

Kingston City Council
Quarterly Financial Statements
For the 3 Months ending 30th September 2024

Income Statement

		Year to Date				Full Year
		Budget	Actual	Variance		Budget
		\$'000	\$'000	Fav/(Unfav)	Ref	\$'000
				\$'000	%	
Revenue	Rates and Charges	172,481	172,560	80	0.0%	172,935
	Grants and Subsidies	18,101	17,558	(543)	(3.0%)	58,921
	Grants - Capital	3,301	3,332	32	1.0%	11,663
	Contributions	39	6	(34)	(85.6%)	8,700
	Statutory fees and fines	1,782	1,840	58	3.3%	9,570
	User Fees	5,825	6,397	573	9.8%	23,261
	Interest Income	1,023	1,016	(7)	(0.7%)	3,700
	Other Income	217	357	140	64.3%	1,248
Total Revenue		202,768	203,067	298	0.1%	289,998
Expenses	Employee Benefits	32,412	31,169	1,243	3.8%	128,059
	Materials and Services	31,139	32,148	(1,009)	(3.2%)	111,100
	Bad and Doubtful Debts	13	0	13	100.0%	50
	Depreciation & Amortisation	10,096	11,590	(1,494)	(14.8%)	40,385
	Interest/Borrowing Costs	306	118	188	61.5%	2,309
Total Expenses		73,966	75,025	(1,059)	(1.4%)	281,903
Net Gain/(Loss) on Disposal of Infrastructure, Property, Plant and Equipment		25	31	6	23.0%	100
Surplus		128,828	128,073	(755)	(0.6%)	8,195

Variance Explanations (for material variances > 10%)

Ref	Item	Explanation
1	Contributions	Open space contributions from developers are transferred monthly to a reserve and brought back to the Income Statement in June, whereupon the unfavourable variance will clear.
2	Other income	Other Income is \$0.4 million and is \$0.1 million favourable to budget, predominantly due to receipt of a State Revenue Office refund.
3	Bad and Doubtful Debts	There are no Bad and Doubtful Debts in the year to date.
4	Depreciation & Amortisation	Depreciation & Amortisation Costs YTD is \$11.6 million and are \$1.5 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.
5	Interest/Borrowing Costs	Interest / Borrowing Costs total expenditure is \$0.1 million and \$0.2 million favourable to budget.
6	Net gain on disposal of infrastructure, property, plant and equipment	Net Proceeds from Disposal of Assets is \$6k favourable 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	
	Budget \$'000	Actual \$'000	\$'000	%	Ref
Cash Flows from Operating Activities					
Rates and charges	173,822	41,511	132,311	23.9%	
Grants - Operating	58,921	13,298	45,623	22.6%	
Grants - Capital	11,663	4,297	7,366	36.8%	
Contributions	8,700	1,156	7,544	13.3%	1
Statutory fees and fines	9,331	1,840	7,491	19.7%	
User fees	22,680	7,044	15,636	31.1%	
Increase/(Repayment) of Trust Funds and Deposits	0	(67)	67	0.0%	2
Other Receipts	4,948	1,446	3,502	29.2%	3
Payments to Employees	(127,212)	(30,481)	(96,731)	24.0%	
Payments to Suppliers	(111,946)	(42,781)	(69,165)	38.2%	
Net Cash Provided by Operating Activities	50,907	(2,737)	53,644	(5.4%)	
Cash Flows from Investing Activities					
Payment for Infrastructure, Property, Plant & Equipment	(81,740)	(12,169)	(69,571)	14.9%	4
Proceeds from sale of Infrastructure, Property, Plant & Equipment	100	15	85	15.0%	
Net Cash Provided by Investing Activities	(81,640)	(12,154)	(69,486)	14.9%	
Cash Flows from Financing Activities					
Borrowing Costs	(1,809)	0	(1,809)	0.0%	
Increase/(Repayment) of interest bearing loans & borrowings	27,273	0	27,273	0.0%	
Interest paid - lease liability	(500)	(226)	(274)	45.2%	5
Repayment of lease liabilities	(382)	(177)	(205)	46.4%	6
Net Cash (used in) Financing Activities	24,582	(403)	24,985	(1.6%)	
Net Increase/(Decrease) in Cash and Cash Equivalents	(6,151)	(15,294)			
Cash, Cash Equivalents and Other Financial Assets at the Beginning of the Financial Year	127,075	108,221			
Cash, Cash Equivalents and Other Financial Assets at the End of Period	120,924	92,927	27,998		

Variance Explanations for significant items:

Ref	Item	Explanation
1	Contributions	Contributions received are \$1.2 million as at 30 September 2024. 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 decreased 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 and other income from State Revenue Office refund.
4	Payments for infrastructure, property, plant and equipment	Payments for infrastructure, property, plant and equipment are \$12.2 million and represent 14% 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		Ref	Full Year
		Actual \$'000	Actual \$'000	Fav/(Unfav) \$'000	%		Budget \$'000
Current Assets							
	Cash and cash equivalents	108,221	92,927	(15,294)	(14.1%)	1	120,924
	Trade and other receivables	21,066	182,714	161,648	767.3%		21,614
	Other Assets	6,928	6,940	12	0.2%		3,506
	Non-current assets classified as held for sale	0	0	0	0.0%		1,910
Total Current Assets		136,215	282,581	146,366	107.5%		147,954
Non Current Assets							
	Infrastructure, Property, Plant & Equipment	2,955,974	2,954,028	(1,946)	(0.1%)		2,867,096
	Right of use assets	8,997	8,717	(280)	(3.1%)		6,473
	Investment Property	4,704	4,704	0	0.0%		4,437
	Other Assets	250	250	0	0.0%		250
	Intangible Assets	831	787	(44)	(5.3%)		0
Total Non Current Assets		2,970,756	2,968,486	(2,270)	(0.1%)		2,878,256
Total Assets		3,106,971	3,251,067	144,096	4.6%		3,026,210
Current Liabilities							
	Trade and Other Payables	24,041	44,888	20,847	86.7%	2	26,943
	Trust Funds and Deposits	11,590	9,607	(1,983)	(17.1%)	3	11,413
	Unearned income	6,673	5,314	(1,359)	(20.4%)	4	7,338
	Provisions	21,921	22,258	337	1.5%		22,818
	Interest Bearing Loans and Borrowings	0	0	0	0.0%		749
	Lease Liabilities	948	919	(29)	(3.1%)		802
Total Current Liabilities		65,173	82,986	12,924	18.4%		70,062
Non Current Liabilities							
	Provisions	1,802	1,802	0	0.0%		1,885
	Interest Bearing Loans and Borrowings	0	0	0	0.0%		26,524
	Lease Liabilities	8,849	8,638	(211)	(2.4%)		8,222
Total Non Current Liabilities		10,651	10,440	(211)	(2.0%)		36,631
Total Liabilities		75,824	93,426	17,602	23.2%		106,693
Net Assets		3,031,147	3,157,641	126,494	4.2%		2,919,517
Equity							
	Accumulated Surplus	1,519,844	1,636,129	116,285	7.7%		1,532,103
	Asset Revaluation Reserve	1,458,828	1,458,828	0	0.0%		1,336,024
	Other Reserves	52,474	62,684	10,210	19.5%		51,390
Total Equity		3,031,146	3,157,641	126,495	4.2%		2,919,517

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 \$143.3 million is related to rate debtors which are expected to keep decreasing during the year as rate instalments are paid.
2	Trade and Other Payables	Trade and other payables are \$44.9 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.
3	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.
4	Unearned income	Unearned income is lower than opening balance at the start of the year. 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	Annual Adopted with carryovers Budget \$'000	Actual YTD to 0 \$'000	% Complete	Remaining to spend	Ref	Annual Adopted Budget \$'000
Property						
Land	488	58	12%	430	1	300
Buildings	17,659	6,768	38%	10,891		53,379
Plant & Equipment						
Plant, machinery and equipment	706	12	2%	693	2	150
Fixtures, Fittings and Furniture	810	25	3%	785	3	0
Computers and telecommunications	281	146	52%	135		281
Library Books	1,181	513	43%	668		1,181
Cultural Assets	584	71	12%	513	4	200
Infrastructure						
Roads	8,472	235	3%	8,237	5	6,161
Footpaths and cycleways	1,276	873	68%	403		3,016
Bridges	0	0	0%	0		0
Drainage	4,750	1,437	30%	3,313		4,550
Recreational, leisure and community facilities	40,463	1,149	3%	39,314	6	7,652
Parks, open space and streetscapes	8,147	877	11%	7,270	7	8,330
Off street car parks	290	4	2%	286	8	540
Total capital works expenditure	85,106	12,169	14%	72,937		85,740
Projects Represented by:						
New asset expenditure	5,775	1,067	18%	4,709		10,450
Asset expansion expenditure	36,395	850	2%	35,545		32,455
Asset renewal expenditure	32,800	9,402	29%	23,398		24,852
Asset upgrade expenditure	10,136	851	8%	9,285		17,983
Total capital works expenditure	85,106	12,169	14%	72,937		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 25% 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.