

Kingston City Council
Quarterly Financial Statements
For the 3 Months ending 30th September 2022

Income Statement

YTD Actuals Compared to Revised Budget					
	Actual YTD to September 22 \$'000	Adopted Budget YTD to September 22 \$'000	Favourable/ (Unfavourable) \$'000	Favourable/ (Unfavourable) %	Ref
Revenue					
Rates and Charges	158,704	158,721	(17)	0.0%	
Grants and Subsidies	12,906	11,355	1,551	13.7%	1
Grants - Capital	14,704	14,717	(13)	-0.1%	
Contributions	370	194	176	90.6%	
Statutory fees and fines	2,256	2,027	229	11.3%	2
User Fees	5,438	5,343	96	1.8%	
Interest Income	376	100	276	276.5%	3
Other Income	146	246	(100)	-40.6%	4
Total Revenue	194,900	192,702	2,198	1.1%	
Expenses					
Employee Benefits	26,369	26,656	286	1.1%	
Materials and Services	27,004	26,850	(154)	-0.6%	
Bad and Doubtful Debts	0	13	13		
Depreciation & Amortisation	8,950	9,561	611	6.4%	
Interest/Borrowing Costs	111	125	14	11.2%	5
Total Expenses	62,434	63,204	770	1.2%	
Net Gain(Loss) on Disposal of Infrastructure, Property, Plant and Equipment	13	25	(12)	-47.9%	6
Surplus	132,479	129,523	2,956	2.3%	

Variance Explanations (for material variances > 10%)

Ref	Item	Explanation
1	Grants and Subsidies	Grants and Subsidies total revenue is \$12.9 million and is \$1.6 million favourable to budget. This is primarily due to Open Space department Level crossing removal grant of \$2.45 million received and budgeted in year 2021/22 and carried over to year 2022/23 as unspent, which results in a favourable timing variance. This is offset by unfavourable timing variances of budgeted but not yet received grants from Grants Commission \$0.5 million, Commonwealth grant for Children School crossing supervisor \$0.5 million, Libraries State grant \$0.3 million and Family and Children Commonwealth grant \$0.3 million.
2	Statutory fees and fines	Statutory Fees and Fines total revenue is \$2.3 million and is \$0.2 million favourable to budget. Parking Statutory is \$0.2 million favourable to budget in the Compliance & Amenity department primarily from last year's doubtful debt provision reversal of \$0.350 million, which will be offset with annual provision to be done at the year end in June 2023.
3	Interest income	Interest Income received is \$0.4 million and is \$0.3 million favourable to budget. The average rate in September is 1.17% vs 0.32% at the corresponding time last year and 1.11% the year before that. This month, the portfolio return increased 18% month on month (1.17% to 1.39%) and an increasing trend is expected to continue as rates on offer for new investments far outweigh the rates of our forthcoming maturing investments.
4	Other income	Other Income is \$0.145 million and is \$0.1 million unfavourable to budget. This is due to irregular timing of receipt of that income.
5	Interest/Borrowing Costs	Interest / Borrowing Costs total expenditure is \$0.125 million and are \$14k favourable to budget. The interest relates to leases of vehicles, waste garbage trucks and equipment.
6	Net gain on disposal of infrastructure, property, plant and equipment	Net Proceeds from Disposal of Assets is \$12k unfavourable with minimal disposals at this early stage of the new financial year.

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Cash Flow Statement

	Actual YTD to September 22 \$'000	Adopted Budget YTD to September 22 \$'000	Favourable/ (Unfavourable) \$'000	Favourable/ (Unfavourable) %	Adopted Budget Full Year	Ref
Cash Flows from Operating Activities						
Rates and charges	41,028	38,336	2,692	7.0%	153,344	
Grants - Operating	10,227	10,880	(653)	-6.0%	43,518	
Grants - Capital	11,295	3,959	7,337	185.3%	15,834	1
Contributions	2,762	1,700	1,062	62.4%	6,801	2
Statutory fees and fines	2,256	2,027	229	11.3%	9,623	
User fees	2,006	5,343	(3,337)	-62.5%	19,928	3
Interest	376	0	376	100.0%	0	
Increase/(Repayment) of Trust Funds and Deposits	(10,036)	0	(10,036)	100.0%	0	4
Other Receipts	146	328	(182)	-56.5%	1,313	
Payments to Employees	(25,473)	(26,321)	848	3.2%	(105,283)	
Payments to Suppliers	(53,821)	(24,578)	(29,243)	-121.7%	(98,310)	5
Net Cash Provided by Operating Activities	(19,235)	11,674	(30,909)	-264.8%	46,768	
Cash Flows from Investing Activities						
Payment for Infrastructure, Property, Plant & Equipment	(9,648)	(18,358)	8,709	47.4%	(73,430)	6
Proceeds from sale of Infrastructure, Property, Plant & Equipment	0	0	0		100	
Net Cash Provided by Investing Activities	(9,648)	(18,358)	8,709	47.4%	(73,330)	
Cash Flows from Financing Activities						
Borrowing Costs	0	0	0	100.0%	0	
Increase/(Repayment) of interest bearing loans & borrowings	0	0	0	100.0%	0	
Interest paid - lease liability	(118)	(120)	2	1.7%	(500)	
Repayment of lease liabilities	(244)	(125)	(119)	-95.2%	(480)	
Net Cash (used in) Financing Activities	(362)	(245)	(117)	-47.8%	(980)	
Net Increase in Cash and Cash Equivalents	(29,245)	(6,928)	(22,317)	-322.1%	(27,542)	
Cash and Cash Equivalents at the Beginning of the Financial Year	161,816	133,242	28,574	21.4%	133,242	
Cash and Cash Equivalents at the End of Period	132,571	126,314	6,257	5.0%	105,700	

Variance Explanations (for material variances > 10%)

Ref	Item	Explanation
1	Grants - Capital	Grants capital received are \$7.9 million as at 30 September 2022. The variance to the budget is favourable as the budget is phased evenly over the months. The variance will be moving as the payments are received during the year.
2	Contributions	Contributions received are \$2.8 million as at 30 September 2022. The variance to the budget is favourable as the budget is phased evenly over the months. The variance will be moving as the payments are received during the year.
3	User fees	User fees received are \$2.0 million as at 30 September 2022. The variance to the budget is unfavourable as the budget is phased evenly over the months. The variance will be moving as the payments are received during the year.
4	Increase / (repayment) of trust funds and deposits	Trust funds and deposits have decreased by \$10.0 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.
5	Payments to Suppliers	Payments made to suppliers are \$16.4 million as at 30 September 2022. The variance to the budget is favourable as the budget is phased evenly over the months. The variance will be moving as the payments are made during the year.
6	Payments for infrastructure, property, plant and equipment	Payments for infrastructure, property, plant and equipment are \$9.6 million and are \$8.7 million less than the forecast YTD budget. The budget is phased evenly over the months, and the capital works are progressing and this variance will be moving during the year.

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Balance Sheet

	Actual as at September 22 \$'000	Annual Adopted Budget \$'000	Favourable/ (Unfavourable) \$'000	Favourable/ (Unfavourable) %	Ref
Current Assets					
Cash and cash equivalents	132,570	105,699	26,871	25.4%	1
Trade and other receivables	166,188	27,354	138,834	507.5%	2
Other Assets	577	1,214	(637)	-52.5%	3
Non-current assets classified as held for sale	1,199	960	239	24.9%	4
Total Current Assets	300,534	135,228	165,306	122.2%	
Non Current Assets					
Infrastructure, Property, Plant & Equipment	2,983,385	2,858,757	124,628	4.4%	
Right of use assets	9,154	7,928	1,226	15.5%	5
Investment Property	4,038	3,900	138	3.5%	
Other Assets	250	250	0	0.0%	
Intangible Assets	595	454	141	31.1%	6
Total Non Current Assets	2,997,421	2,871,289	126,132	4.4%	
Total Assets	3,297,955	3,006,517	291,438	9.7%	
Current Liabilities					
Trade and Other Payables	41,180	16,377	(24,803)	-151.4%	7
Trust Funds and Deposits	8,534	9,864	1,330	13.5%	8
Unearned income	4,758	16,977	12,219	72.0%	9
Provisions	22,152	23,286	1,134	4.9%	
Interest Bearing Loans and Borrowings	0	0	(0)	0.0%	
Lease Liabilities	901	922	21	2.3%	
Total Current Liabilities	77,525	67,426	(10,099)	-15.0%	
Non Current Liabilities					
Provisions	1,867	1,929	62	3.2%	
Interest Bearing Loans and Borrowings	0	0	0		
Lease Liabilities	8,836	9,154	318	3.5%	
Total Non Current Liabilities	10,703	11,083	380	3.4%	
Total Liabilities	88,228	78,509	(9,719)	-12.4%	
Net Assets	3,209,727	2,928,008	281,719	9.6%	
Equity					
Accumulated Surplus	1,610,674	1,501,065	109,609	7.3%	
Asset Revaluation Reserve	1,553,838	1,389,825	164,013	11.8%	
Other Reserves	45,215	37,118	8,098	21.8%	
Total Equity	3,209,727	2,928,008	281,719	9.6%	

Ref	Item	Explanation
1	Cash & Cash Equivalents	Cash and cash equivalents are \$26.9 million favourable to budget. The budget is a year-end position and the cash position is expected to decrease as operational and capital expenditure is incurred during the year.
2	Trade and other receivables	Trade and other receivables are currently \$166.2 million and \$138.8 million higher than the year-end budgeted position. Of that \$137.4 million is related to rate debtors which are expected to decrease significantly during the year as rate instalments are paid.
3	Other assets (current)	Other assets of \$0.6 million are \$0.6 million unfavourable 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	Right of use assets	Right of use assets are \$9.1 million and are \$1.2 million favourable to budget. The current position is in line with the year end 30 June 2022 and the addition in vehicles.
6	Intangible Assets	Intangible assets are \$0.6 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.
7	Trade and other payables	Trade and other payables are \$41.2 million and \$24.8 more 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 received as at reporting date.
8	Trust funds and deposits	Trust funds and deposits are \$1.3 million less than budget. The budget is a year-end position and actuals are expected to match budget by 30 June 2022 as retentions and deposits are refunded during the year.
9	Unearned income	Unearned income is \$12.2 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 22 \$'000	Annual Adopted Budget \$'000	% Complete	Ref
Property				
Land	229	15,445	1%	1
Buildings	3,755	34,744	11%	2
Plant & Equipment				
Plant, machinery and equipment	0	150	0%	3
Fixtures, Fittings and Furniture	240	200	120%	
Computers and telecommunications	153	1,950	8%	4
Library Books	441	950	46%	
Infrastructure				
Roads	1,030	9,004	11%	5
Footpaths & cycleways	93	1,470	6%	6
Bridges	0	0	100%	
Drainage	2,256	2,450	92%	
Recreational, leisure & community facilities	542	4,595	12%	7
Parks, open space and streetscapes	859	7,281	12%	8
Off street car parks	18	750	2%	9
Other infrastructure	301	1,441	21%	
Total capital works expenditure	9,918	80,430	12%	
Projects Represented by:				
New asset expenditure	720	23,726	3%	
Asset expansion expenditure	534	39,949	1%	
Asset renewal expenditure	8,232	10,528	78%	
Asset upgrade expenditure	432	6,228	7%	
Total capital works expenditure	9,918	80,430	12%	

* The Adopted budget doesn't include carry over from 2021/22, to be resolved by Council.

** The Adopted budget includes \$14.6 million for Aquatic Centre, which was included in previous year 2021/22. This will be adjusted after Council resolution.

Variance Explanations - less than 25% complete

Ref	Item	Explanation
1	Land	Land budget includes \$14.6 million for Aquatic Centre, which was included in previous year 2021/22. This will be adjusted after Council resolution.
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 yet to commence.
4	Computers and telecommunications	The budget is for laptop roll-out which is commencing soon.
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 yet to commence.
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 construction, and the works are in progress