

Financial Report

31 March 2025

Financial Report - 31 March 2025

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Income Statement

For the financial year to date 31 March 2025

	YTD Budget	YTD Actuals	YTD Variance Fav / (Unfav)		Annual Budget
	\$	\$	\$	%	\$
Income					
Rates	64,839,083	65,134,152	295,069	0.46	65,213,001
Waste management charge	15,058,927	15,139,596	80,669	0.54	15,058,927
Government grants-recurrent	5,249,368	5,440,383	191,015	3.64	5,920,506
Government grants-non-recurrent	9,498,867	10,090,089	591,222	6.22	16,324,717
User charges	12,411,093	12,322,236	(88,857)	(0.72)	18,639,561
Statutory fees and fines	1,492,958	1,357,997	(134,961)	(9.04)	2,127,640
Reimbursements	57,031	81,136	24,105	42.27	57,031
Interest income	1,070,480	1,245,552	175,072	16.35	1,250,000
Capital contributions	142,584	226,508	83,924	58.86	1,009,212
Other revenue	465,836	1,283,366	817,530	175.50	702,579
Contributions	103,500	1,158,170	1,054,670	1,019.00	103,500
Total income	110,389,727	113,479,185	3,089,458	2.80	126,406,674
Expenses					
Employee benefits	30,871,000	29,426,494	1,444,506	4.68	42,552,693
External contracts	16,215,859	16,807,320	(591,461)	(3.65)	24,238,306
Materials and related costs	13,374,679	14,464,350	(1,089,671)	(8.15)	18,570,841
Other expenditure	4,978,499	5,274,934	(296,435)	(5.95)	7,955,373
Interest expenditure	625,963	625,958	5	0.00	966,484
Financial year projects allocation	1,091,427	1,115,150	(23,723)	(2.17)	2,637,819
Total expenses	67,157,427	67,714,206	(556,779)	(0.83)	96,921,516
Earnings before Depreciation	43,232,300	45,764,979	2,532,679	5.86	29,485,158
Depreciation	9,330,000	9,330,000	-	-	12,440,000
Net Surplus	33,902,300	36,434,979	2,532,679	7.47	17,045,158

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Balance Sheet

For the financial year to date 31 March 2025

	31-Mar-25	30-Jun-24
	\$	\$
ASSETS		
Current assets		
Cash assets	33,881,406	40,410,000
Other Financial Assets	5,000,000	10,000,000
Receivables	36,365,355	14,589,000
Accrued income	835,323	990,000
Prepayments	480,021	1,790,000
Inventories	13,026	32,000
Total current assets	76,575,131	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	1,351,653,020	1,351,852,000
Accumulated depreciation	(346,165,484)	(336,844,000)
Work in progress	32,954,603	11,466,000
Right of use assets	1,120,502	1,121,000
Total non-current assets	1,041,217,363	1,029,250,000
TOTAL ASSETS	1,117,792,494	1,097,061,000
LIABILITIES		
Current liabilities		
Creditors	3,781,871	2,667,000
Trust funds	2,495,964	3,729,000
Prepaid income	686,820	289,000
Unearned Income	-	8,018,000
Accrued expenses	2,000	5,977,000
Provisions	7,584,066	12,728,000
Borrowings	665,657	2,617,000
Lease liabilities	401,579	402,000
Total current liabilities	15,617,957	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	55,444,795	71,158,000
NET ASSETS	1,062,347,699	1,025,903,000
Presented by:		
Accumulated surplus	399,781,779	399,772,000
YTD surplus/(deficit)	36,434,978	-
Asset revaluation reserve	590,134,952	590,134,000
Other reserves	35,995,990	35,997,000
TOTAL EQUITY	1,062,347,699	1,025,903,000

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Statement of Cash Flows

For the financial year to date 31 March 2025

	31-Mar-25 YTD \$	30-Jun-24 * \$
Inflows from operating activities		
Rates	58,895,213	76,630,000
Statutory fees & fines	1,357,997	1,865,000
User charges	12,385,529	17,097,000
Grants	7,617,653	7,683,000
Contributions	1,890,457	1,403,000
Interest	1,245,552	2,104,000
Other receipts	844,927	7,148,000
Total inflows from operating activities	84,237,328	113,930,000
Outflows from operating activities		
Payments to suppliers	(35,966,438)	(56,542,000)
Payments to employees	(29,426,494)	(38,645,000)
Trust	(1,233,036)	(77,000)
Other payments	(5,274,934)	(7,894,000)
Total outflows from operating activities	(71,900,902)	(103,158,000)
Movement in operating activities	12,336,426	10,772,000
Inflows from investing activities		
Proceeds from sale of assets	199,056	279,000
Proceeds from investments	5,000,000	-
Outflows from investing activities		
Payments for property, infrastructure, P&E	(21,486,363)	(17,651,000)
Payments for investments	-	(5,000,000)
Movement in investing activities	(16,287,307)	(22,372,000)
Inflows from financing activities		
Proceeds from borrowings	-	8,000,000
Outflows from financing activities		
Repayment of borrowings	(1,951,631)	(1,897,000)
Borrowing costs	(625,958)	(697,000)
Interest paid - lease liabilities	-	(75,000)
Repayment of lease liabilities	(124)	(420,000)
Movement in financing activities	(2,577,713)	4,911,000
TOTAL CASH MOVEMENT FOR PERIOD	(6,528,594)	(6,689,000)
Opening bank balance	40,410,000	47,099,000
Net increase/(decrease) in cash and cash equivalents	(6,528,594)	(6,689,000)
CLOSING BANK BALANCE	33,881,406	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	64,839,083	65,134,152	295,069	0.46	65,213,001
Waste management charge	15,058,927	15,139,596	80,669	0.54	15,058,927
Government grants-recurrent	5,249,368	5,440,383	191,015	3.64	5,920,506
Government grants-non-recurrent	9,498,867	10,090,089	591,222	6.22	16,324,717
User charges	12,411,093	12,322,236	(88,857)	(0.72)	18,639,561
Statutory fees and fines	1,492,958	1,357,997	(134,961)	(9.04)	2,127,640
Reimbursements	57,031	81,136	24,105	42.27	57,031
Interest income	1,070,480	1,245,552	175,072	16.35	1,250,000
Capital contributions	142,584	226,508	83,924	58.86	1,009,212
Other revenue	465,836	1,283,366	817,530	175.50	702,579
Contributions	103,500	1,158,170	1,054,670	1,019.00	103,500
Total Operating Income	110,389,727	113,479,185	3,089,458	2.80	126,406,674

Significant variance commentary:

Rates and Waste Management Charge \$375,738.

- Reflective of supplementary valuations.

Recurrent Government Grants \$191,015.

- Additional funding received from:
 - Department of Education \$96,757.
 - Department of Transport and Planning \$37,288.
 - Department of Health \$28,332.

Non-Recurrent Government Grants \$591,222.

- New funding received from:
 - Department of Social Services \$146,114.
 - Ausnet \$240,909.
 - Department of Education \$85,995.
 - Transport Accident Commission \$25,000.
- Additional funding received from Department of Government Services \$80,000.

User Charges (\$88,857).

- Leisure facilities income (\$158,189).
- Asset protection fee income (\$55,522).
- Living and Learning community program fee income \$70,042.
- Subdivision supervision fee income \$21,686.
- Edendale nursery plant sales \$16,195.

Statutory Fees and Fines (\$134,961).

- Planning application fees (\$169,129).
- Building permit fees (\$26,302).
- Planning prosecution income \$70,000.

Interest Income \$175,072.

- Interest earned on investments.

Capital Contributions \$83,924.

- Yarra Plenty Regional Library \$75,000.

Other Revenue \$817,530.

- Insurance claim refunds \$358,860.
- Aligned Leisure facilities \$130,591.
- Recycling collection - container deposit scheme refunds \$114,211.
- Storm event claim return \$108,251.
- VicRoads roadside maintenance \$37,792.
- Recycling and Recovery Centre recycling income \$24,829.

Contributions \$1,054,670.

- Developer contributions received for open space and DPO4 area infrastructure and open space \$1,036,552.

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b. Operating Expenditure year to date

	YTD Budget \$	YTD Actuals \$	YTD Variance \$	%	Annual Budget \$
Expenditure					
Employee benefits	30,871,000	29,426,494	1,444,506	4.68	42,552,693
External contracts	16,215,859	16,807,320	(591,461)	(3.65)	24,238,306
Materials and related costs	13,374,679	14,464,350	(1,089,671)	(8.15)	18,570,841
Other expenditure	4,978,499	5,274,934	(296,435)	(5.95)	7,955,373
Interest expenditure	625,963	625,958	5	0.00	966,484
Financial year projects allocation	1,091,427	1,115,150	(23,723)	(2.17)	2,637,819
Total operating expenditure	67,157,427	67,714,206	(556,779)	(0.83)	96,921,516

Significant variance commentary:

Employee Benefits \$1,444,506.

- Year to date variances resulting from position vacancies due to resignations, staff being on secondment or long service leave.

External Contracts (\$591,461).

- Leisure facilities expenditure (\$525,225).
- Agency and temporary staff engaged to backfill vacant roles (\$347,674).
- External consultants engaged to provide specialised services (\$62,246).
- Cleaning service requirements for public facilities (\$55,096).
- Former Plenty landfill site leachate compliance requirements (\$44,101).
- Disposal costs:
 - Recycling \$183,880.
 - Organics \$142,116.
- Hard waste collection \$66,506

Materials and Related Costs (\$1,089,671).

- Contractors engaged for provision of mowing services (\$722,312).
- Traffic Enforcement parking overstay detection sensors (hardware and software) (\$205,399)
- Insurance policy premiums higher than budgeted (\$114,714).
- Graffiti removal costs (\$60,486).
- Major patching (\$40,977).
- Waste Management inspections \$88,804.

Other Expenditure (\$296,435).

- Lease costs for:
 - cleansing equipment (\$76,714).
 - street sweeper (\$40,903).
- Vegetation offsets for planning permits (\$50,906).
- Planning permit costs for arboriculture activities (\$47,044).
- Alliance memberships for advocacy (\$32,317).
- Sportsground maintenance (\$21,803).

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2. Statement of Capital Works

For the financial year to date 31 March 2025

Asset Class	YTD Budget	YTD Actuals	YTD Variance Fav / (Unfav)		Annual Budget
	\$	\$	\$	%	\$
Bridges	41,328	41,342	(14)	(0.03)	241,182
Children's playground equipment	53,984	53,998	(14)	(0.03)	341,006
Commercial centres/major streetscapes	151,804	151,674	130	0.09	1,109,429
Digital transformation projects	163,681	209,316	(45,635)	(27.88)	517,589
Disability access works	32,320	32,839	(519)	(1.61)	100,000
Drainage	431,335	431,331	4	0.00	960,292
Footpaths	382,932	385,936	(3,004)	(0.78)	967,048
Landfill closure/regional park	4,356,239	4,534,097	(177,858)	(4.08)	7,011,414
Major leisure centres & community halls	47,184	1,373,479	(1,326,295)	(2,810.90)	100,539
Other council buildings	3,001,289	3,489,057	(487,768)	(16.25)	5,497,441
Other infrastructure	159,297	181,794	(22,497)	(14.12)	402,630
Plant & vehicle replacement	1,377,956	1,377,956	-	-	2,265,648
Public open space	744,953	748,322	(3,369)	(0.45)	1,002,552
Recreation, leisure & community	2,819,919	3,040,364	(220,445)	(7.82)	9,194,284
Recreation trails	329,055	327,704	1,351	0.41	3,847,540
Roads	3,168,094	3,353,701	(185,607)	(5.86)	6,107,036
Special charge schemes	42,584	44,396	(1,812)	(4.25)	42,584
Sportsfields & pavilions	972,354	1,028,730	(56,376)	(5.80)	4,334,898
Traffic works	393,531	394,762	(1,231)	(0.31)	1,056,406
Various/miscellaneous capital	114,000	288,061	(174,061)	(152.69)	114,000
Total	18,783,839	21,488,859	(2,705,020)	(14.40)	45,213,518
Renewal	5,403,325	5,671,463	(268,138)	(4.96)	8,476,178
New	1,979,349	1,970,707	8,642	0.44	7,954,518
Upgrade	10,455,101	12,849,009	(2,393,908)	(22.90)	25,442,503
Expansion	946,064	997,680	(51,616)	(5.46)	3,340,319
Total	18,783,839	21,488,859	(2,705,020)	(14.40)	45,213,518

Commentary:

The 2024-25 annual capital works program is underway and is tracking well, with a total spend variance of 14.40% 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
- Eltham Lower Park dog park - conversion of a section of the existing horse and pony club to create new dog park space
- Plenty War Memorial Oval - LED lighting upgrade
- Urban Congestion Busting – pedestrian crossing and associated civil works complete, traffic signals to be complete April/May

Projects recently completed:

- 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
- Diamond Creek Tennis court reconstruction
- Herberts Lane play space - construction of a new play space near Herberts Lane, Diamond Creek
- Kangaroo Ground Tennis Club car park upgrade
- Eltham North Adventure Playground car park upgrade
- Edendale shade sail construction

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%	401,457
NAB	27/06/2008	20	27/06/2028	3,647,000	7.87%	1,004,780
TCV	22/06/2022	7	22/06/2029	7,000,000	4.42%	4,503,298
NAB	10/06/2011	20	10/06/2031	2,120,000	7.91%	1,037,442
NAB	21/06/2021	10	21/06/2031	3,303,000	2.03%	2,064,375
ANZ	29/06/2012	20	29/06/2032	2,373,000	5.88%	1,189,104
TCV	3/05/2024	10	3/05/2034	8,000,000	5.13%	7,531,079
Total						17,731,536

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 %
AMP		A2	11:00am	4,020,652			4.80%
CBA		A1+	11:00am	3,500,000			3.90%
ING		A1	Term Deposit	2,000,000	3/04/2025	31	4.28%
Bendigo	Yes	A2	Term Deposit	1,000,000	14/04/2025	40	4.10%
NAB		A1+	Term Deposit	2,000,000	5/05/2025	90	4.90%
Bendigo	Yes	A2	Term Deposit	1,500,000	12/05/2025	180	5.10%
NAB		A1+	Term Deposit	4,000,000	12/05/2025	91	4.90%
NAB		A1+	Term Deposit	2,000,000	20/05/2025	90	4.83%
Westpac		A1+	Term Deposit	2,000,000	26/05/2025	91	4.63%
NAB		A1+	Term Deposit	3,500,000	2/06/2025	91	4.70%
Westpac		A1+	Term Deposit	1,000,000	2/06/2025	90	4.62%
Westpac		A1+	Term Deposit	5,000,000	11/06/2025	365	5.15%
ING		A1	Term Deposit	2,000,000	25/08/2025	180	4.71%
BOQ		A2	Term Deposit	2,000,000	2/09/2025	180	4.75%
Total				35,520,652		Weighted average	4.71%

Financial Institution Rating	Investment	Portfolio
A1+	23,000,000	64.75%
A1	4,000,000	11.26%
A2	8,520,652	23.99%
Total	35,520,652	100%

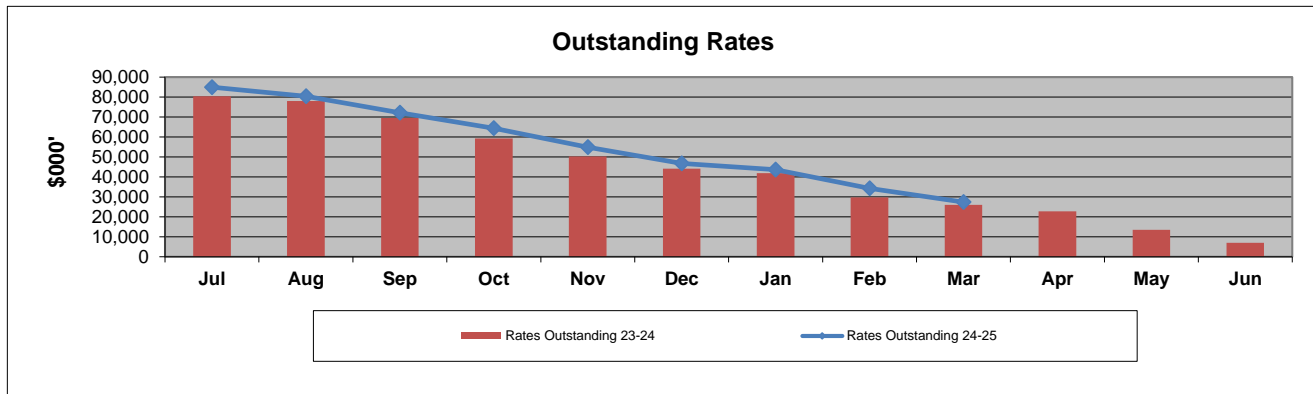
Council's current average rate of return on investments for the 2024-25 financial year is 4.71 percent and is compliant with Council's investment policy.

The portion of investment portfolio currently invested with green institutions is 7.04 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.

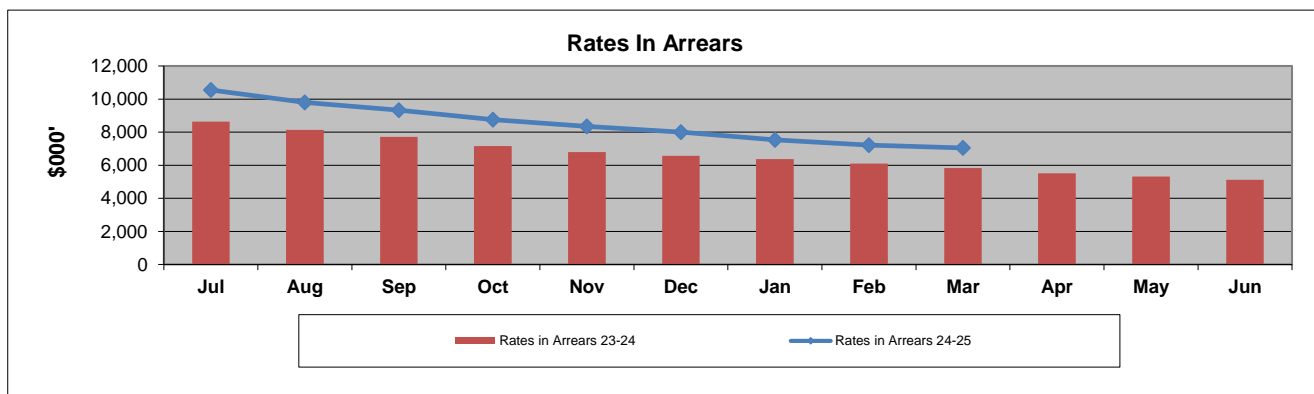
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4. Rates Analysis

	YTD Actual 31-Mar-24 \$000'	YTD Actual 31-Mar-25 \$000'	Variance \$000'	Variance %
Rates Outstanding	26,046	27,380	(1,334)	(5.12)
Rates in Arrears (prior years)	5,832	7,046	(1,214)	(20.82)



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	71
Rateable properties at 31 March 2025	<u>24,279</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 March 2025.

Project Description	2024-25 Actuals YTD \$	Funding Body
Recurrent		
Central registration and enrolment scheme	63,550	Department of Education (Vic)
Best Start	99,664	Department of Education (Vic)
Eltham Childcare rebates	90,266	Department of Education, Skills and Employment (Cwlth)
Panton Hill Childcare rebates	106,985	Department of Education, Skills and Employment (Cwlth)
Diamond Creek Neighbourhood House	75,251	Department of Families, Fairness and Housing
Home & Community Care - transport	75,782	Department of Health
Enhanced Maternal & Child Health interface councils	51,486	Department of Health (Vic)
Enhanced Maternal & Child Health	64,125	Department of Health (Vic)
Maternal & Child Health universal funding	313,840	Department of Health (Vic)
Grants Commission - roads	1,455,853	Department of Jobs, Precincts and Regions
Grants Commission - general purpose	2,115,742	Department of Jobs, Precincts and Regions
School crossing supervision	391,864	Department of Transport
Total Recurrent	4,904,408	
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	75,000	Department of Environment, Land, Water and Planning
Emergency Management Officer	80,000	Department of Government Services
Youth engagement - Edendale	146,114	Department of Social Services
Capital Works		
Hurstbridge Hub energy resilience	240,909	Ausnet Electricity Services Pty Ltd
Eltham South Preschool bathroom & storage area	55,699	Department of Education
Diamond Creek Memorial Kindergarten expansion	85,995	Department of Education
Roads and carpark renewal (RTR)	732,000	Department of Infrastructure, Transport, Regional Development, Communications and the Arts
Diamond Creek netball courts roof	100,000	Department of Jobs, Precincts and Regions
Ironbark Road blackspot works	308,860	Department of Transport
Total Non-Recurrent	1,953,344	

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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	106.50	**	
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 March 2025 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.