

Kingston City Council
Quarterly Financial Statements
For the 6 Months ending 31st December 2024

Income Statement

		Year to Date				Full Year	Full Year	Full Year
		Budget	Actual	Variance		Ref	Budget	Forecast
		\$'000	\$'000	Fav/(Unfav)	%		\$'000	September 2024
				\$'000			\$'000	Forecast
								January 2025
								\$'000
Revenue								
	Rates and Charges	172,632	172,892	260	0.2%		172,935	173,535
	Grants and Subsidies	31,720	31,537	(183)	(0.6%)		58,921	59,952
	Grants - Capital	3,803	3,823	20	0.5%		11,663	15,052
	Contributions	78	73	(6)	(7.2%)		8,700	8,700
	Statutory fees and fines	4,792	4,446	(345)	(7.2%)		9,570	9,348
	User Fees	11,680	12,695	1,016	8.7%		23,261	23,137
	Interest Income	1,977	1,938	(39)	(2.0%)		3,700	4,549
	Other Income	484	972	488	100.8%	1	1,248	1,418
Total Revenue		227,165	228,377	1,212	0.5%		289,998	295,690
Expenses								
	Employee Costs	64,796	62,955	1,841	2.8%		128,059	128,910
	Materials and Services	56,644	60,341	(3,697)	(6.5%)		111,100	116,725
	Bad and Doubtful Debts	25	(4)	29	116.7%	2	50	50
	Depreciation & Amortisation	20,192	22,883	(2,691)	(13.3%)	3	40,385	40,385
	Interest/Borrowing Costs	250	273	(23)	(9.0%)		2,309	1,861
Total Expenses		141,908	146,448	(4,540)	(3.2%)		281,903	287,931
	Net Gain/(Loss) on Disposal of Infrastructure, Property, Plant and Equipment	50	(3)	(53)	(107.0%)	4	100	100
Surplus		85,307	81,925	(3,382)	(4.0%)		8,195	7,859
								10,436

Variance Explanations (for material variances > 10%)

Ref	Item	Explanation
1	Other income	Other Income is \$1.0 million and is \$0.4 million favourable to budget, predominantly due to receipt of a State Revenue Office refund, insurance claims reimbursements and higher than budgeted income from magistrate court in the Prosecutions team in Compliance and Amenity department.
2	Bad and Doubtful Debts	There are no Bad and Doubtful Debts in the year to date.
3	Depreciation & Amortisation	Depreciation & Amortisation Costs YTD is \$22.9 million and are \$2.7 million unfavourable to budget. This is due to an increase in capitalised assets in 2024/25 compared to 2023/24 primarily in buildings, together with transport and drainage assets revaluation increment in 2023/24.
4	Net gain on disposal of infrastructure, property, plant and equipment	Net Proceeds from Disposal of Assets is \$53k unfavourable to budget, with minimal disposals at this early stage of the financial year.

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Cash Flow Statement

	Full Year	Year to Date	remaining to collect/ to spend	% received/ spend		Full Year
	Budget	Actual			Ref	Forecast
	\$'000	\$'000	\$'000	%		January 2025
Cash Flows from Operating Activities						
Rates and charges	173,822	77,540	96,282	44.6%		180,003
Grants - Operating	58,921	28,539	30,382	48.4%		59,010
Grants - Capital	11,663	5,591	6,072	47.9%		15,052
Contributions	8,700	2,537	6,163	29.2%	1	8,700
Statutory fees and fines	9,331	4,446	4,885	47.6%	2	9,348
User fees	22,680	15,541	7,139	68.5%		
Increase/(Repayment) of Trust Funds and Deposits	0	(605)	605	0.0%	3	0
Other Receipts	4,948	2,983	1,965	60.3%		6,094
Payments to Employees	(127,212)	(61,643)	(65,569)	48.5%		(125,854)
Payments to Suppliers	(111,946)	(70,980)	(40,966)	63.4%	4	(114,670)
Net Cash Provided by Operating Activities	50,907	3,949	46,958	7.8%		61,082
Cash Flows from Investing Activities						
Payment for Infrastructure, Property, Plant & Equipment	(81,740)	(28,682)	(53,058)	35.1%	5	(65,772)
Proceeds from sale of Infrastructure, Property, Plant & Equipment	100	107	(7)	107.0%		100
Net Cash Provided by Investing Activities	(81,640)	(28,575)	(53,065)	35.0%		(65,672)
Cash Flows from Financing Activities						
Borrowing Costs	(1,809)	0	(1,809)	0.0%		(318)
Increase/(Repayment) of interest bearing loans & borrowings	27,273	0	27,273	0.0%		11,555
Interest paid - lease liability	(500)	(273)	(227)	54.5%	6	(500)
Repayment of lease liabilities	(382)	(640)	259	167.8%	7	(382)
Net Cash (used in) Financing Activities	24,582	(913)	25,496	(3.7%)		10,355
Net Increase/(Decrease) in Cash and Cash Equivalents	(6,151)	(25,539)				5,765
Cash, Cash Equivalents and Other Financial Assets at the Beginning of the Financial Year	127,075	108,221				108,221
Cash, Cash Equivalents and Other Financial Assets at the End of Period	120,924	82,682	38,242			113,986

Variance Explanations for significant items (below 50% for inflows and above 50% for outflows):

Ref	Item	Explanation
1	Contributions	Contributions received are \$2.5 million as at 31 December 2024. Open space contributions from developers are transferred monthly to a reserve and are brought back to P&L in June month.
2	Statutory fees and fines	Statutory fees are \$4.4 million as at 31 December 2024. The variance to the budget is unfavourable primarily due to unfavourable Parking PIN income.
3	Increase / (repayment) of trust funds and deposits	Trust funds and deposits have decreased by \$0.6 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	Payments to Suppliers	Payment to suppliers is unfavourable due to cost pressures and higher than expected spend in City Works reactive building maintenance and drain maintenance, as well as in Open Space Reserves and Sportsgrounds team maintenance and mowing costs.
5	Payments for infrastructure, property, plant and equipment	Payments for infrastructure, property, plant and equipment are \$28.7 million and represent 34% spent of the total budget. As the capital works are progressing, this variance will be moving during the year.
5,6	Interest paid and repayment for lease liability	Lease liability interest and repayment show higher spend to full year budget and relate to fleet and equipment leases.

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Balance Sheet

		Opening balance	Year to Date	Variance YTD v opening balance			Full Year	Full Year
		Actual \$'000	Actual \$'000	Fav/(Unfav) \$'000	%	Ref	Budget \$'000	Forecast January 2025 \$'000
Current Assets								
	Cash and cash equivalents	108,221	82,682	(25,539)	(23.6%)		120,924	113,986
	Trade and other receivables	21,066	142,519	121,453	576.5%	1	21,614	16,487
	Other Assets	6,928	3,425	(3,503)	(50.6%)	2	3,506	5,018
	Non-current assets classified as held for sale	0	0	0	0.0%		1,910	1,910
Total Current Assets		136,215	228,626	92,411	67.8%		147,954	137,401
Non Current Assets								
	Infrastructure, Property, Plant & Equipment	2,955,974	2,955,291	(683)	(0.0%)		2,867,096	2,977,831
	Right of use assets	8,997	9,641	645	7.2%		6,473	7,697
	Investment Property	4,704	4,704	0	0.0%		4,437	4,704
	Other Assets	250	250	0	0.0%		250	250
	Intangible Assets	831	743	(87)	(10.5%)		0	606
Total Non Current Assets		2,970,755	2,970,629	(126)	(0.0%)		2,878,256	2,991,087
Total Assets		3,106,970	3,199,255	92,285	3.0%		3,026,210	3,128,488
Current Liabilities								
	Trade and Other Payables	24,041	43,318	19,277	80.2%	3	26,943	24,041
	Trust Funds and Deposits	11,590	5,574	(6,016)	(51.9%)	4	11,413	11,590
	Unearned income	6,673	6,210	(463)	(6.9%)		7,338	6,673
	Provisions	21,921	21,927	6	0.0%		22,818	21,921
	Interest Bearing Loans and Borrowings	0	0	0	0.0%		749	565
	Lease Liabilities	948	1,076	128	13.5%		802	948
Total Current Liabilities		65,173	78,106	8,043	11.5%		70,062	65,738
Non Current Liabilities								
	Provisions	1,802	1,802	0	0.0%		1,885	1,802
	Interest Bearing Loans and Borrowings	0	0	0	0.0%		26,524	10,899
	Lease Liabilities	8,849	9,451	602	6.8%		8,222	8,467
Total Non Current Liabilities		10,651	11,253	602	5.7%		36,631	21,169
Total Liabilities		75,824	89,358	13,534	17.8%		106,693	86,907
Net Assets		3,031,146	3,109,896	78,750	2.6%		2,919,517	3,041,581
Equity								
	Accumulated Surplus	1,519,844	1,589,961	70,117	4.6%		1,532,103	1,523,332
	Asset Revaluation Reserve	1,458,828	1,458,828	0	0.0%		1,336,024	1,458,828
	Other Reserves	52,474	61,107	8,634	16.5%		51,390	59,421
Total Equity		3,031,146	3,109,896	78,750	2.6%		2,919,517	3,041,581

Variance Explanations for significant items:

Ref	Item	Explanation
1	Trade and other receivables	Trade and other receivables are higher than than opening balance at the start of the year. Of that \$135.8 million is related to rate debtors which are expected to keep decreasing during the year as rate instalments are paid.
2	Other assets (current)	Other assets of \$3.4 million are \$3.5 million unfavourable to budget. Other assets include accrued interest income and Access Care accrued income.
3	Trade and Other Payables	Trade and other payables are \$43.3 million and are higher than opening balance at the start of the year. 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.
4	Trust funds and deposits	Trust funds and deposits are lower than opening balance at the start of the year. 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.

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Capital Works

Asset	Annual Adopted with carryovers Budget \$'000	Actual YTD to 0 \$'000	% Complete	Remainig to spend	Ref	Annual Adopted Budget \$'000
Property						
Land	488	92	19%	396	1	300
Buildings	19,143	12,095	63%	7,047		53,379
Plant & Equipment						
Plant, machinery and equipment	706	70	10%	635	2	150
Fixtures, Fittings and Furniture	460	107	23%	353	3	0
Computers and telecommunications	281	264	94%	16		281
Library Books	1,181	745	63%	436		1,181
Cultural Assets	584	149	26%	435	4	200
Infrastructure						
Roads	8,426	901	11%	7,525	5	6,161
Footpaths and cycleways	1,313	1,156	88%	157		3,016
Bridges	0	0	0%	0		0
Drainage	4,750	4,551	96%	199		4,550
Recreational, leisure and community facilities	40,463	7,004	17%	33,460	6	7,652
Parks, open space and streetscapes	7,022	1,544	22%	5,479	7	8,330
Off street car parks	290	4	2%	286	8	540
Total capital works expenditure	85,106	28,682	34%	56,424		85,740
Projects Represented by:						
New asset expenditure	5,721	1,846	32%	3,876		10,450
Asset expansion expenditure	34,921	4,630	13%	30,291		32,455
Asset renewal expenditure	34,341	20,559	60%	13,782		24,852
Asset upgrade expenditure	10,123	1,648	16%	8,475		17,983
Total capital works expenditure	85,106	28,682	34%	56,424		85,740

* The Adopted budget doesn't include carry over from 2023/24. The Annual Adopted with carryovers includes the carry overs, additions and deferrals.

Variance Explanations - less than 50% complete

Ref	Item	Explanation
1	Land	Budget includes Landfill Remediation works on Spring Road, Heatherton Park and Elder Street. These works are in progress.
2	Plant, machinery and equipment	Budget includes works on Kingston City Hall Goods Lift Replacement Those works are in progress.
3	Fixtures, Fittings and Furniture	Budget includes works Kingston City Hall - Grand Hall House Lighting Upgrade & Banquet Chairs Replacement. These works are in progress.
4	Cultural Assets	Budget includes works on Implementation of Public Art and Cultural Assets and Patterson River Art Trail. These works are in progress.
5	Roads	The budget includes Local Roads renewal program. The works on these projects are in progress.
6	Recreational, leisure and community facilities	The budget includes Aquatic Centre Development, which is in progress.
7	Parks, open space and streetscapes	The budget includes Carrum Beach Elevated Boardwalk Extension, Heights Park Chelsea Heights and Southern Road Reserve Sportsground Renewal. These works are in progress.
8	Off street car parks	The budget includes carpark upgrade at Carrum Activity Hub, which is in progress.