



**WHITEHORSE MANNINGHAM REGIONAL LIBRARY CORPORATION
ANNUAL FINANCIAL REPORT**

For the Year Ended 30 June 2026

WHITEHORSE MANNINGHAM REGIONAL LIBRARY CORPORATION

Financial Report

Table of Contents

FINANCIAL REPORT		Page
Certification of the Financial Statements		4
 Financial Statements		
Comprehensive Income Statement		7
Balance Sheet		8
Statement of Changes in Equity		9
Statement of Cash Flows		10
Statement of Capital Works		11
 Notes to the Financial Statements		
Note 1	Overview	12
Note 2	Analysis of our results	
	2.1. Performance against budget	13
	2.2. Income & Expenditure	13
	2.3 Capital works	14
Note 3	Funding for the delivery of our services	
	3.1. Council Contribution	15
Note 4	The cost of delivering services	
	4.1. Employee costs	16
	4.2. Materials and services	17
	4.3 Audit and Finance Costs	17
	4.4. Depreciation	17
	4.5. Disposals of assets	17
	4.6. Other expenses	17
Note 5	Investing in and financing our operations	
	5.1. Financial assets	18
	5.2. Payables	18
	5.3. Provisions	18
	5.4 Financial arrangements	20
Note 6	Assets we manage	
	6.1. Summary of property & equipment	21
Note 7	People and relationships	
	7.1. Board and key management remuneration	22
	7.2. Related party disclosure	23
Note 8	Managing uncertainties	
	8.1. Contingent assets and liabilities	24
	8.2. Financial instruments	24
	8.3. Fair value measurement	25
	8.4. Events occurring after balance date	25

WHITEHORSE MANNINGHAM REGIONAL LIBRARY CORPORATION

Financial Report

Table of Contents

FINANCIAL REPORT		Page
Note 9	Other matters	
	9.1. Reconciliation of cash flows from operating activities to surplus/(deficit)	26
	9.2. Superannuation	26
Note 10	Change in accounting policy	28

Certification of the Financial Statements

In my opinion, the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989 (as per the transitional arrangements of the Local Government 2020)*, the *Local Government (Planning and Reporting) Regulations 2014*, the Australian Accounting Standards and other mandatory professional reporting requirements.

Pooja Sareen, Chartered Accountant(CA)
Principal Accounting Officer

Dated :
Melbourne

In our opinion, the accompanying financial statements present fairly the financial transactions of the Whitehorse Manningham Regional Library Corporation for the year ended 30 June 2026 and the financial position of the Corporation as at that date.

At the date of signing, we are not aware of any circumstances that would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Library Board and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.

Cr. Andrew Davenport
Councillor
Dated :
Melbourne

Cr. Andrew Colon
Councillor
Dated :
Melbourne

Sally Both
Chief Executive Officer
Dated :
Melbourne

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Comprehensive Income Statement For the Year Ended 30 June 2026

	Note	2026	2025
Income / Revenue			
Council Contributions	3.1	10,898,920	10,560,408
State Government Grants		1,914,028	1,914,028
Other Income		159,763	133,520
Other Grants		186,771	155,652
Interest from Investments		210,983	223,114
Total income / revenue		13,370,465	12,986,722
Expenses			
Employee costs	4.1	8,697,380	8,504,415
Materials and services	4.2	618,498	818,469
Audit and Finance Costs	4.3	45,090	39,954
Depreciation	4.4	1,655,566	1,829,348
Grant Expenditure		203,665	89,007
Warrandyte Library Expenses		309,426	300,387
Loss on disposal of property, plant and equipment	4.5	515,808	560,070
Other expenses	4.6	1,235,296	1,192,993
Total expenses		13,280,729	13,334,643
Surplus/(deficit) for the year		89,735	(347,921)
Total comprehensive result		89,735	(347,921)

The above comprehensive income statement should be read in conjunction with the accompanying notes.

Balance Sheet As at 30 June 2026

	Note	2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	5.1	2,931,174	3,158,253
Trade receivables		389,317	167,466
Prepayments		204,131	137,485
Other assets		7,937	16,895
Total current assets		3,532,559	3,480,099
Non-current assets			
Property, plant and equipment	6.1	8,174,305	8,083,588
Total non-current assets		8,174,305	8,083,588
Total assets		11,706,864	11,563,687
Liabilities			
Current liabilities			
Trade and other payables	5.2	1,015,425	1,004,164
Provisions	5.3	1,603,927	1,755,902
Total current liabilities		2,619,352	2,760,066
Non-current liabilities			
Provisions	5.3	354,102	159,946
Total non-current liabilities		354,102	159,946
Total liabilities		2,973,454	2,920,012
Net assets		8,733,410	8,643,675
Equity			
Members Contribution on Formation		3,922,043	3,922,043
Accumulated surplus		4,811,367	4,721,632
Total Equity		8,733,410	8,643,675

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity For the Year Ended 30 June 2026

	Total	Accumulated Surplus	Member Contribution on Formation
	\$	\$	\$
2026			
Balance at beginning of the financial year	8,643,675	4,721,632	3,922,043
Surplus for the year	89,735	89,735	-
Balance at end of the financial year	8,733,410	4,811,367	3,922,043

	Total	Accumulated Surplus	Member Contribution on Formation
2025			
Balance at beginning of the financial year	8,991,596	5,069,553	3,922,043
Deficit for the year	(347,921)	(347,921)	-
Balance at end of the financial year	8,643,675	4,721,632	3,922,043

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the Year Ended 30 June 2026

		2026	2025
		Inflows/ (Outflows)	Inflows/ (Outflows)
	Note	\$	\$
Cash flows from operating activities			
Council Contributions		11,988,812	11,616,449
Government Grants		1,914,028	1,914,028
Interest Income		219,941	233,201
Grants (GST free)		136,593	136,925
Other Income		230,935	170,708
Employee Costs		(8,837,178)	(8,442,727)
Payments to suppliers		(2,848,543)	(2,512,550)
Net GST payments		(769,580)	(691,380)
Net cash provided by operating activities	9.1	<u>2,035,008</u>	<u>2,424,654</u>
Cash flows from investing activities			
Proceeds from sale of Equipment		21,894	15,000
Payment for Library Stock, Information Technology & Furniture		(2,283,981)	(2,124,916)
Net cash used in investing activities		<u>(2,262,087)</u>	<u>(2,109,916)</u>
Net increase (decrease) in cash and cash equivalents		(227,079)	314,737
Cash and cash equivalents at the beginning of the financial year		3,158,253	2,843,516
Cash and cash equivalents at the end of the financial year	5.1	<u>2,931,174</u>	<u>3,158,253</u>
Financing arrangements	5.4		

The above statement of cash flows should be read in conjunction with the accompanying notes.

Statement of Capital Works For the Year Ended 30 June 2026

	2026 \$	2025 \$
Plant and Equipment		
Library Stock	1,971,071	1,809,850
Furniture and Equipment	114,737	76,028
IT Replacement	198,176	201,594
Motor Vehicles Replacement	-	37,444
Total capital works expenditure	2,283,984	2,124,916
Represented by:		
Asset renewal expenditure	2,283,984	2,124,916
Total capital works expenditure	2,283,984	2,124,916

The above statement of capital works should be read in conjunction with the accompanying notes.

Notes to the Financial Report For the Year Ended 30 June 2026

Note 1 OVERVIEW

Introduction

The Whitehorse Manningham Regional Library Corporation was established under Section 196 of *the Local Government Act 1989* by the Minister of Local Government on 12 December 1995. The Corporation's headquarters is located at 1040 Whitehorse Road, Box Hill.

Statement of compliance

These financial statements constitute a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, with the *Local Government Act 1989 (as per the transitional arrangements of the Local Government Act 2020)* and the *Local Government (Planning and Reporting) Regulations 2014*.

The Corporation is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a not-for-profit entity under the Australian Accounting Standards.

Accounting policy information

1.1 Basis of accounting

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Specific accounting policies applied are disclosed in sections where the related balance or financial statement matter is disclosed.

The accrual basis of accounting has been used in the preparation of these financial statements, except for the cash flow information, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

The financial statements are based on the historical cost convention unless a different measurement basis is specifically disclosed in the notes to the financial statements.

The financial statements have been prepared on a going concern basis. The financial statements are in Australian dollars. The amounts presented in the financial statements have been rounded to the nearest thousand dollars unless otherwise specified. Minor discrepancies in tables between totals and the sum of components are due to rounding.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the determination of depreciation for library collections, computer equipment and furniture (refer to note 6.1) and
- the determination of employee provisions (refer to note 5.3)

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

Goods and Services Tax (GST)

Income and expenses are recognised net of the amount of associated GST. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Notes to the Financial Report For the Year Ended 30 June 2026

Note 2 ANALYSIS OF OUR RESULTS

2.1 Performance against budget

The budget comparison notes compare the Corporation's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. The Corporation has adopted a materiality threshold of 10% where further explanation is warranted. Explanations have not been provided for variations below the material threshold unless the variance is considered to be material because of its nature.

These notes are prepared to meet the requirements of the transitional arrangements of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2014*.

2.2 Income / Revenue and expenditure

	Budget 2026 \$	Actual 2026 \$	Variance	Variance %	Ref
Income / Revenue					
Council Contributions	10,291,226	10,898,920	607,693	6%	6
State Government Grant	1,914,028	1,914,028	-	0%	
Other Income	131,199	159,763	28,564	22%	1
Other Grants	136,925	186,771	49,846	36%	2
Interest from Investments	100,000	210,983	110,983	111%	3
Total income / revenue	12,573,378	13,370,465	797,086	6%	
Expenses					
Employee costs	8,810,650	8,697,380	113,270	1%	
Depreciation	1,669,912	1,655,566	14,346	1%	
Information Technology	298,501	223,795	74,706	25%	4
Audit and Finance Costs	47,200	45,090	2,110	4%	
Collection Resources	402,000	394,704	7,296	2%	
Other Expenses	1,047,680	987,423	60,257	6%	
Grant Expenditure	136,925	203,665	(66,740)	-49%	5
Pines Doncaster special project	-	247,873	(247,873)	100%	6
Warrandyte Library Expenses	-	309,426	(309,426)	100%	6
Net loss on disposal of property and equipment	517,080	515,808	1,272	0%	
Total expenses	12,929,948	13,280,730	(350,783)	-3%	
Surplus/(deficit) for the year	(356,570)	89,735	446,304	-125%	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Other Income	Other Income includes user fees and charges and the recovery of a software subscription overcharge which was not anticipated at the time of budget.
2	Other Grants	Grant income was above budget due to additional grant funding received for community programs and service delivery during the year that was not anticipated at the time the budget was prepared.

Notes to the Financial Report

For the Year Ended 30 June 2026

3	Interest from investment	Interest on Investments includes the interest earned on both short term and at call accounts and also interest earned on the Long Service Reserve. The interest on LSL is not included in the budget figures.
4	Information Technology	ICT expenditure was below budget due to lower than anticipated software licensing and support costs.
5	Grant Expenditure	Grant expenditure exceeded budget due to the expenditure of grant funding carried forward from the previous financial year, which had not been fully reflected in the current year budget.
6	Manningham Special project	Income and expenditure relating to the Manningham Special Projects are not included in the budget, as these projects are funded separately by the City of Manningham outside the Regional Library Agreement. The associated expenditure is offset by council contributions received, which are invoiced to recover the costs incurred.

2.3 Capital works

	Budget 2026 \$	Actual 2026 \$	Variance	Variance %	Ref
Library Stock	1,896,756	1,971,071	(74,315)	-4%	
Furniture & Equipment	73,010	114,737	(41,727)	-57%	1
Information Technology	201,000	198,176	2,824	1%	
Total capital works expenditure	2,170,766	2,283,984	(113,218)	-5%	
Represented by:					
Asset renewal expenditure	2,170,766	2,283,984	(113,218)		
Total capital works expenditure	2,170,766	2,283,984	(113,218)	-5%	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Furniture & Equipment	Furniture and equipment expenditure was above budget due to additional purchases associated with grant-funded projects, with the expenditure fully funded through corresponding grant income received.

Notes to the Financial Report For the Year Ended 30 June 2026

Note 3 FUNDING FOR THE DELIVERY OF OUR SERVICES**3.1 Council Contributions**

	2026	2025
	\$	\$
Whitehorse City Council	6,183,441	6,003,341
Manningham City Council	4,107,785	3,988,141
Manningham City Council - Warrandyte	359,821	347,145
Manningham City Council - Other projects	247,873	221,781
Total council contributions	10,898,920	10,560,408

Council Contributions are recognised as revenue when the Corporation obtains control over the funds.

Notes to the Financial Report
For the Year Ended 30 June 2026

	2026	2025
	\$	\$
Note 4 THE COST OF DELIVERING SERVICES		
4.1 (a) Employee costs		
Wages and salaries	7,665,431	7,526,473
WorkCover	59,308	67,441
Superannuation	895,763	848,813
Staff training Expense	76,878	61,688
Total employee costs	8,697,380	8,504,415
(b) Superannuation		
The Corporation made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	48,071	65,901
	<u>48,071</u>	<u>65,901</u>
Employer contributions payable at reporting date.	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)- (A)	382,298	390,608
Employer contributions - other funds:-		
Active Super	364	5,525
AMP Super	3,495	82,341
Australian Super	13,464	-
Australian Retirement Super	105,248	20,085
Aware Super	33,329	10,852
Care Super	12,586	-
Catholic Super	4,074	8,930
Centric	8,502	27,574
Colonial First State	11,532	6,958
Equip Super	7,145	2,276
First Super	2,108	6,075
Future Super	1,818	38,033
HESTA Superannuation	53,396	43,716
Hostplus/Statewide Super	48,196	12,131
ING LIVING SUPER	6,331	7,559
Legal Super	14,521	10,863
LGIA Super	11,129	3,668
Mercer Smart Super	4,864	5,635
MLC	6,806	2,652
Netwealth	26,505	44,075
REST	37,839	-
Signature Super	3,053	10,300
SMSF	11,103	19,726
UNISUPER	19,817	12,316
Verve Super	12,638	10,452
VicSuper	5,529	-
Total Employer contributions - other funds: -(B)	<u>465,394</u>	<u>391,743</u>
Employer contributions payable at reporting date. (A+B)	847,692	782,350

Contributions made exclude amounts accrued at balance date. Refer to note 9.3 for further information relating to Corporation's superannuation obligations.

Notes to the Financial Report
For the Year Ended 30 June 2026

	2026	2025
	\$	\$
4.2 Materials and services		
Information technology	223,795	334,488
Collection Resources	394,704	483,982
Total materials and services	618,498	818,469

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

4.3 Audit and Finance Costs

Auditors' remuneration - VAGO - audit of the financial statements	22,200	19,600
Auditors' remuneration - Internal Audit	20,925	11,750
Other finance costs	1,965	8,604
Total audit and finance	45,090	39,954

4.4 Depreciation

Library Stock	1,397,114	1,585,932
Furniture and Equipment	80,956	80,016
Computer Equipment	156,384	142,753
Motor Vehicles	21,112	20,647
Total depreciation	1,655,566	1,829,348

Refer to note 6.1 for a more detailed breakdown of depreciation charges and accounting policy.

4.5 Disposal of Assets**Library Stock**

Written down value of assets written off	(519,653)	(564,620)
Loss on disposal of assets	(519,653)	(564,620)

Furniture and Equipment

Proceeds from sale of furniture and equipment	-	-
Written down value of assets disposed	(4,588)	(4,028)
Loss on disposal of assets	(4,588)	(4,028)

Motor Vehicles

Proceeds from sale of motor vehicles	21,894	15,000
Written down value of assets sold	(13,461)	(6,422)
Gain/(Loss) on disposal of assets	8,433	8,578

Total loss on Disposal of Assets

(515,808)	(560,070)
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4.6 Other Expenses

	2026	2025
	\$	\$
Cleaning, Security	288,969	263,018
Utility Costs	160,636	170,666
Headquarters Costs	68,375	69,747
Couriers	89,351	79,272
Professional Services	10,720	15,314
Insurance	107,190	110,081
Office Expenses	87,820	62,390
Programs and Marketing Costs	132,004	128,306
Vehicle Maintenance	17,478	18,127
Donation Supported Programs	4,485	3,941
Manningham Additional Hours Project	247,873	221,842
Doncaster and Bulleen Project	-	30,055
Staff Amenities	20,395	20,234
Total other expenses	1,235,296	1,192,993

Notes to the Financial Report For the Year Ended 30 June 2026

Note 5 INVESTING IN AND FINANCING OUR OPERATIONS

	2026	2025
	\$	\$
5.1 Financial assets		
Cash and cash equivalents		
Cash on hand	1,500	1,500
Cash at bank	284,560	58,073
Money Market call account	674,120	671,411
Term Deposits	618,401	942,781
Money Market - restricted LSL	1,352,593	1,484,488
Total cash and cash equivalents	<u>2,931,174</u>	<u>3,158,253</u>
Total Financial Assets	<u>2,931,174</u>	<u>3,158,253</u>

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less.

	2026	2025
	\$	\$
5.2 Payables		
Current		
<i>Non Statutory Payables</i>		
Creditors	567,869	535,440
Accrued Expenses	447,556	468,724
Total current payables	<u>1,015,425</u>	<u>1,004,164</u>

5.3 Provisions**Annual Leave**

Balance at beginning of the financial year	563,644	561,924
Additional Provisions	553,756	628,335
Amounts Used	(509,169)	(626,615)
Balance at end of the financial year	<u>608,231</u>	<u>563,644</u>

Long Service Leave

Balance at beginning of the financial year	1,352,203	1,386,650
Additional Provisions	217,916	120,519
Amounts Used	(220,321)	(154,966)
Balance at end of the financial year	<u>1,349,798</u>	<u>1,352,203</u>

Notes to the Financial Report For the Year Ended 30 June 2026

	2026	2025
(a) Employee provisions	\$	\$
Current provisions expected to be wholly settled within 12 months		
Annual Leave	462,554	445,338
Long Service Leave	160,140	58,151
	622,694	503,489
Current provisions expected to be settled after 12 months		
Annual Leave	145,677	118,307
Long Service Leave	835,556	1,134,106
	981,233	1,252,413
Total current employee provisions	1,603,927	1,755,902
Non current provisions		
Long Service Leave	354,102	159,946
Total non current provisions	354,102	159,946
Total Provisions	1,958,029	1,915,848

The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date.

Annual leave

A liability for annual leave is recognised in the provision for employee benefits as a current liability because the Whitehorse Manningham Regional Library (WMRL) does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:

- nominal value if the WMRL expects to wholly settle the liability within 12 months.
- present value if the WMRL does not expect to wholly settle within 12 months.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non - current liability and measured at present value.

Key assumptions:	2026	2025
• discount rate	4.74%	4.20%
• weighted average increase in employee costs	4.15%	4.35%
• settlement	7 yrs	7 yrs

Notes to the Financial Report

For the Year Ended 30 June 2026

5.4 Financing arrangements

The Corporation has the following funding arrangements in place as at the end of the year.

	2026	2025
	\$	\$
Bank overdraft	20,000	20,000
Credit card facilities	13,500	13,000
Total facilities	33,500	33,000
Used facilities	6,176	6,176
Unused facilities	27,324	26,824

Notes to the Financial Report For the Year Ended 30 June 2026

6.1 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Summary of property, infrastructure, plant and equipment

	Opening Asset at cost	Opening Accumulated Depreciation	Carrying amount 30 June 2025	Additions	Depreciation	Disposal Sold	Disposals- Write-off	Carrying amount 30 June 2026
	\$	\$	\$	\$	\$	\$	\$	\$
Library Stock	16,494,787	9,443,915	7,050,872	1,971,071	(1,397,114)	-	(519,653)	7,105,176
Furniture & Equipment	2,279,197	1,769,095	510,102	114,737	(80,956)	-	(4,588)	539,295
Computer Equipment	5,404,093	4,979,359	424,734	198,176	(156,384)	-	-	466,526
Motor Vehicles	141,918	44,038	97,880	-	(21,112)	(13,461)	-	63,308
Total	24,319,995	16,236,407	8,083,588	2,283,984	(1,655,566)	(13,461)	(524,241)	8,174,305

(a) Recognition and measurement of assets

The Corporation has adopted the purchase method of accounting in relation to the measurement of the acquisition of assets, being the fair value of the assets provided as consideration at the date of acquisition plus any incidental cost attributable to the acquisition. In accordance with the Corporation's policy, the threshold limits below have been applied when recognising assets within an applicable asset class same as applied in 2024/2025.

Library Stock, motor vehicles, furniture and equipment, including computer equipment and other assets having limited useful lives are systematically depreciated over their useful lives to the Corporation. Estimates of remaining useful lives and residual values are reassessed annually. Depreciation is recognised on either the straight-line basis or diminishing value basis using rates that are, unless otherwise stated, consistent with the prior year:

	Depreciation Period	Threshold Limit
<i>Asset recognition thresholds and depreciation periods</i>		\$
Library Stock	2-10 Years	Nil Limit
Audio Visual	5 Years	Nil Limit
Electronic Resources	2 Years	Nil Limit
Computer Equipment	3 Years	\$1,000
Computer Hardware	5 Years	\$1,000
Motor Vehicles	4.44 Years	Nil Limit
Furniture and Equipment	6.67 Years	\$1,000

(b) Depreciation

Library Stock, motor vehicles, furniture and equipment, including computer equipment and other assets having limited useful lives are systematically depreciated over their useful lives to the Corporation. Estimates of remaining useful lives and residual values are reassessed annually. Depreciation is recognised on either the straight-line basis or diminishing value basis using rates that are, unless otherwise stated, consistent with the prior year:

(c) Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

(d) Land and Buildings

The library branches are operated out of Council owned or leased properties. The libraries at Box Hill, Nunawading, Vermont South and Blackburn are operated from Whitehorse Council controlled, owned and maintained buildings. The libraries at Doncaster, The Pines, Warrandyte and Bulleen are operated from buildings controlled, owned or leased by Manningham Council.

Notes to the Financial Report For the Year Ended 30 June 2026

Note 8 MANAGING UNCERTAINTIES

8.1 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed and if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.

(a) Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the corporation.

At the reporting date, the Corporation had no contingent assets (2024-2025: Nil).

(b) Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Corporation; or
- present obligations that arise from past events but are not recognised because:
- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

The following is a potential contingencies to be considered.

(c) Superannuation

The Corporation has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are refer in note 9.3. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

8.2 Financial instruments

(a) Objectives and policies

The Corporation's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables) payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability is disclosed in the financial statements. Risk management is carried out by senior management under policies approved by the Corporation. These policies include identification and analysis of the risk exposure to the Corporation and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. The Corporation's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. The Corporation does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rate.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. The Corporation manages interest rate risk by adopting an investment policy that ensures:

- diversification of investment product;
- monitoring of return on investment; and
- benchmarking of returns and comparison with budget.

There has been no significant change in the Corporation's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have been significant enough during the year to have an impact on the Corporation's year end result.

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause corporation to make a financial loss. Corporation have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- The Corporation have a policy for establishing credit limits for the entities the Corporation deal with;
- The Corporation may require collateral where appropriate; and
- The Corporation only invests surplus funds with financial institutions which have a recognised credit rating specified in the Corporation's investment

The credit risk with receivables is very low as it relates to two member council.

There are no material financial assets which are individually determined to be impaired.

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The Corporation does not hold any collateral.

Notes to the Financial Report For the Year Ended 30 June 2026

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of the Corporation's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks the Corporation:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments and
- monitor budget to actual performance on a regular basis.

The Corporation's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in the Corporation's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Corporation believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of + 1% in market interest rates (AUD) from year-end rates of 4.35.%.

These movements will not have a material impact on the valuation of the Corporation's financial assets and liabilities, nor will they have a material impact on the results of the Corporation's operations.

8.3 Fair value measurement

Fair value hierarchy

Corporation's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Corporation's financial assets and liabilities are measured at amortised cost.

8.4 Events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report.

Notes to the Financial Report For the Year Ended 30 June 2026

Note 7 PEOPLE AND RELATIONSHIPS

7.1 Board and key management remuneration

(a) Key Management Personnel

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Corporation. Names of Key Management Personnel at the Whitehorse Manningham Regional Library Corporation for the period 1 July 2025 to 30 June 2026

Details of KMP at any time during the year are:

Councillors

Cr Andrew Davenport - City of Whitehorse (from 17 December 2025)
Cr Hayley Weller - City of Whitehorse
Cr Peter Allan - City of Whitehorse (to 17 December 2025)
Cr Andrew Conlon - Manningham City Council
Cr Jim Grivas Manningham City Council

Council Representatives

Ms Lisa Letic - City of Whitehorse
Ms Lee Robson - Manningham City Council (to 15 October 2025)
Mr. Andrew McMaster- Manningham Council (from 18 February 2026)

Community Representatives

Ms Nicola Nye - City of Whitehorse
Ms Alison Low - Manningham City Council

Chief Executive Officer

Ms Sally Both

(b) Remuneration of Key Management Personnel

Remuneration comprises employee benefits including all forms of consideration paid, payable or provided by Corporation or on behalf of the Corporation, in exchange for services rendered. Remuneration of Key Management Personnel and Other senior staff is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Other long-term employee benefits include long service leave, other long service benefits or deferred compensation.

Post-employment benefits include pensions, and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Termination benefits include termination of employment payments, such as severance packages.

Board Members who are Councillors and Officers nominated by the Member Councils do not receive remuneration from Whitehorse Manningham Regional Library Corporation. Remuneration received or receivable by the responsible persons in connection with management at WMRL during the reporting period was in the range: FY2026 \$230,000 - \$239,999, FY2025 \$230,000 - \$239,999

	2026	2025
	\$	\$
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	208,682	203,374
Other long-term employee benefits	4,973	4,771
Post-employment benefits	23,679	22,082
Total	<u>237,334</u>	<u>230,227</u>

(c) Remuneration of other senior staff

Other senior staff are officers of Whitehorse Manningham Regional Library Corporation, other than Key Management Personnel, whose total remuneration exceeds \$170,000 and who report directly to a Chief Executive Officer. The Corporation have no Senior Officers who fit this criteria.

Notes to the Financial Report For the Year Ended 30 June 2026

	2026	2025
	\$	\$
7.2 Related party disclosure		
(a) Transactions with related parties		
Revenue		
Contributions received from member councils are detailed under 3.1 Council Contributions. These payments are made quarterly in advance in July, October, January and April.		
Other Revenue received from member councils		
Manningham City Council		
Reimbursement of Warrantdyte library expenses	359,821	347,145
Additional Hours Project - Doncaster/Pines Library	247,873	221,781
Additional grants for specific projects	83,346	16,518
Whitehorse City Council		
Additional grants for specific projects	49,320	2,571
Expenses		
Manningham City Council		
Warrantdyte Library Expenses	309,426	300,387
Utilities reimbursement - Doncaster Library	-	26,016
Additional Hours Project - Doncaster/Pines Library	247,873	221,842
Return of funds for Doncaster/Bulleen Project	-	21,795
Hall hire	-	1,170
Marketing	-	143
City of Whitehorse		
Headquarters Rental	68,200	68,200
Utilities reimbursement - Nunawading, Vermont South and Blackburn Libraries	56,345	51,254

(b) Loans to/from related parties

No loans were made to or received from related parties.

(c) Commitments to/from related parties

There are no commitments in existence at balance date.

(d) Other Transactions - Peppercorn leases

Manningham and Whitehorse Councils provide library floor space to the Corporation. Any charges related to the leasing or maintenance of these branch libraries are not passed on to the Corporation. The councils do not charge the Corporation for these leases.

The Whitehorse Manningham Regional Library Corporation leases the headquarters space at the Box Hill and Nunawading branches for \$68,200 (2024/2025 \$68,200) per annum from City of Whitehorse on a 3 monthly basis. There is no formal tenancy agreement so it is considered to be an open ended agreement and the charge is not at commercial rate.

Other related party transactions have been considered and there are no matters to report.

Notes to the Financial Report For the Year Ended 30 June 2026

Note 9 other matters

9.1 Reconciliation of cash flows from operating activities to surplus/(deficit)	2026 \$'000	2025 \$'000
Surplus/(deficit) for the year	89,735	(347,921)
<i>Non-cash adjustments:</i>		
Loss on disposal of property, infrastructure, plant and equipment	515,807	560,070
Depreciation	1,655,567	1,829,348
<i>Change in assets and liabilities:</i>		
Increase in trade and other receivables	(221,857)	(41,894)
Increase in prepayments	(66,646)	(61,885)
Decrease in other assets	12,178	10,086
Increase in payables	8,041	509,574
Increase/(decrease) in employee provisions	42,182	(32,725)
Net cash provided by operating activities	2,035,008	2,424,654

9.2 Superannuation

The Corporation makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2026, this was 12% as required under Superannuation Guarantee (SG) legislation (2025: 11.5%)).

Defined Benefit

Corporation does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Corporation in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119 *Employee Benefits*.

Funding arrangements

The Corporation makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. As at 30 June 2025, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category as at 30 June 2025 (of which Corporation is a contributing employer) was 110.5%. The financial assumptions used to calculate the VBI were:

Net investment returns 5.7% pa
Salary information 3.5% pa
Price inflation (CPI) 2.6% pa

As at 30 June 2026, a triennial actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category. It is expected to be completed by 31 October 2026. The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2025 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Notes to the Financial Report For the Year Ended 30 June 2026

Employer contributions

(a) Regular contributions

On the basis of the results of the 2025 interim actuarial investigation conducted by the Fund Actuary, Corporation makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2026, this rate was 12% of members' salaries (11.5% in 2024/25). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2023 triennial valuation.

In addition, Corporation reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

(b) Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 98% from 26 July 2024 (previously 97%).

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Corporation) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

The 2025 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Corporation is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2025 and 30 June 2024 while a full investigation was conducted as at 30 June 2023.

The Fund's actuarial investigation identified the following for the Defined Benefit category of which Corporation is a contributing employer:

	2025 (Interim) \$m	2024 (Interim) \$m	2023 (Triennial) \$m
- A VBI Surplus	200.1	108.4	85.7
- A total service liability surplus	229.4	141.4	123.6
- A discounted accrued benefits surplus	242.8	156.7	141.9

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2025.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2025.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2025.

The 2026 triennial actuarial investigation

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2026 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2026. The last interim actuarial investigation conducted prior to 30 June 2026 was at 30 June 2025. The VBI of the Defined Benefit category at that date was 110.5%. The financial assumptions used to calculate the 30 June 2025 VBI were:

Net investment returns 5.7% pa
Salary information 3.5% pa
Price inflation (CPI) 2.6% pa

Notes to the Financial Report For the Year Ended 30 June 2026

The Corporation was notified of the 30 June 2025 VBI during August 2025.

Because the VBI was above 100%, the Defined Benefit category was in a satisfactory financial position at 30 June 2025 and it is expected that the actuarial investigation will recommend that no change will be necessary to the Defined Benefit category's funding arrangements from prior years.

The 2023 triennial investigation

The last triennial actuarial investigation conducted prior to 30 June 2023 was at 30 June 2020. This actuarial investigation was completed by 31 December 2020. The financial assumptions for the purposes of that investigation was:

	2023 Triennial investigation	2020 Triennial investigation
Net investment return	5.7% pa	5.6% pa
Salary inflation	3.50% pa	2.5% pa for two years and 2.75% pa thereafter
Price inflation	2.8% pa	2.0% pa

In addition to the contributions 4.1b the Corporation has paid no unfunded liability payments to Vision Super.

Note 10 CHANGE IN ACCOUNTING POLICY

There have been no changes to accounting policies in the 2025-26 year.