Financial Report

for the period September 2025

Table of Contents

Income Statement

For the financial year to date 30 September 2025

	YTD Budget $'000	YTD Actual $'000	YTD Variance $'000	%	Annual Budget $'000
Income					
Rates - General	47,088	47,221	133	0.3	188,351
Rates - Special Rates and Charges	-	-	-	-	1,858
Statutory Fees and Fines	1,173	780	(393)	(33.5)	5,232
User Fees	1,457	2,166	709	48.7	8,269
Contributions - Cash	597	507	(89)	(15.0)	2,682
Grants - Capital	2,301	1,091	(1,210)	(52.6)	25,480
Grants - Operating	5,215	4,235	(979)	(18.8)	28,046
Other Revenue	462	509	47	10.2	1,973
Interest	320	220	(100)	(31.1)	1,278
Contributions - Non Monetary Assets	625	-	(625)	(100.0)	2,500
Total Income	59,237	56,730	(2,507)	(4.2)	265,670
Expenses					
Employee Benefits	20,833	20,908	(75)	(0.4)	81,915
Materials and Services	24,368	20,953	3,415	14.0	107,588
Bad and Doubtful Debts	16	97	(81)	(507.3)	64
Depreciation and Amortisation	10,032	11,523	(1,491)	(14.9)	40,129
Other Expenses	2,471	2,382	90	3.6	8,962
Finance Costs (Interest)	692	622	70	10.1	2,768
Total Expenses	58,412	56,484	1,928	3.3	241,425
Net Gain/(Loss) on Disposal	-	150	150	-	-
Net Surplus/(Deficit)	825	395	(430)	(52.1)	24,245
Operating (Underlying) Surplus/(Deficit)*	(1,476)	(701)	775	(52.5)	(1,541)

* Excludes Capital Grants and Non Monetary Contributions

Balance Sheet

For the financial year to date 30 September 2025

	30-Sep-25 $'000	30-Jun-25 $'000
Current Assets		
Cash & Cash Equivalents	25,832	39,429
Trade & Other Receivables	82,929	50,338
Other Assets	12,439	9,312
Total Current Assets	121,199	99,078
Non Current Assets		
Trade & Other Receivables	5,377	6,429
Investments in Associates	3,179	3,179
Ppty, Plant & Equip. and Infrastructure	1,846,448	1,850,327
Intangible Assets	7,617	7,643
Right-of-use Assets	14,767	15,331
Total Non-Current Assets	1,877,387	1,882,908
TOTAL ASSETS	1,998,587	1,981,987
Current Liabilities		
Trade & Other Payables	34,940	44,923
Trust Funds & Deposits	33,971	4,891
Provisions	16,785	16,651
Interest-Bearing Loans & Borrowings	2,651	5,244
Lease liabilities	1,296	1,835
Total Current Liabilities	89,643	73,544
Non Current Liabilities		
Lease liabilities	13,896	13,896
Provisions	10,008	9,903
Interest-Bearing Loans & Borrowings	32,267	32,267
Total Non Current Liabilities	56,171	56,066
TOTAL LIABILITIES	145,814	129,610
NET ASSETS	1,852,772	1,852,377
Equity		
Accumulated Surplus	656,447	640,244
Reserves	1,195,930	1,195,930
Current Operating Surplus/(Deficit)	395	16,203
TOTAL EQUITY	1,852,772	1,852,377

Statement of Cash Flows

For the financial year to date 30 September 2025

	30-Sep-25 YTD $'000	30-Jun-25 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Rates and charges	43,051	180,257
Statutory fees and fines	855	2,790
User fees (inclusive of GST)	1,878	5,387
Grants - operating (inclusive of GST)	4,718	46,267
Grants - capital (inclusive of GST)	3,113	10,180
Contributions (inclusive of GST)	507	2,171
Interest received	220	1,362
Trust funds and deposits repaid	(266)	(3,698)
Other receipts (inclusive of GST)	2,299	1,209
Net GST refund	3,901	17,002
Materials and Services (inclusive of GST)	(37,540)	(126,041)
Employee costs	(20,501)	(81,821)
Other payments	(4,901)	(13,938)
Net cash provided by operating activities	**(2,666)**	**41,127**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, infrastructure, plant and equipment	(6,663)	(58,032)
Payments for intangibles	(412)	(3,375)
Proceeds from property, infrastructure, plant and equipment	170	1,732
Proceeds from sale of investments	-	7,500
Net cash used in investing activities	**(6,905)**	**(52,175)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance costs	(674)	(401)
Proceeds from loans		39,360
Repayment of borrowings	(2,592)	(2,489)
Investments in associates	-	-
Interest paid - lease	(197)	(856)
Repayment of lease liabilities	(563)	(2,379)
Net cash provided by (used in) financing activities	**(4,026)**	**33,235**
Net increase in cash and cash equivalents	(13,597)	22,187
Opening Bank Balance	39,429	17,242
Closing Bank Balance	**25,832**	**39,429**

Detailed Analysis

Income Statement Variance Analysis

a. Operating Income year to date:

	YTD Budget $'000	YTD Actual $'000	YTD Variance $'000	%	Annual Budget $'000
Income					
Rates - General	47,088	47,221	133	0.3	188,351
Rates - Special Rates and Charges	-	-	-	-	1,858
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Interest	320	220	(100)	(31.1)	1,278
Contributions - Non Monetary Assets	625	-	(625)	(100.0)	2,500
Total Income	59,237	56,730	(2,507)	(4.2)	265,670

Significant variance commentary:

Rates and Charges ($0.1m favourable YTD)

- Waste charges $0.3m higher than budget due to resident selection and uptake of waste collection options, resulting in an increased number of bins.
- Supplementary rates ($0.2m) less than budget due to the timing of supplementary valuations and issuing of supplementary rates notices.

Statutory Fees and Fines ($0.4m unfavourable YTD)

- Parking fines ($0.6m) below budget due to issuing warnings instead of fines.
- Non-voter fines of $0.2m relating to the 2024 election.

User Fees ($0.7m favourable YTD)

- Animal registration fees $0.4m higher than budget YTD due to timing differences compared to budget.
- Waste Container Deposit Scheme income $0.2m higher than budget YTD.
- Oval tenancy fee income $0.1m higher than budget YTD largely due to timing differences.

Contributions – Cash ($0.1m unfavourable YTD)

- Variance predominantly relates to public open space contributions. The quantum and timing of these contributions are dependent on subdivision activity.

Grants - Capital ($1.2m unfavourable YTD)

- Timing of capital grants income is dependent on timing of project delivery and receipt of funds from the granting authority. The YTD variance to budget is expected to be timing related only.
- The following projects are below budget YTD: Warburton Bike Park ($0.6m), Ngurrak Barring ($0.3m), Yarra Valley Trail ($0.3m), Coronation Park Dog off leash upgrades ($0.3m), Sport Reserves Rehabilitation / Renewal ($0.2m).
- This was partially offset by the Roads for the Community initiative which is $0.5m above budget YTD.

Grants - Operating ($1.0m unfavourable YTD)

- Timing of operating grant income is dependent on timing of project delivery and timing of receipt of funds from the granting authority. The YTD variance to budget is expected to be timing related only.
- The following operating grants are below budget YTD: Emergency Management ($0.4m), Nature & Weed programs ($0.3m), Natural Disaster Cost Recovery ($0.2m), Health & Wellbeing programs ($0.1m).

Interest ($0.1m unfavourable YTD)

- Interest on rates is ($0.2m) below budget due to the timing of raising interest charges against overdue rates.
- Interest on investments is $0.1m higher than budget.

Contributions – Non-Monetary Assets ($0.6m unfavourable YTD)

- This represents assets gifted to Council as part of development activity. The quantum and timing of these contributions are dependent on subdivision activity.

b. Operating Expenditure year to date:

	YTD Budget $	YTD Actual $	YTD Variance Fav / (Unfav) $	%	Annual Budget $
Expenses					
Employee Benefits	20,833	20,908	(75)	(0.4)	81,915
Materials and Services	24,368	20,953	3,415	14.0	107,588
Bad and Doubtful Debts	16	97	(81)	(507.3)	64
Depreciation and Amortisation	10,032	11,523	(1,491)	(14.9)	40,129
Other Expenses	2,471	2,382	90	3.6	8,962
Finance Costs (Interest)	692	622	70	10.1	2,768
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Net Surplus/(Deficit)	825	395	(430)	(52.1)	24,245
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Significant variance commentary:

Employee Benefits ($0.1m unfavourable)

- Favourable staff vacancies variance of $1.0m YTD due to a higher vacancy rate than budgeted.
- Leave provision expenses ($0.9m) above budget YTD due to timing of taking leave and increases in the LSL provision calculation.

Materials and Services ($3.4m favourable)

- Infrastructure Services $0.6m and Building Maintenance $0.4m below budget YTD, both due to the variable nature of reactive maintenance and timing of planned maintenance.
- FOGO waste collection costs $0.4m below budget YTD related to lower green waste volumes due to drier weather, as well as the timing of purchasing bin bags.
- Fleet costs $0.3m below budget YTD due to the timing of scheduled vehicle maintenance ($0.1m) and savings in fuel and registration costs ($0.2m).
- Landfill provision costs $0.3m below budget YTD as the current provision is considered adequate for the future costs of rehabilitating the old landfill sites.
- Various other materials and services categories are below budget YTD due to timing but are expected to be in line with budget for the full year. These include Drainage Rehabilitation $0.3m, Community Wellbeing $0.4m, Nature & Climate $0.3m, Recreation & Sport $0.2m, Insurance $0.1m and Telecommunications $0.1m.

Depreciation and Amortisation ($1.5m unfavourable)

- Depreciation is higher than budget due to asset revaluation increases in the 2024-25 financial year. The higher asset values have a flow on effect of increasing depreciation expense for the impacted assets. The revaluations occurred after the current year budget was adopted.

Statement of Capital Works

For the financial year to date 30 September 2025

Asset class	YTD Budget $	YTD Actual $	YTD Variance Fav / (Unfav) $	%	Annual Budget $
Infrastructure - Asset Management	1,202	1,263	(61)	(5.1)	5,187
Infrastructure - Bridges	20	-	20	100.0	262
Infrastructure - Community & Recreation	492	433	59	11.9	2,456
Infrastructure - Drainage	40	210	(170)	(423.9)	3,920
Infrastructure - Footpaths & Cycleways	30	226	(196)	(654.2)	2,857
Infrastructure - Off-street Carparks	-	4	(4)	-	200
Infrastructure - Open Space	2,445	2,160	285	11.6	13,427
Infrastructure - Roads	156	1,833	(1,677)	(1,075.3)	17,857
P&E - Computers & Comms	525	412	113	21.5	700
P&E - Fixtures, Fittings & Furniture	-	-	-	-	-
P&E - Plant, Machinery & Equipment	395	287	108	27.4	2,600
Property - Buildings	50	214	(164)	(327.5)	8,833
Property - Land	-	-	-	-	-
TOTAL	5,355	7,042	(1,687)	(31.5)	58,298
New	2,377	2,497	(120)	(5.0)	16,773
Renewal	2,113	3,254	(1,141)	(54.0)	26,344
Expansion	168	130	38	22.6	5,040
Upgrade	697	1,161	(464)	(66.6)	10,141
TOTAL	5,355	7,042	(1,687)	(31.5)	58,298

Significant variance Commentary:

- **Infrastructure – Roads (<u>$1.7m unfavourable</u>):**
  Program overspent due to expenditure relating to projects carried forward from 2024-2025, these are not included in the adopted budget. Many of these carry forward projects are fully funded RFCI projects.
  Notable expenditure
  - Badger Ave, Badger Creek - road reseal $0.3m
  - Mt Riddell Road, Healesville - road reseal $0.2m
  - Allenby & William Rds, Lilydale - RFCI $0.2m
  - Paid Parking, Warburton $0.2m
  - Parker Road, Silvan $0.2m
  - Hunter Road Silvan $0.2m
  - Beenak Road, Seville $0.2m
  - Cedar Court Road Group, Monbulk RCFI $0.1m

In summary:
The September quarter has seen underspends across most programs with the overspend being reflected within the roads program. This is due to the continuation of roads projects from the 2024-2025 FY, many of which have now reached practical completion or finalisation.

Treasury

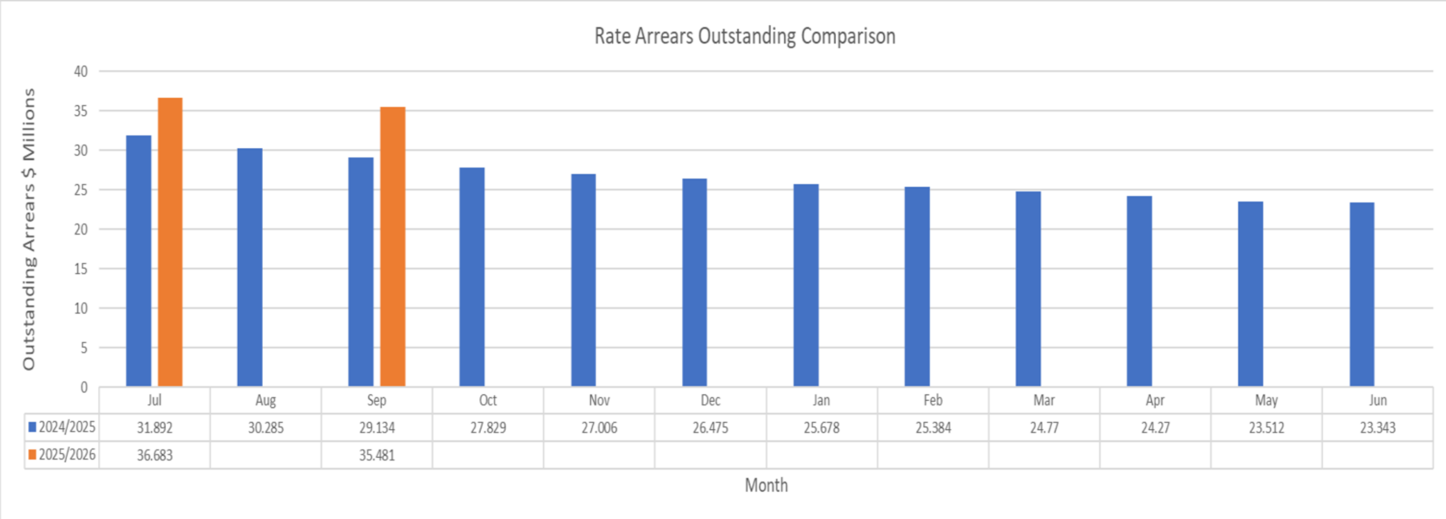
a. Loans

Financial Institution	Loan Term in years	Start Date	Maturity Date	Interest Rate	Loan Amount $	Current Balance $
TCV	5	21/08/2024	21/08/2029	4.295%	15,000,000	12,249,407
TCV	5	6/11/2024	21/08/2029	4.755%	5,448,000	4,458,330
TCV	10	9/05/2025	21/08/2035	4.835%	18,912,000	18,210,152
Total					**39,360,000**	**34,917,889**

Rates Analysis

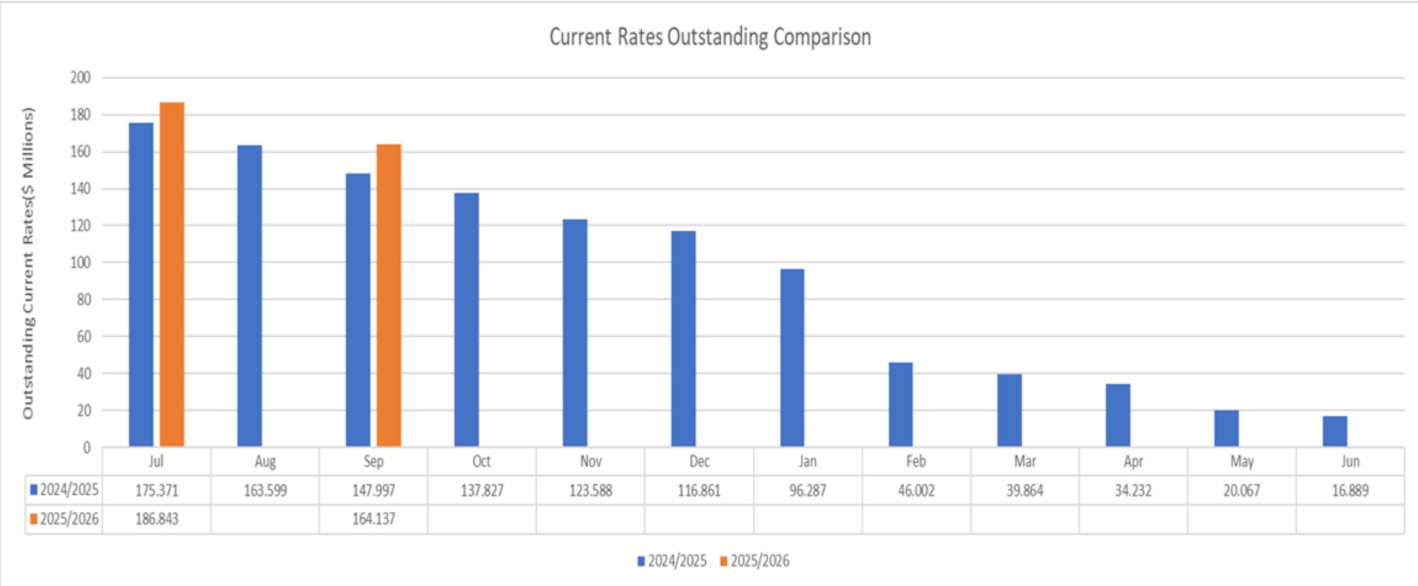
Rate Arrears

Rate arrears compared to the same period last year has increased by $6.3m, or 21.8%



Current Rates Outstanding Comparison.

Current rates arrears compared to the same period last year has increased by $16.1m or 10.9%



*Note: August 2025 data is unavailable due to the migration of data from Pathway to Property and Rating TechOne system.

Grant Activity

The following table provides a summary of grant funding greater than $50,000 per project received for Council activities during the period from 1 July 2025 to 30 September 2025, including unearned income funds.

Project Description	2025-26 Actuals YTD	Funding Body
Recurrent		
Operating		
Grants Commission Funding	2,304,548	Department of Government Services
Sherbrooke Long Day Care Operations	674,251	Department of Education
MCH Coordination	407,059	Department of Health
EM Major Grants	240,000	Department of Government Services
Upper Yarra LDS Implementation	200,000	Department of Environment, Land, Water & Planning
Enhanced Home visiting	187,655	Department of Health
Pre-school field officer	99,579	Department of Education
Direct Care Service Access	97,916	Department of Health
Supported Playgroup	66,406	Department of Families, Fairness And Housing
Total Recurrent	**4,277,414**	
Non Recurrent		
Operating		
Kindergarten Engagement	118,873	Department of Education
Capital		
Don Road Community and Sports Pavilion	1,500,000.00	Department of Government Services
Electrifying Monbulk Aquatic Centre	591,000.00	Department of Industry
R2R	496,762.00	Department of Infrastructure And Regional Development
Lillydale Lake Community Improvements	452,088.00	Department of Government Services
Monbulk Regional Soccer Centre Lighting Upgrade	180,000.00	Department of Jobs, Skills, Industry And Regions
Total Non Recurrent	**3,338,723**	
Total Grant Funding	**7,616,137**	