycling disposal costs \$116,311.

Materials and Related Costs (\$471,754).

- Contractors engaged for provision of mowing services (\$303,483).
- Insurance policy premiums higher than budgeted (\$114,714).
- Graffiti removal costs (\$29,779).
- Specialist legal advice and services (\$25,264).

Other Expenditure (\$218,253).

- Lease costs for:
 - trial of cleansing equipment (\$51,026).
 - street sweeper (\$27,269).
 - parking overstay detection sensors (\$37,951).
- Planning permit costs for arboriculture activities (\$37,034).
- Sportsground maintenance (\$21,803).

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2. Statement of Capital Works

For the financial year to date 31 December 2024

Asset Class	YTD Budget	YTD Actuals	YTD Variance Fav / (Unfav)		Annual Budget
	\$	\$	\$	%	\$
Bridges	9,540	9,544	(4)	(0.04)	241,182
Children's playground equipment	27,484	27,484	0	0.00	341,006
Commercial centres/major streetscapes	136,814	137,621	(807)	(0.59)	1,109,429
Digital transformation projects	136,181	195,325	(59,144)	(43.43)	517,589
Disability access works	-	1,617	(1,617)	(100.00)	100,000
Drainage	343,930	343,415	515	0.15	960,292
Footpaths	342,912	342,913	(1)	(0.00)	967,048
Landfill closure/regional park	3,106,089	3,210,285	(104,196)	(3.35)	7,011,414
Major leisure centres & community halls	47,184	1,381,075	(1,333,891)	(2,827.00)	100,539
Other council buildings	2,544,749	2,555,164	(10,415)	(0.41)	5,497,441
Other infrastructure	114,497	115,027	(530)	(0.46)	402,630
Plant & vehicle replacement	825,654	840,635	(14,981)	(1.81)	2,265,648
Public open space	430,568	428,857	1,711	0.40	1,002,552
Recreation, leisure & community	2,667,909	2,716,681	(48,772)	(1.83)	9,194,284
Recreation trails	306,105	303,856	2,249	0.73	3,847,540
Roads	1,827,512	1,872,060	(44,548)	(2.44)	6,107,036
Special charge schemes	-	4,661	(4,661)	(100.00)	42,584
Sportsfields & pavilions	458,219	512,678	(54,459)	(11.89)	4,334,898
Traffic works	312,930	313,696	(766)	(0.24)	1,056,406
Various/miscellaneous capital	100,000	274,061	(174,061)	(174.06)	114,000
Total	13,738,277	15,586,654	(1,848,377)	(13.45)	45,213,518
Renewal	3,430,435	3,686,024	(255,589)	(7.45)	8,476,178
New	1,641,882	1,675,178	(33,296)	(2.03)	7,954,518
Upgrade	7,819,216	9,330,506	(1,511,290)	(19.33)	25,442,503
Expansion	846,744	894,945	(48,201)	(5.69)	3,340,319
Total	13,738,277	15,586,654	(1,848,377)	(13.45)	45,213,518

Commentary:

The 2024-25 annual capital works program is underway and is tracking well, with a total spend variance of 13.45% percent ahead of budget. This remains within annual budget projections.

Projects currently under construction:

- Alistair Knox changing places - installation of Nillumbik's first registered changing places facility and upgraded amenities
- Rejuvenation of Ryan's Reserve - upgrade of playground and installation of new public amenities facility
- Diamond Valley Library outdoor space - construction of new outdoor educational and learning space
- Eltham Lower Park dog park - conversion of a section of the existing horse and pony club to create new dog park space
- Diamond Creek Tennis court reconstruction
- Herberts Lane play space - construction of a new play space near Herberts Lane, Diamond Creek
- Plenty War Memorial Oval - LED lighting upgrade

Projects recently completed:

- Asphalt road resealing at:
 - Diamond Creek - Egan Street and James Cook Drive
 - Eltham North - Parry Road and Colric Place
 - Plenty - Mackelroy Road and Heard Avenue
 - Research - Maroong Drive

The overall financial position of the capital works portfolio spend continues to be closely monitored.

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3. Treasury

a. Loans

Financial Institution	Start date	Term (years)	End date	Principal \$	Interest Rate %	Current Balance \$
NAB	28/06/2007	20	28/06/2027	2,200,000	6.96%	444,714
NAB	27/06/2008	20	27/06/2028	3,647,000	7.87%	1,075,263
TCV	22/06/2022	7	22/06/2029	7,000,000	4.42%	4,742,933
NAB	10/06/2011	20	10/06/2031	2,120,000	7.91%	1,069,598
NAB	21/06/2021	10	21/06/2031	3,303,000	2.03%	2,146,950
ANZ	29/06/2012	20	29/06/2032	2,373,000	5.88%	1,221,849
TCV	3/05/2024	10	3/05/2034	8,000,000	5.13%	7,689,382
Total						18,390,689

b. Investment activities

Council carries out investment activities according to Section 143 of the Victorian Local Government Act 1989. All Council funds are invested with Authorised Deposit Taking Institutions (ADI's), in either cash, at call or term deposits. The following tables provide our investment portfolio by maturity and rating type.

Financial Institution	Green Investment	S & P Rating	Investment Type	Principal \$	Maturity Date	Term (days)	Interest Rate %
CBA		A1+	11:00am	3,331,452			4.10%
Macquarie		A1	11:00am	4,182,272			4.50%
AMP		A2	11:00am	2,500,000			5.10%
NAB		A1+	Term Deposit	2,500,000	2/01/2025	90	4.95%
Bendigo	Yes	A2	Term Deposit	1,000,000	7/01/2025	92	4.74%
NAB		A1+	Term Deposit	1,500,000	10/01/2025	130	5.00%
AMP		A2	Term Deposit	2,000,000	20/01/2025	151	5.00%
NAB		A1+	Term Deposit	2,000,000	3/02/2025	122	5.00%
NAB		A1+	Term Deposit	2,000,000	4/02/2025	120	5.00%
Westpac		A1+	Term Deposit	3,000,000	7/02/2025	92	4.92%
NAB		A1+	Term Deposit	1,000,000	10/02/2025	91	5.00%
Westpac		A1+	Term Deposit	2,000,000	24/02/2025	96	4.92%
NAB		A1+	Term Deposit	3,500,000	3/03/2025	90	5.00%
Westpac		A1+	Term Deposit	1,000,000	4/03/2025	90	4.92%
Bendigo	Yes	A2	Term Deposit	1,500,000	12/05/2025	180	5.10%
Westpac		A1+	Term Deposit	5,000,000	11/06/2025	365	5.15%
Total				38,013,724		Weighted average	4.87%

Financial Institution Rating	Investment	Portfolio
A1+	26,831,452	70.58%
A1	4,182,272	11.00%
A2	7,000,000	18.41%
Total	38,013,724	100%

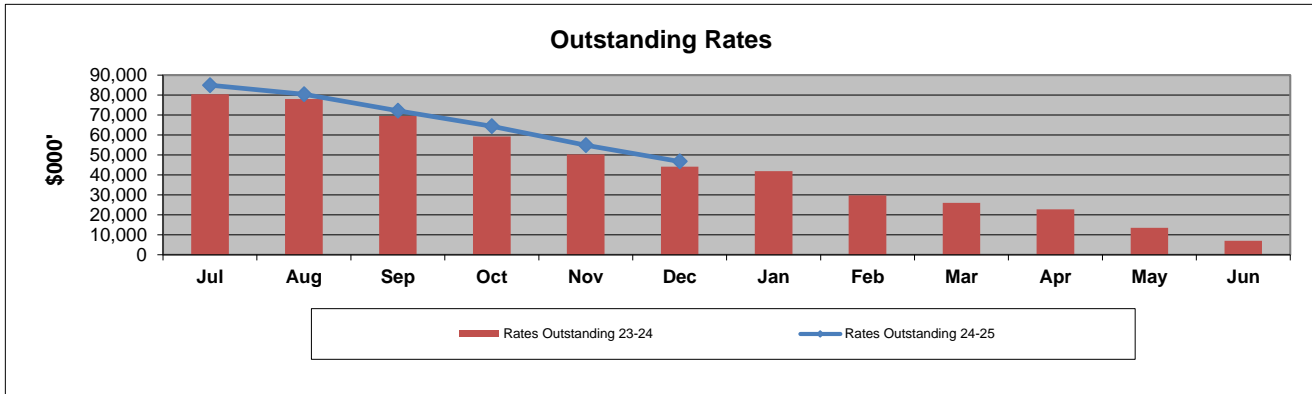
Council's current average rate of return on investments for the 2024-25 financial year is 4.87 percent and is compliant with Council's investment policy.

The portion of investment portfolio currently invested with green institutions is 6.58 percent. Green institutions are defined as being fully divested from fossil fuels, that is, having no direct or indirect investment in the fossil fuel industry.

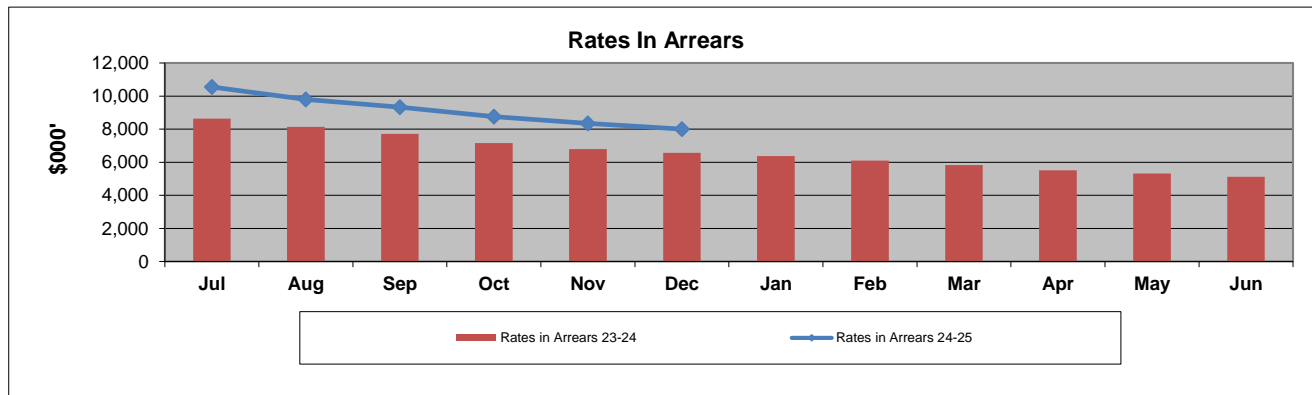
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4. Rates Analysis

	YTD Actual 31-Dec-23 \$000'	YTD Actual 31-Dec-24 \$000'	Variance \$000'	Variance %
Rates Outstanding	44,197	46,713	(2,516)	(5.69)
Rates in Arrears (prior years)	6,570	8,003	(1,433)	(21.81)



When Council adopts the budget, rates are levied on properties and the full amount due is treated as income at that point.



Supplementary Valuations

Between the annual revaluation cycle, supplementary valuations are conducted to:

- record changes made to properties that affect property value,
- record changes to the rateability status, and
- consider any planning amendments made within the cycle.

Growth in the number of rateable assessments predominantly occurs as a result of developments within the Shire, creating assessments through subdivision of land and/or buildings.

Rateable properties at 1 July 2024	24,208
2024-25 growth	66
Rateable properties at 31 December 2024	<u>24,274</u>

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5. Grant Activity

The following table provides a summary of grant funding, greater than \$50,000, received for Council activities during the period 1 July 2024 to 31 December 2024.

Project Description	2024-25 Actuals YTD \$	Funding Body
Recurrent		
Central registration and enrolment scheme	63,550	Department of Education (Vic)
Best Start	66,928	Department of Education (Vic)
Eltham Childcare rebates	72,418	Department of Education, Skills and Employment (Cwlth)
Panton Hill Childcare rebates	83,350	Department of Education, Skills and Employment (Cwlth)
Diamond Creek Neighbourhood House	50,167	Department of Families, Fairness and Housing
Home & Community Care - transport	56,848	Department of Health
Maternal & Child Health universal funding	210,754	Department of Health (Vic)
Grants Commission - roads	1,397,449	Department of Jobs, Precincts and Regions
Grants Commission - general purpose	2,032,049	Department of Jobs, Precincts and Regions
School crossing supervision	391,864	Department of Transport
Total Recurrent	4,425,377	
Non-Recurrent		
Council Plan / Grant Funded Initiatives		
Nillumbik deer control 2022-25	128,767	Department of Energy, Environment and Climate Action
PWMP Rivers to Ranges 2022-25	52,500	Department of Environment, Land, Water and Planning
Emergency Management Officer	80,000	Department of Government Services
Youth engagement - Edendale	73,057	Department of Social Services
Capital Works		
Eltham South Preschool bathroom & storage area	55,699	Department of Education and Training
Ironbark Road blackspot works	308,860	Department of Transport
Diamond Creek netball courts roof	100,000	Department of Jobs, Precincts and Regions
Diamond Creek Memorial Kindergarten expansion	85,995	Department of Education
Total Non-Recurrent	884,878	

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6. Defined Benefit Superannuation Update

Council has an obligation to contribute to any funding shortfalls within the Local Authorities Superannuation Fund (LASF) Defined Benefit Plan.

The Australian Prudential Regulation Authority (APRA) standard SPS160 uses the Vested Benefits Index (VBI) as its primary measure of fund solvency. The VBI measures the market value of assets in a defined benefit portfolio against the benefits that members would have been entitled to if they had all resigned on the same day.

The independent Actuary to the fund calculates the VBI at 30 June each year. It is necessary for the VBI to be 100% or greater at 30 June each year.

Vision Super produces interim quarterly VBI estimates based on actual quarterly assets and membership.

The recent history of the LASF VBI is shown below:

Estimated Vested Benefit Index

Year	30 Sept (estimated) %	31 Dec (estimated) %	31 Mar (estimated) %	30 Jun (actual) %
2024/25	107.30	**		
2023/24	102.30	103.80	106.30	105.40
2022/23	101.50	101.70	104.20	104.10
2021/22	109.90	111.20	108.50	102.20

** The 31 December 2024 estimated figure is not yet available from Vision Super.

To enable Council to monitor this risk, reliance is placed on the actuarial reviews conducted on the fund on a periodic basis. The most recent actuarial review was completed at 30 June 2024 and the fund actuary found that the LASF Defined Benefit Plan was in a satisfactory financial position.