

Kingston City Council
Quarterly Financial Statements
For the 9 Months ending 31st March 2023

Income Statement

YTD Actuals Compared to Adopted Budget							
	Actual YTD to March 23 \$'000	Adopted Budget YTD to March 23 \$'000	Favourable/ (Unfavourable) \$'000	Favourable/ (Unfavourable) %	Ref	Adopted Budget Annual \$'000	Forecast Annual \$'000
Revenue							
Rates and Charges	159,187	159,197	(11)	(0.0%)		159,733	159,743
Grants and Subsidies	34,985	32,690	2,295	7.0%	1	43,518	44,084
Grants - Capital	16,920	15,834	1,086	6.9%	2	15,834	15,883
Contributions	609	582	26	4.5%		6,801	6,826
Statutory fees and fines	7,099	7,335	(237)	(3.2%)		9,870	9,724
User Fees	15,480	15,631	(151)	(1.0%)		20,439	20,639
Interest Income	2,355	300	2,055	685.0%	3	400	1,100
Other Income	629	690	(61)	(8.9%)		913	833
Total Revenue	237,262	232,260	5,003	2.2%		257,508	258,832
Expenses							
Employee Benefits	79,103	79,130	27	0.0%		105,283	106,615
Materials and Services	68,101	70,170	2,069	2.9%	4	98,311	100,324
Bad and Doubtful Debts	0	38	38	100.0%		50	50
Depreciation & Amortisation	28,620	28,683	63	0.2%		38,245	38,245
Interest/Borrowing Costs	336	375	39	10.4%	5	500	500
Total Expenses	176,161	178,396	2,235	1.3%		242,389	245,734
Net Gain(Loss) on Disposal of Infrastructure, Property, Plant and Equipment	44	75	(31)	(41.7%)	6	100	100
Surplus	61,146	53,939	7,207	13.4%		15,220	13,198

Variance Explanations (for material variances > 10%)

Ref	Item	Explanation
1	Grants and Subsidies	Grants Income is \$2.3 million favourable due primarily for maintenance of the new open space created through the Dandenong Line Crossing Removals which likely to be unspent and carried forward to the following financial years.
2	Grants - Capital	Grants Capital is favourable due to grants received and budgeted in previous year but works continued in this financial year
3	Interest income	Interest Income received is \$2.4 million and is \$2.1 million favourable to budget. This is due to higher rates compared to previous year and increasing trend expected to continue resulting in higher income from investments in term deposits.
4	Materials and Services	As Council progresses through the last quarter of financial year, cumulative underspends are offset by large contractual payment such as Waste Management which is currently \$0.65 million unfavourable. The year end position is likely to be close to Forecast.
5	Interest/Borrowing Costs	Interest / Borrowing Costs total expenditure is \$0.4 million and are \$39k favourable to budget.
6	Net gain on disposal of infrastructure, property, plant and equipment	Net Proceeds from Disposal of Assets is \$31k unfavourable with minimal disposals at this stage.

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Cash Flow Statement

	Actual YTD to March 23 \$'000	Adopted Budget YTD to March 23 \$'000	Favourable/ (Unfavourable) \$'000	Favourable/ (Unfavourable) %	Ref	Adopted Budget Full Year \$'000	Forecast Full Year \$'000
Cash Flows from Operating Activities							
Rates and charges	142,567	115,605	26,961	23.3%	1	153,344	153,353
Grants - Operating	23,018	32,690	(9,672)	-29.6%	2	43,518	44,084
Grants - Capital	17,145	15,834	1,311	8.3%		15,834	15,883
Contributions	7,000	582	6,418	1102.7%	3	6,801	6,826
Statutory fees and fines	7,099	7,152	(53)	-0.7%		9,623	9,481
User fees	12,267	15,240	(2,973)	-19.5%	4	19,928	20,123
Increase/(Repayment) of Trust Funds and Deposits	(11,380)	0	(11,380)	100.0%	5	0	0
Other Receipts	2,982	990	1,992	200.1%	6	1,313	1,933
Payments to Employees	(77,135)	(79,130)	1,995	2.5%		(105,283)	(105,024)
Payments to Suppliers	(88,674)	(70,658)	(18,016)	-28.2%	7	(98,310)	(101,915)
Net Cash Provided by Operating Activities	34,889	38,305	(3,417)	-8.9%		46,768	44,743
Cash Flows from Investing Activities							
Payment for Infrastructure, Property, Plant & Equipment	(30,258)	(55,073)	24,815	45.1%	8	(73,430)	(73,056)
Proceeds from sale of Infrastructure, Property, Plant & Equipment	0	75	(75)			100	100
Net Cash Provided by Investing Activities	(30,258)	(54,998)	24,740	45.0%		(73,330)	(72,956)
Cash Flows from Financing Activities							
Borrowing Costs	0	0	0	100.0%		0	0
Increase/(Repayment) of interest bearing loans & borrowings	0	0	0	100.0%		0	0
Interest paid - lease liability	(118)	(375)	257	68.5%		(500)	(500)
Repayment of lease liabilities	(2,252)	(360)	(1,892)	-525.7%		(480)	(480)
Net Cash (used in) Financing Activities	(2,370)	(735)	(1,635)	-222.5%		(980)	(980)
Net Increase in Cash and Cash Equivalents	2,261	(17,427)	19,688	113.0%		(27,542)	(29,192)
Cash and Cash Equivalents at the Beginning of the Financial Year	161,816	133,242	28,574	21.4%		133,242	161,816
Cash and Cash Equivalents at the End of Period	164,077	115,815	48,262	41.7%		105,699	132,624

Variance Explanations (for material variances > 10%)

Ref	Item	Explanation
1	Rates and charges	Rates and charges received are \$143 million as at 31 March 2023. The variance to the budget is favourable which is due to timing of collectibility.
2	Grants - Operating	Grants Operating received are \$23 million as at 31 March 2023. The variance to the budget is unfavourable, but the variance will be moving as the payments are received during the year.
3	Contributions	Contributions received are \$7 million as at 31 March 2023. The variance to the budget is favourable which is due to timing only.
4	User fees	User fees received are \$12.3 million as at 31 March 2023. The variance to the budget is unfavourable, but the variance will be moving as the payments are received during the year.
5	Increase / (repayment) of trust funds and deposits	Trust funds and deposits have decreased by \$11.0 million. This is not budgeted for as it is difficult to predict. Trust funds and deposits include retentions held for capital works in progress and refundable deposits, including asset protection deposits, which will be required to be returned on completion of works.
6	Other receipts	Other receipts include interest from term deposits. The variance is \$2 million favourable due to higher rates compared to previous year and increasing trend expected to continue resulting in higher income from investments in term deposits.
7	Payments to Suppliers	Payments made to suppliers are \$88.7 million as at 31 March 2023. The variance to the budget is unfavourable, but the variance will be moving as the payments are made during the year.
8	Payments for infrastructure, property, plant and equipment	Payments for infrastructure, property, plant and equipment are \$30.3 million and are \$25.0 million less than the forecast YTD budget. As the capital works are progressing and this variance will be moving during the year.

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Balance Sheet

	Actual as at March 23 \$'000	Adopted Budget YTD March 23 \$'000	Favourable/ (Unfavourable) \$'000	Favourable/ (Unfavourable) %	Ref	Annual Adopted Budget \$'000	Annual Forecast \$'000
Current Assets							
Cash and cash equivalents	164,077	115,815	48,262	41.7%	1	105,699	132,624
Trade and other receivables	51,586	64,386	(12,799)	-19.9%	2	27,354	27,403
Other Assets	3,025	1,214	1,811	149.1%	3	1,214	1,199
Non-current assets classified as held for sale	1,199	960	239	24.9%	4	960	1,430
Total Current Assets	219,886	182,374	37,512	20.6%		135,228	162,655
Non Current Assets							
Infrastructure, Property, Plant & Equipment	2,980,172	2,849,599	130,574	4.6%		2,858,757	3,022,086
Right of use assets	8,943	8,240	703	8.5%		7,928	7,825
Investment Property	4,038	3,900	138	3.5%		3,900	4,038
Other Assets	250	250	0	0.0%		250	250
Intangible Assets	451	529	(78)	-14.8%	5	454	671
Total Non Current Assets	2,993,854	2,862,518	131,336	4.6%		2,871,289	3,034,870
Total Assets	3,213,740	3,044,893	168,848	5.5%		3,006,517	3,197,526
Current Liabilities							
Trade and Other Payables	27,891	16,377	(11,514)	-70.3%	6	16,377	34,266
Trust Funds and Deposits	7,190	9,864	2,674	27.1%	7	9,864	18,411
Unearned income	6,952	16,977	10,025	59.1%	8	16,977	18,919
Provisions	20,864	23,286	2,422	10.4%		23,286	22,093
Interest Bearing Loans and Borrowings	0	0	(0)	0.0%		0	0
Lease Liabilities	834	922	88	9.5%		922	951
Total Current Liabilities	63,731	67,426	3,695	5.5%		67,426	94,640
Non Current Liabilities							
Provisions	1,867	1,929	62	3.2%		1,929	1,867
Interest Bearing Loans and Borrowings	0	0	0			0	0
Lease Liabilities	8,751	9,274	523	5.6%		9,154	8,486
Total Non Current Liabilities	10,618	11,203	585	5.2%		11,083	10,353
Total Liabilities	74,349	78,629	4,280	5.4%		78,509	104,993
Net Assets	3,139,391	2,966,264	173,128	5.8%		2,928,008	3,092,533
Equity							
Accumulated Surplus	1,536,514	1,539,627	(3,113)	-0.2%		1,501,065	1,493,076
Asset Revaluation Reserve	1,553,838	1,389,825	164,013	11.8%		1,389,825	1,553,838
Other Reserves	49,039	36,812	12,228	33.2%		37,118	45,618
Total Equity	3,139,391	2,966,264	173,127	5.8%		2,928,008	3,092,533

Ref	Item	Explanation
1	Cash & Cash Equivalents	Cash and cash equivalents are favourable to YTD budget consistent against the Full Year Adopted budget. This reflects full payment due in February each year however collection continues until year end. The balance includes payable 3rd quarter of Fire Services Levy. The cash position is expected to fluctuate as operational and capital expenditure is incurred during
2	Trade and other receivables	Trade and other receivables are currently \$51.6 million, which is \$12.8 million or 19.9% lower than budgeted position. Of that \$37.9 million is related to rate debtors which are expected to keep decreasing during the year as rate instalments are paid.
3	Other assets (current)	Other assets of \$3.0 million are \$1.8 million favourable to budget. Actual other assets includes accrued interest income only. The total budget of \$1.2 million includes prepaid expenditure which is recorded at year end. 30 June 2022 total prepaid expenditure was \$1.0 million.
4	Non-current assets classified as held for sale	Non-current assets classified as held for sale are assets are \$1.2 million and are \$0.2 million more than budgeted. The current position is in line with the year end 30 June 2022 and the revaluation done.
5	Intangible Assets	Intangible assets are \$0.5 million and are \$0.1 million unfavourable to budget. The current position is in line with the year end 30 June 2022 with the additions.
6	Trade and other payables	Trade and other payables are \$27.9 million and \$11.5 less than budget. The budget is a year-end position and the level of creditors and accruals is dependent on the timing of invoices and expenditure receipted as at reporting date.
7	Trust funds and deposits	Trust funds and deposits are \$2.7 million less than budget. At the year-end the actuals are expected to match budget by 30 June 2022 as retentions and deposits are refunded during the year.
8	Unearned income	Unearned income is \$10.0 million less than budget. Actual unearned income doesn't include unearned capital grants or user fees which will be recorded as at 30 June 2022.

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Capital Works

Asset	Actual YTD to March 23 \$'000	Revised Budget \$'000	% Complete	Ref	Annual Adopted Budget \$'000
Property					
Land	598	2,245	27%	1	15,445
Buildings	14,329	39,799	36%	2	34,744
Plant & Equipment					
Plant, machinery and equipment	39	150	26%	3	150
Fixtures, Fittings and Furniture	474	635	75%		200
Computers and telecommunications	492	2,630	19%	4	1,950
Library Books	845	950	89%		950
Cultural Assets	21	0	0%		0
Infrastructure					
Roads	2,637	10,706	25%	5	9,004
Footpaths and cycleways	695	1,670	42%	6	1,470
Bridges	0	0	0%		0
Drainage	5,954	4,009	149%		2,450
Recreational, leisure and community facilities	2,166	5,628	38%	7	4,595
Parks, open space and streetscapes	2,344	8,902	26%	8	7,281
Off street car parks	73	832	9%	9	750
Other infrastructure	675	1,900	36%	10	1,441
Total capital works expenditure	31,341	80,056	39%		80,430
Projects Represented by:					
New asset expenditure	3,533	9,182	38%		23,726
Asset expansion expenditure	6,853	9,371	73%		39,949
Asset renewal expenditure	13,348	36,658	36%		10,528
Asset upgrade expenditure	7,607	24,845	31%		6,228
Total capital works expenditure	31,341	80,056	39%		80,430

* The Adopted budget doesn't include carry over from 2021/22. The Revised budget includes the carry overs.

** The Adopted budget includes \$14.6 million for Aquatic Centre, which was included in previous year 2021/22. The Revised budget excludes to \$14.6m for Aquatic Centre.

Variance Explanations - less than 75% complete

Ref	Item	Explanation
1	Land	Land budget includes \$1.4 million for Aquatic Centre Development, which is in progress. (The \$14.3 million for Aquatic Centre land purchase which was included in previous year 2021/22 has been removed from Revised budget)
2	Buildings	Budget includes \$6 million for Mentone Life Saving Club, \$5.8 million Dingley Souter Res Pavilion, \$5.1 million GR Bricker Pavilion, \$3.6 million Regent Park Change facilities. The works on those projects are in progress.
3	Plant, machinery and equipment	Budget includes works on Plant & Equipment Replacement (Operational Areas). Those works are in progress.
4	Computers and telecommunications	The budget is for laptop roll-out which is in progress.
5	Roads	The budget includes Local Roads Phase 3 \$1.6 million and Road to Recovery program \$6.9 million. The works on those projects are in progress.
6	Footpaths and cycleways	The budget is for footpaths renewal, linking Karkarook and Braeside park, East/ West cycleways, Longbeach and Granitic trails. The works are in progress.
7	Recreational, leisure and community facilities	The budget includes \$1.9 million Sportsground lightning renewal, \$1.7 million Roy Dore Tennis Pavilion and Court Upgrade and other projects, which are in progress
8	Parks, open space and streetscapes	The budget includes \$2 million Hawthorn-Kennedy Centre, \$1.8 million Peter Scullin Reserve, \$1.7 million Elder Street Reserve, and other smaller projects, which are in progress
9	Off street car parks	The budget includes \$0.8 million Parkdale Yacht Club car park consytruction, and the works are in progress
10	Other infrastructure	The budget includes \$0.5 million Inner Harbour Boardwalk, \$0.3 million Community Safety CCTV, and the works are in progress