

Kingston City Council
Quarterly Financial Statements
For the 3 Months ending 30th September 2023

Income Statement

YTD Actuals Compared to Adopted Budget						
	Actual YTD to September 23 \$'000	Adopted Budget YTD to September 23 \$'000	Favourable/ (Unfavourable) \$'000	Favourable/ (Unfavourable) %	Ref	Adopted Budget Annual \$'000
Revenue						
Rates and Charges	166,321	166,312	9	0.0%		166,943
Grants and Subsidies	12,494	12,231	263	2.2%		49,736
Grants - Capital	1,149	1,171	(22)	(1.9%)		7,762
Contributions	76	34	41	121.3%	1	6,966
Statutory fees and fines	2,146	2,047	98	4.8%		9,988
User Fees	5,603	5,459	144	2.6%		22,081
Interest Income	1,104	877	227	25.9%	2	2,750
Other Income	86	194	(108)	(55.7%)	3	1,061
Total Revenue	188,978	188,325	653	0.3%		267,286
Expenses						
Employee Benefits	29,360	29,449	88	0.3%		116,964
Materials and Services	26,551	27,934	1,383	5.0%		108,417
Bad and Doubtful Debts	0	13	13	100.0%	4	50
Depreciation & Amortisation	9,960	10,094	134	1.3%		40,374
Interest/Borrowing Costs	109	125	16	12.5%	5	500
Total Expenses	65,980	67,613	1,633	2.4%		266,306
Net Gain(Loss) on Disposal of Infrastructure, Property, Plant and Equipment	0	25	(25)	(100.0%)	6	100
Surplus	122,998	120,737	2,261	1.9%		1,080

Variance Explanations (for material variances > 10%)

Ref	Item	Explanation
1	Contributions	Contributions total revenue is \$76k and is in line with the budget with a small variance of \$41k. 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 \$1.1 million and is \$0.2 million favourable to budget. Full year budget is \$2.750 million and is phased at higher interest rates for the first 6 months of the year similar to previous year's rates and then reduced rates for the remainder of the year.
3	Other income	Other Income is \$0.1 million and is \$0.1 million unfavourable to budget at this stage.
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 \$13k.
5	Interest/Borrowing Costs	Interest / Borrowing Costs total expenditure is \$0.1 million and are \$16k favourable to budget.
6	Net gain on disposal of infrastructure, property, plant and equipment	Net Proceeds from Disposal of Assets is \$25k unfavourable with minimal disposals at this early stage of the new financial year.

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Cash Flow Statement

	Actual YTD to September 23 \$'000	Adopted Budget YTD to September 23 \$'000	Favourable/ (Unfavourable) \$'000	Favourable/ (Unfavourable) %	Ref	Adopted Budget Full Year \$'000
Cash Flows from Operating Activities						
Rates and charges	38,381	34,724	3,657	10.5%	1	165,354
Grants - Operating	10,265	10,231	34	0.3%		49,736
Grants - Capital	1,149	1,171	(22)	-1.9%		7,762
Contributions	4,495	1,741	2,754	158.1%	2	6,966
Statutory fees and fines	2,146	1,996	150	7.5%		9,738
User fees	5,603	5,382	221	4.1%		21,773
Increase/(Repayment) of Trust Funds and Deposits	524	0	524	100.0%	3	0
Other Receipts	1,190	1,001	189	17.9%	4	3,561
Payments to Employees	(28,620)	(29,105)	485	1.7%		(115,600)
Payments to Suppliers	(42,418)	(41,290)	(1,128)	-5.4%		(109,782)
Net Cash Provided by Operating Activities	(7,285)	(14,148)	6,863	-48.5%		39,508
Cash Flows from Investing Activities						
Payment for Infrastructure, Property, Plant & Equipment	(12,305)	(14,924)	2,619	17.6%	5	(59,697)
Proceeds from sale of Infrastructure, Property, Plant & Equipment	0	25	(25)			100
Net Cash Provided by Investing Activities	(12,305)	(14,899)	2,594	17.4%		(59,597)
Cash Flows from Financing Activities						
Borrowing Costs	0	0	0	0.0%		0
Increase/(Repayment) of interest bearing loans & borrowings	0	0	0	0.0%		0
Interest paid - lease liability	(109)	(125)	16	12.8%		(500)
Repayment of lease liabilities	(352)	(108)	(244)	-226.1%		(432)
Net Cash (used in) Financing Activities	(461)	(233)	(228)	-97.9%		(932)
Net Increase in Cash and Cash Equivalents	(20,051)	(29,280)	9,229	31.5%		(21,021)
Cash and Cash Equivalents at the Beginning of the Financial Year	141,281	139,948	1,334	1.0%		139,948
Cash and Cash Equivalents at the End of Period	121,231	110,668	10,563	9.5%		118,927

Variance Explanations (for material variances > 10%)

Ref	Item	Explanation
1	Rates and charges	Rates and charges received are \$38.4 million as at 30 September 2023. The variance to the budget is favourable which is due to timing of collectability.
2	Contributions	Contributions received are \$4.5 million as at 30 September 2023. The variance to the budget is favourable which is due to timing only.
3	Increase / (repayment) of trust funds and deposits	Trust funds and deposits have increased by \$0.5 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.
4	Other receipts	Other receipts include interest from term deposits. The variance is \$0.2 million favourable due to higher rates compared to YTD budget.
5	Payments for infrastructure, property, plant and equipment	Payments for infrastructure, property, plant and equipment are \$12.3 million and are \$2.6 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 September 23 \$'000	Adopted Budget YTD September 23 \$'000	Favourable/ (Unfavourable) \$'000	Favourable/ (Unfavourable) %	Ref	Annual Adopted Budget \$'000
Current Assets						
Cash and cash equivalents	121,231	110,668	10,563	9.5%		118,927
Trade and other receivables	174,147	165,744	8,403	5.1%		36,139
Other Assets	3,494	1,430	2,064	144.3%	1	1,430
Non-current assets classified as held for sale	1,910	1,199	711	59.3%	2	1,199
Total Current Assets	300,782	279,041	21,741	7.8%		157,695
Non Current Assets						
Infrastructure, Property, Plant & Equipment	2,796,641	2,800,839	(4,198)	-0.1%		3,029,345
Right of use assets	8,562	7,512	1,049	14.0%	3	6,575
Investment Property	4,437	4,038	399	9.9%		4,038
Other Assets	250	250	0	0.0%		250
Intangible Assets	555	596	(41)	-6.8%		371
Total Non Current Assets	2,810,445	2,813,235	(2,790)	-0.1%		3,040,579
Total Assets	3,111,227	3,092,276	18,950	0.6%		3,198,274
Current Liabilities						
Trade and Other Payables	40,054	34,266	(5,788)	-16.9%	4	34,266
Trust Funds and Deposits	9,242	18,411	9,169	49.8%	5	18,411
Unearned income	9,555	18,919	9,364	49.5%	6	18,919
Provisions	22,588	22,093	(495)	-2.2%		22,093
Interest Bearing Loans and Borrowings	0	0	(0)	0.0%		0
Lease Liabilities	789	951	162	17.0%		951
Total Current Liabilities	82,229	94,640	12,411	13.1%		94,640
Non Current Liabilities						
Provisions	1,885	1,867	(18)	-1.0%		1,867
Interest Bearing Loans and Borrowings	0	0	0	0.0%		0
Lease Liabilities	8,495	8,378	(117)	-1.4%		8,054
Total Non Current Liabilities	10,381	10,245	(135)	-1.3%		9,921
Total Liabilities	92,609	104,885	12,276	11.7%		104,561
Net Assets	3,018,618	2,987,391	31,227	1.0%		3,093,713
Equity						
Accumulated Surplus	1,626,873	1,599,033	27,840	1.7%		1,491,733
Asset Revaluation Reserve	1,336,024	1,336,024	0	0.0%		1,553,838
Other Reserves	55,720	52,334	3,386	6.5%		48,142
Total Equity	3,018,618	2,987,391	31,227	1.0%		3,093,713

Variance Explanations (for material variances > 10%)

Ref	Item	Explanation
1	Other assets (current)	Other assets of \$3.5 million are \$2.0 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 \$8.6 million and are \$1.0 million more than budgeted. The current position is in line with the year end 30 June 2023 and addition in vehicles.
4	Trade and other payables	Trade and other payables are \$40.1 million and \$5.8 more than budget. The level of creditors and accruals is dependent on the timing of invoices and expenditure receipted as at reporting date.
5	Trust funds and deposits	Trust funds and deposits are \$9.2 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.
6	Unearned income	Unearned income is \$9.4 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 September 23 \$'000	Revised Budget \$'000	% Complete	Ref	Annual Adopted Budget \$'000
Property					
Land	54	155	35%		155
Buildings	6,428	31,568	20%	1	20,821
Plant & Equipment					
Plant, machinery and equipment	20	250	8%	2	250
Fixtures, Fittings and Furniture	36	200	18%	3	200
Computers and telecommunications	58	974	6%	4	740
Library Books	518	1,166	44%		1,166
Cultural Assets	23	1,049	2%	5	860
Infrastructure					
Roads	1,368	8,398	16%	6	8,063
Footpaths and cycleways	291	1,700	17%	7	1,500
Bridges	0	0	0%		
Drainage	672	2,635	25%		2,635
Recreational, leisure and community facilities	1,367	10,347	13%	8	8,810
Parks, open space and streetscapes	1,226	9,811	12%	9	7,783
Off street car parks	245	751	33%		0
Other infrastructure	0	0	0%		0
Total capital works expenditure	12,305	69,003	23%		52,983
Projects Represented by:					
New asset expenditure	1,340	9,922	14%		7,229
Asset expansion expenditure	2,681	10,292	26%		26,533
Asset renewal expenditure	6,717	42,879	16%		9,782
Asset upgrade expenditure	1,567	5,910	27%		9,439
Total capital works expenditure	12,305	69,003	23%		52,983

* The Adopted budget doesn't include carry over from 2022/23. The Revised budget includes the carry overs.

Variance Explanations - less than 25% complete

Ref	Item	Explanation
1	Buildings	Budget includes works on GR Bricker Pavilion Redevelopment, Female Change Facilities - Regents Park, Dingley Souter Res Pavilion, North Cheltenham early years centre, Dingley Village Community Centre, Hawthorn - Kennedy Centre & AFLW Sports Ground Contribution. Those works are in progress.
2	Plant, machinery and equipment	Budget includes works on Plant & Equipment Replacement (Operational Areas). Those works are in progress.
3	Fixtures, Fittings and Furniture	Budget includes works on Library Amenity Improvements (carpet, shelving, minor works). Those works are in progress.
4	Computers and telecommunications	Budget includes works on Asset Management System, CCTV at Waterways, Recruitment and Onboarding, Learning and Development Systems. Those works are in progress.
5	Cultural Assets	Budget includes works on Mural Art in Activity Centres, Patterson River Art Trail, Public Arts Contribution. Those works are in progress.
6	Roads	The budget includes Local Roads renewal program. The works on those projects are in progress.
7	Footpaths and cycleways	The budget is for footpaths renewal programs across multiple areas. The works are in progress.
8	Recreational, leisure and community facilities	The budget includes Aquatic Centre Development, which is in progress.
9	Parks, open space and streetscapes	The budget includes Don Tatnell Site Management of Closure, , which are in progress