

Kingston City Council
Quarterly Financial Statements
For the 6 Months ending 31st December 2023

Income Statement

YTD Actuals Compared to Adopted Budget							
	Actual YTD to December 23 \$'000	Adopted Budget YTD to December 23 \$'000	Favourable/ (Unfavourable) \$'000	Favourable/ (Unfavourable) %	Ref	Adopted Budget Annual \$'000	Forecast Annual \$'000
Revenue							
Rates and Charges	166,537	166,478	59	0.0%		166,943	166,943
Grants and Subsidies	25,696	24,961	735	2.9%		49,736	54,607
Grants - Capital	2,668	2,685	(17)	(0.6%)		7,762	11,863
Contributions	342	308	34	10.9%	1	6,966	6,966
Statutory fees and fines	4,617	4,740	(123)	(2.6%)		9,988	9,853
User Fees	11,315	10,905	410	3.8%		22,081	22,449
Interest Income	2,126	1,730	396	22.9%	2	2,750	3,700
Other Income	2,924	344	2,581	751.0%	3	1,061	2,696
Total Revenue	216,225	212,150	4,075	1.9%		267,286	279,077
Expenses							
Employee Benefits	58,885	58,664	(221)	(0.4%)		116,964	119,595
Materials and Services	52,065	51,658	(407)	(0.8%)		108,417	112,857
Bad and Doubtful Debts	0	25	25	100.0%	4	50	50
Depreciation & Amortisation	19,837	20,187	350	1.7%		40,374	40,374
Interest/Borrowing Costs	226	250	24	9.7%	5	500	500
Total Expenses	131,014	130,784	(230)	(0.2%)		266,306	273,376
Net Gain(Loss) on Disposal of Infrastructure, Property, Plant and Equipment	15	50	(35)	(69.3%)	6	100	100
Surplus	85,227	81,416	3,810	4.7%		1,080	5,801

Variance Explanations (for material variances > 10%)

Ref	Item	Explanation
1	Contributions	Contributions total revenue is \$0.3 million and is in line with the budget. For noting, open space contributions from developers are transferred monthly to a reserve and are brought back to P&L in June month.
2	Interest income	Interest Income received is \$2.1 million and is \$0.4 million favourable to budget due to continuing high interest rates. Full year budget is \$2.750 million and forecast has been revised to \$3.7 million.
3	Other income	Other Income is \$3.0 million and is \$2.6 million favourable to budget predominantly due to the settlement income received, as well as recognised Assets protection bond held for over 10 years.
4	Bad and Doubtful Debts	There are no Bad and Doubtful Debts in the year to date which is in line with budget, with a small favourable variance of \$25k.
5	Interest/Borrowing Costs	Interest / Borrowing Costs total expenditure is \$0.2 million and are \$24k favourable to budget.
6	Net gain on disposal of infrastructure, property, plant and equipment	Net Proceeds from Disposal of Assets is \$35k unfavourable with minimal disposals at this early stage of the new financial year.

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Cash Flow Statement

	Actual YTD to December 23 \$'000	Adopted Budget YTD to December 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	71,965	67,795	4,170	6.2%		165,354	157,364
Grants - Operating	26,111	25,261	850	3.4%		49,736	54,607
Grants - Capital	2,805	2,685	120	4.5%		7,762	11,863
Contributions	4,850	3,483	1,367	39.3%	1	6,966	6,966
Statutory fees and fines	4,617	4,622	(5)	-0.1%		9,738	9,606
User fees	10,283	10,753	(470)	-4.4%		21,773	21,888
Increase/(Repayment) of Trust Funds and Deposits	(132)	0	(132)	100.0%	2	0	0
Other Receipts	7,582	1,937	5,645	290.4%	3	3,561	6,396
Payments to Employees	(57,036)	(57,971)	935	1.6%		(115,600)	(117,819)
Payments to Suppliers	(73,832)	(66,292)	(7,540)	-14.1%	4	(109,782)	(114,633)
Net Cash Provided by Operating Activities	(2,787)	(7,728)	4,941	-63.9%		39,508	36,238
Cash Flows from Investing Activities							
Payment for Infrastructure, Property, Plant & Equipment	(38,765)	(29,848)	(8,916)	-29.9%	5	(59,697)	(64,999)
Proceeds from sale of Infrastructure, Property, Plant & Equipment	15	50	(35)			100	76
Net Cash Provided by Investing Activities	(38,750)	(29,798)	(8,951)	-30.0%		(59,597)	(64,924)
Cash Flows from Financing Activities							
Borrowing Costs	0	0	0	0.0%		0	0
Increase/(Repayment) of interest bearing loans & borrowings	0	0	0	0.0%		0	0
Interest paid - lease liability	(226)	(250)	24	9.6%		(500)	(500)
Repayment of lease liabilities	(454)	(216)	(238)	-110.3%		(432)	(432)
Net Cash (used in) Financing Activities	(680)	(466)	(214)	-46.0%		(932)	(932)
Net Increase in Cash and Cash Equivalents	(42,217)	(37,992)	(4,225)	-11.1%		(21,021)	(29,617)
Cash and Cash Equivalents at the Beginning of the Financial Year	141,281	139,948	1,334	1.0%		139,948	141,281
Cash and Cash Equivalents at the End of Period	99,065	101,956	(2,891)	-2.8%		118,927	111,664

Variance Explanations (for material variances > 10%)

Ref	Item	Explanation
1	Contributions	Contributions received are \$4.9 million as at 31 December 2023. The variance to the budget is favourable which is due to timing only. For noting, open space contributions from developers are transferred monthly to a reserve and are brought back to P&L in June month.
2	Increase / (repayment) of trust funds and deposits	Trust funds and deposits have increased by \$0.1 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.
3	Other receipts	Other receipts income is favourable and includes interest from term deposits, settlement income received, recognised Assets protection bond held for over 10 years and found assets adjustment, which will be reviewed at the year end.
4	Payments to Suppliers	Payments made to suppliers are \$92.7 million as at 31 December 2023. The variance to the budget is unfavourable, but the variance will be moving as the payments are made during the year.
4	Payments for infrastructure, property, plant and equipment	Payments for infrastructure, property, plant and equipment are \$38.8 million and are unfavourable to 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 December 23 \$'000	Adopted Budget YTD December 23 \$'000	Favourable/ (Unfavourable) \$'000	Favourable/ (Unfavourable) %	Ref	Annual Adopted Budget \$'000	Annual Forecast \$'000
Current Assets							
Cash and cash equivalents	99,065	101,956	(2,891)	-2.8%		118,927	111,664
Trade and other receivables	137,209	132,971	4,238	3.2%		36,139	29,218
Other Assets	2,861	1,430	1,431	100.1%	1	1,430	3,506
Non-current assets classified as held for sale	1,910	1,199	711	59.3%	2	1,199	1,910
Total Current Assets	241,045	237,555	3,490	1.5%		157,695	146,297
Non Current Assets							
Infrastructure, Property, Plant & Equipment	2,799,664	2,806,032	(6,368)	-0.2%		3,029,345	2,821,821
Right of use assets	8,758	7,200	1,558	21.6%	3	6,575	7,173
Investment Property	4,437	4,038	399	9.9%		4,038	4,437
Other Assets	250	250	0	0.0%		250	250
Intangible Assets	485	521	(36)	-6.8%		371	555
Total Non Current Assets	2,813,595	2,818,041	(4,446)	-0.2%		3,040,579	2,834,237
Total Assets	3,054,640	3,055,596	(957)	0.0%		3,198,274	2,980,534
Current Liabilities							
Trade and Other Payables	33,051	34,266	1,215	3.5%		34,266	26,943
Trust Funds and Deposits	5,908	18,411	12,503	67.9%	4	18,411	11,413
Unearned income	12,143	18,919	6,776	35.8%	5	18,919	8,378
Provisions	22,905	22,093	(812)	-3.7%		22,093	22,818
Interest Bearing Loans and Borrowings	0	0	(0)	0.0%		0	0
Lease Liabilities	847	951	104	10.9%		951	802
Total Current Liabilities	74,855	94,640	19,785	20.9%		94,640	70,353
Non Current Liabilities							
Provisions	1,885	1,867	(18)	-1.0%		1,867	1,885
Interest Bearing Loans and Borrowings	0	0	0	0.0%		0	0
Lease Liabilities	8,663	8,270	(393)	-4.8%		8,054	8,172
Total Non Current Liabilities	10,549	10,137	(411)	-4.1%		9,921	10,057
Total Liabilities	85,403	104,777	19,374	18.5%		104,561	80,410
Net Assets	2,969,237	2,950,819	18,418	0.6%		3,093,713	2,900,124
Equity							
Accumulated Surplus	1,577,504	1,562,461	15,043	1.0%		1,491,733	1,512,828
Asset Revaluation Reserve	1,336,024	1,336,024	0	0.0%		1,553,838	1,336,024
Other Reserves	55,709	52,334	3,374	6.4%		48,142	51,272
Total Equity	2,969,237	2,950,819	18,418	0.6%		3,093,713	2,900,124

Variance Explanations (for material variances > 10%)

Ref	Item	Explanation
1	Other assets (current)	Other assets of \$2.9 million are \$1.4 million favourable to budget. Other assets include accrued interest income and Access Care accrued income.
2	Non-current assets classified as held for sale	Non-current assets classified as held for sale are assets are \$1.9 million and are \$0.7 million more than budgeted. The current position is in line with the year end 30 June 2023 and the revaluation done.
3	Right of use assets	Right of use assets are \$8.8 million and are \$1.6 million more than budgeted. The current position is in line with the year end 30 June 2023 and addition in vehicles.
4	Trust funds and deposits	Trust funds and deposits are \$12.5 million less than budget. At the year-end the actuals are expected to match budget as retentions and deposits are refunded during the year. 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	Unearned income	Unearned income is \$6.8 million less than budget. At the year-end the actuals are expected to match budget as assessment of unearned capital grants and user fees will be recorded.

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Capital Works

Asset	Actual YTD to December 23 \$'000	Annual Forecast \$'000	% Complete	Ref	Annual Adopted Budget \$'000
Property					
Land	3,888	4,155	94%		155
Buildings	18,673	34,687	54%		20,821
Plant & Equipment					
Plant, machinery and equipment	47	250	19%	1	250
Fixtures, Fittings and Furniture	72	200	36%	2	200
Computers and telecommunications	218	974	22%	3	740
Library Books	732	1,166	63%		1,166
Cultural Assets	134	1,049	13%	4	860
Infrastructure					
Roads	4,741	8,661	55%		8,063
Footpaths and cycleways	556	1,080	52%		1,500
Bridges	7	0	0%		0
Drainage	1,282	2,585	50%		2,635
Recreational, leisure and community facilities	4,090	8,128	50%		8,810
Parks, open space and streetscapes	3,266	7,611	43%	5	7,783
Off street car parks	1,059	1,119	95%		0
Total capital works expenditure	38,766	71,664	54%		52,983
Projects Represented by:					
New asset expenditure	7,367	10,182	72%		6,252
Asset expansion expenditure	7,201	10,586	68%		9,584
Asset renewal expenditure	20,419	44,807	46%		31,567
Asset upgrade expenditure	3,779	6,089	62%		5,580
Total capital works expenditure	38,766	71,664	54%		52,983

* The Adopted budget doesn't include carry over from 2022/23. The Annual Forecast includes the carry overs, additions and deferrals.

Variance Explanations - less than 50% complete

Ref	Item	Explanation
1	Plant, machinery and equipment	Budget includes works on Plant & Equipment Replacement (Operational Areas). Those works are in progress.
2	Fixtures, Fittings and Furniture	Budget includes works on Library Amenity Improvements (carpet, shelving, minor works). Those works are in progress.
3	Computers and telecommunications	Budget includes works on Asset Management System, CCTV at Waterways, and Desktop Fleet Pc's And Notebooks. Those works are in progress.
4	Cultural Assets	Budget includes works on Mural Art in Activity Centres, Patterson River Art Trail, Public Arts Contribution. Those works are in progress.
5	Parks, open space and streetscapes	The budget includes Don Tatnell Site Management of Closure, which are in progress.