

	page
1. Responsible Accounting Officer's Statement	1
2. Income & Expenses Budget Review Statement's	2 & 2a
3. Capital Budget Review Statement	3 & 3a
4. Cash & Investments Budget Review Statement	4 & 4a
5. Key Performance Indicator (KPI) Budget Review Statement	5
6. Contracts & Other Expenses Budget Review Statement	6
7. Consultant & Legal Expenses	7

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement for the period 01/01/20 to 31/03/20

Report by Responsible Accounting Officer

The following statement is made in accordance with Clause 203(2) of the Local Government (General) Regulations 2005:

It is my opinion that the Quarterly Budget Review Statement for HORNSBY SHIRE COUNCIL for the quarter ended 31/03/20 indicates that Council's projected financial position at 30/6/20 will be Satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

Signed:



Duncan Chell
Responsible Accounting Officer

date: 24/02/2020

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement for the period 01/01/20 to 31/03/20

Budget review for the quarter ended 31 March 2020

Income & Expenses - All Principal Activities

(\$000's)	Original Budget 2019/20	Approved Changes				Revised Budget 2019/20	Bud Change Request for Mar Qtr	Notes	Projected Year End Result	Actual YTD figures
		Total QBRS Contra Changes	Sep QBRS	Dec QBRS	Mar QBRS					
Income										
Rates & Annual Charges	-96,044,321	0	0	0	0	0	0	-96,044,321	-96,417,060	
User Charges & Fees	-14,289,831	0	0	0	0	0	3,524,088	-10,765,743	-10,397,828	
Interest	-7,937,510	0	1,405,000	0	0	0	0	-6,532,510	-4,007,542	
Other Revenues	-6,460,400	-37,800	0	0	0	0	1,458,240	-5,039,960	-6,579,454	
Operating Grants	-10,560,886	2,750,959	0	0	0	0	-93,312	-7,903,239	-5,453,387	
Operating Contributions & Donations	-1,126,396	0	-400,000	0	0	0	0	-1,526,396	-722,629	
Total Income from Continuing Operations	-136,419,344	2,713,159	1,005,000	0	0	0	4,889,016	-127,812,169	-123,577,900	
Expenses										
Employee Expense	49,618,259	389,784	18,271	-100,000	0	0	-2,203,813	47,722,501	36,448,514	
Borrowing Expense	81,117	0	0	0	0	0	0	81,117	59,810	
Materials & Contracts	47,112,972	159,870	191,200	20,000	0	0	-872,789	46,611,253	33,615,557	
Depreciation-&-Amortisation	19,351,691	0	0	0	0	0	0	19,351,691	14,366,015	
Internal Expenses	-23,243	-2,462	0	0	0	0	0	-25,705	-49,402	
Legal Expenses	1,303,301	0	0	0	0	0	-250,000	1,053,301	780,075	
Consultants	2,727,818	8,000	10,000	0	0	0	0	2,745,818	2,054,857	
Other Expenses	12,842,665	6,212	-236,200	0	0	0	-366,180	12,246,497	9,280,634	
Total Expenses from Continuing Operations	133,014,580	561,404	-16,729	-80,000	0	0	-3,692,782	129,786,473	96,556,060	
Net Operating Result from Continuing Operations	-3,404,764	3,274,563	988,271	-80,000	0	0	1,196,234	1,974,304	-27,021,840	
Net Operating Result before Capital Items	-3,404,764	3,274,563	988,271	-80,000	0	0	1,196,234	1,974,304	-27,021,840	

Income & Expenses Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details
	\$

Please refer to the main body of the report for details.

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement

for the period 01/01/20 to 31/03/20

Budget review for the quarter ended 31 March 2020

Capital Budget - All Principal Activities

(\$000's)	Original Budget 2019/20	Approved Changes					Revised Budget 2019/20	Bud Change Request for Mar Qtr	Notes	Projected Year End Result	Actual YTD figures
		Total QBRS Contra Changes	Sep QBRS	Dec QBRS	Mar QBRS	Jun QBRS					
Capital Expenditure											
WIP Expenditure & Asset Purchases	42,135,149	1,092,123	924,698	-10,704,426	0	0	33,447,544	-2,970,376		30,477,168	19,216,681
Total Capital Expenditure	42,135,149	1,092,123	924,698	-10,704,426	0	0	33,447,544	-2,970,376		30,477,168	19,216,681
Capital Funding											
Capital Grants	-4,721,004	-1,574,238	0	4,000,000	0	0	-2,295,242	0		-2,295,242	-1,768,538
Capital Contributions & Donations	-10,012,000	12,000	0	0	0	0	-10,000,000	0		-10,000,000	-4,941,036
Asset Sales	-1,000,000	0	0	0	0	0	-1,000,000	270,000		-730,000	-543,193
	-15,733,004	-1,562,238	0	4,000,000	0	0	-13,295,242	270,000		-13,025,242	-7,252,767
Other Funding											
External Restricted Assets	-584,481	-2,403,059	-7,543,698	8,787,730	0	0	-1,743,508	0		-1,743,508	11,717,164
Internal Restricted Assets	-8,958,192	-401,389	5,971,704	-2,003,304	0	0	-5,391,181	3,978,609		-1,412,572	-5,155,095
External Loan Principal Repayments	618,780	0	0	0	0	0	618,780	0		618,780	461,616
Employee Leave Payments	956,069	0	0	0	0	0	956,069	0		956,069	1,049,043
Writeback Depreciation	-19,351,691	0	0	0	0	0	-19,351,691	0		-19,351,691	-14,366,014
Total Funding	-43,052,519	-4,366,686	-1,571,994	10,784,426	0	0	-38,206,773	4,248,609		-33,958,164	-13,546,053
Net Capital Funding	-917,370	-3,274,563	-647,296	80,000	0	0	-4,759,229	1,278,233		-3,480,996	5,670,628
Net Operating Result before Capital Items	-3,404,764	3,274,563	988,271	-80,000	0	0	778,070	1,196,234		1,974,304	-27,021,840
Net Operating & Capital Result after Funding	-4,322,134	0	340,975	0	0	0	-3,981,159	2,474,467		-1,506,692	-21,351,212

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement
for the period 01/01/20 to 31/03/20

Capital Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details
	\$

Please refer to the main body of the report for details.

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement for the period 01/01/20 to 31/03/20

Budget review for the quarter ended 31 March 2020

Cash & Investments - All Principal Activities

(\$000's)	Original Budget 2019/20	Revised Budget Projected Year End 2019/20	Actual YTD figures
Total Cash & Investments	281,044,000	281,044,000	290,173,000
Externally Restricted ⁽¹⁾	187,176,082	187,176,082	192,567,742
Internally Restricted ⁽²⁾	84,937,160	84,937,160	79,904,723
Total Restrictions	272,113,242	272,113,242	272,472,465
Unrestricted (ie. available after the above Restrictions)	8,930,758	8,930,758	17,700,535
Total Cash & Investments	281,044,000	281,044,000	290,173,000

(1) Funds that must be spent for a specific purpose

(2) Funds that Council has earmarked for a specific purpose

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement for the period 01/01/20 to 31/03/20

Cash & Investments Budget Review Statement

Investments

Investments have been invested in accordance with Council's Investment Policy.

Cash

The value of Cash at Bank which has been included in the Cash & Investment Statement totals -\$437,197

This Cash at Bank amount has been reconciled to Council's physical Bank Statements.
The date of completion of this bank reconciliation is 31/03/20

Reconciliation Status

The YTD Cash & Investment figure reconciles to the actual balances held as follows:

	\$ 000's
GL Investments - Trial Balance	290,604
GL Cash at Bank - Trial Balance	-437
GL Cash on Hand - Trial Balance	6
	<u>290,173</u>
Reconciled Cash at Bank & Investments	
Investments	290,604
Investment Total	<u>290,604</u>
Cash at Bank (as per bank statements)	1,305
less: Ledger transactions not yet in the bank (Timing Difference)	892
add: Bank transactions to be posted to the ledger (Timing Difference)	-2,634
Cash at Bank Total	<u>-437</u>
Cash on Hand Total	<u>6</u>

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement for the period 01/01/20 to 31/03/20

Key Performance Indicators Budget Review Statement (subject to external audit)

Budget review for the quarter ended 31 March 2020

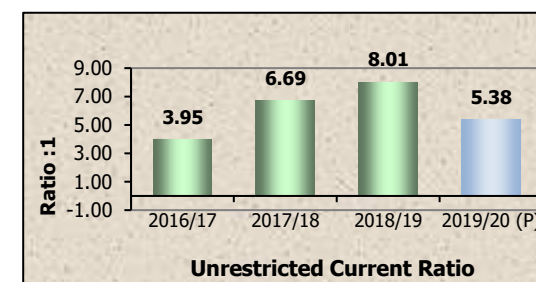
(\$000's)	Projected	Projected	Actuals	
	June \$'000 19/20	June Indicator 19/20	18/19	17/18

The Council monitors the following Key Performance Indicators:

Unrestricted Current Ratio

Current Assets less External Restrictions	84,092	5.38	8.01	6.69
Current Liabilities less Specific Purpose Liabilities	15,634			

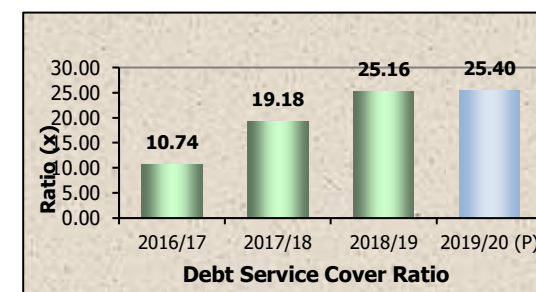
This indicator assesses the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.



Debt Service Cover Ratio

Operating Result before capital excl. interest and depreciation/impairment/amortisation	24,107	25.40	25.16	19.18
Principal repayments and borrowing interest costs	949			

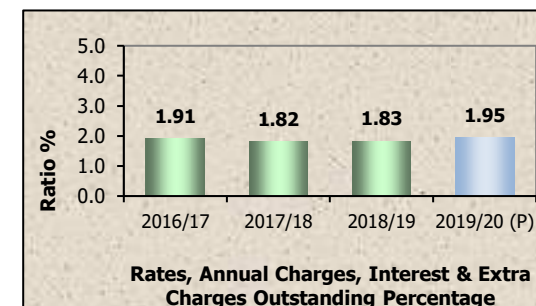
This ratio measures the availability of operating cash to service debt including interest, principal and lease payments.



Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage

Rates, Annual and Extra Charges Outstanding	1,845	1.95	1.83	1.82
Rates, Annual and Extra Charges Collectible	94,573			

This indicator is to assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.



HORNSBY SHIRE COUNCIL

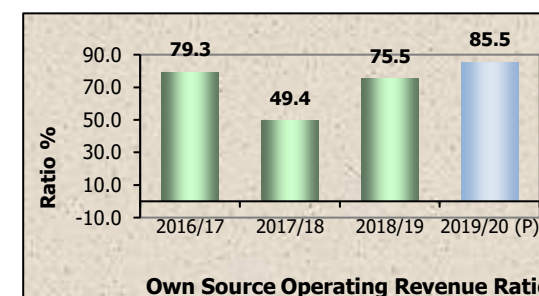
Quarterly Budget Review Statement for the period 01/01/20 to 31/03/20

Key Performance Indicators Budget Review Statement (subject to external audit)

Budget review for the quarter ended 31 March 2020

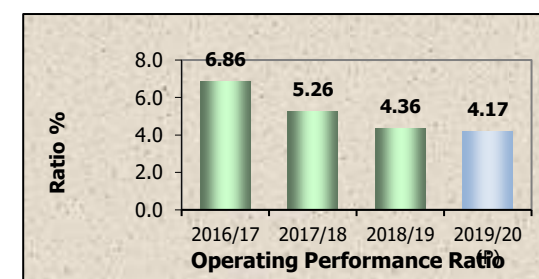
(\$000's)	Projected June \$'000 19/20	Projected June Indicator 19/20	Actuals Prior Periods Indicator	
			18/19	17/18
Own Source Operating Revenue Ratio				
Total continuing operating revenue (less All Grants & Contributions)	120,633	85.46	75.50	49.39
Total continuing operating revenue	141,156			

This ratio measures Council's fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants & contributions.



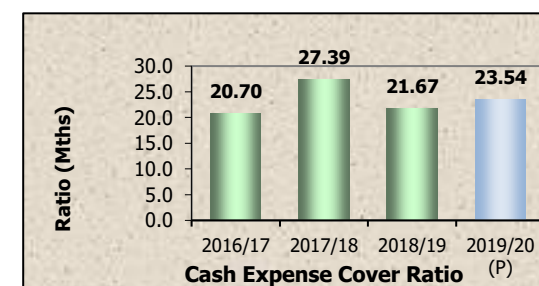
Operating Performance Ratio				
Total continuing operating revenue (excl. Capital Grants & Contributions) - Operating Expenses	5,528	4.17	4.36	5.26
Total continuing operating revenue (excl. Capital Grants & Contributions)	132,540			

This ratio measures Council's achievement of containing operating expenditure within operating revenue.



Cash Expense Cover Ratio				
Current Years Cash and Cash Equivalents including All Term Deposits	239,718	23.54	21.67	27.39
Payments from Cash flow of operating and financing activities	10,183			

This liquidity ratio indicates the number of months Council can continue paying for its immediate expenses without additional cash inflow



HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement

for the period 01/01/20 to 31/03/20

Contracts Budget Review Statement

Budget review for the quarter ended 31 March 2020

Part A - Contracts Listing - contracts entered into during the quarter

Contractor	Contract detail & purpose	Contract Value (\$)	Start Date	Duration of Contract	Budgeted (Y/N)	Notes
Asplundh Tree Experts (Australia) trading as Summit Open Space Services	Tree Planting and Establishment	Schedule of rates	13/03/20	01/09/2020	Y	

Notes:

- 1. Minimum reporting level is 1% of estimated income from continuing operations of Council or \$50,000 - whatever is the lesser.
- 2. Contracts listed are those entered into during the quarter being reported and exclude contractors on Council's Preferred Supplier list.
- 3. Contracts for employment are not required to be included.

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement for the period 01/01/20 to 31/03/20

Consultancy & Legal Expenses Budget Review Statement

Budget review for the quarter ended 31 March 2020

Consultancy & Legal Expenses Overview

Expense	YTD Expenditure (Actual Dollars)	Budgeted (Y/N)
Consultancies	2,054,857	Y
Legal Fees	780,075	Y

Definition of a consultant:

A consultant is a person or organisation engaged under contract on a temporary basis to provide recommendations or high level specialist or professional advice to assist decision making by management. Generally it is the advisory nature of the work that differentiates a consultant from other contractors.

Comments

Consultancy and legal expenses are in line with budgeted amounts at the quarter end.