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HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement for the period 01/04/21 to 30/06/21

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 30/06/21 indicates that Council's financial position at 30/6/21 is 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: 20/08/2021

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement for the period 01/04/21 to 30/06/21

Budget review for the quarter ended 30 June 2021

Income & Expenses - All Principal Activities

(\$000's)	Original Budget 2020/21	Approved Changes					Revised Budget 2020/21	Bud Change Request for Jun Qtr	Notes	Projected Year End Result	Actual YTD figures
		Total QBRS Contra Changes	Sep QBRS	Dec QBRS	Mar QBRS	Jun QBRS					
Income											
Rates & Annual Charges	-99,079,422	65,357	-300,000	0	0	0	-99,314,065	0		-99,314,065	-99,896,013
User Charges & Fees	-9,288,024	58,657	0	0	0	0	-9,229,367	0		-9,229,367	-13,920,137
Interest	-5,375,587	0	0	0	0	0	-5,375,587	0		-5,375,587	-5,428,503
Other Revenues	-3,119,432	-45,757	-32,500	0	0	0	-3,197,689	0		-3,197,689	-8,223,644
Operating Grants	-9,877,236	871,538	2,420,629	0	-49,700	0	-6,634,769	0		-6,634,769	-13,790,339
Operating Contributions & Donations	-962,396	3,600	0	0	0	0	-958,796	0		-958,796	-1,805,933
Total Income from Continuing Operations	-127,702,097	953,395	2,088,129	0	-49,700	0	-124,710,273	0		-124,710,273	-143,064,569
Expenses											
Employee Expense	50,578,228	-110	39,264	0	880	0	50,618,262	0		50,618,262	49,859,630
Borrowing Expense	44,462	0	0	0	0	0	44,462	0		44,462	74,458
Materials & Contracts	43,848,446	276,130	421,646	0	-38,050	0	44,508,172	0		44,508,172	44,800,346
Depreciation-&-Amortisation	20,133,482	0	0	0	0	0	20,133,482	0		20,133,482	19,866,608
Internal Expenses	-25,712	-65,357	4,500	0	0	0	-86,569	0		-86,569	-143,152
Legal Expenses	1,333,301	0	0	0	0	0	1,333,301	0		1,333,301	738,853
Consultants	2,426,818	-51,535	74,035	0	0	0	2,449,318	0		2,449,318	4,433,914
Other Expenses	13,096,540	25,980	-26,872	0	124,370	0	13,220,018	0		13,220,018	12,362,701
Total Expenses from Continuing Operations	131,435,565	185,108	512,573	0	87,200	0	132,220,446	0		132,220,446	131,993,358
Net Operating Result from Continuing Operations	3,733,468	1,138,503	2,600,702	0	37,500	0	7,510,173	0		7,510,173	-11,071,211
Net Operating Result before Capital Items	3,733,468	1,138,503	2,600,702	0	37,500	0	7,510,173	0		7,510,173	-11,071,211

Income & Expenses Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details
	\$

There are no budget changes for the June quarter

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement

for the period 01/04/21 to 30/06/21

Budget review for the quarter ended 30 June 2021

Capital Budget - All Principal Activities

(\$000's)	Original Budget 2020/21	Approved Changes					Revised Budget 2020/21	Bud Change Request for Jun 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	44,933,415	4,111,000	13,498,100	0	-315,000	0	62,227,515	0		62,227,515	40,513,199
Total Capital Expenditure	44,933,415	4,111,000	13,498,100	0	-315,000	0	62,227,515	0		62,227,515	40,513,199
Capital Funding											
Capital Grants	-131,000	-4,451,538	0	0	0	0	-4,582,538	0		-4,582,538	-6,980,871
Capital Contributions & Donations	-3,540,000	0	0	0	0	0	-3,540,000	0		-3,540,000	-4,500,816
Asset Sales	-1,000,000	-220,000	0	0	0	0	-1,220,000	0		-1,220,000	-1,067,507
	-4,671,000	-4,671,538	0	0	0	0	-9,342,538	0		-9,342,538	-12,549,194
Other Funding											
External Restricted Assets	-21,773,397	-603,378	-10,974,441	0	390,000	0	-32,961,215	0		-32,961,215	1,633,044
Internal Restricted Assets	-5,048,728	25,411	-4,614,102	0	0	0	-9,637,418	0		-9,637,418	-4,159,740
External Loan Principal Repayments	365,820	0	0	0	0	0	365,820	0		365,820	364,999
Employee Leave Payments	956,069	0	0	0	0	0	956,069	0		956,069	1,060,017
Writeback Depreciation	-20,133,482	0	0	0	0	0	-20,133,482	0		-20,133,482	-19,638,390
Total Funding	-50,304,718	-5,249,505	-15,588,543	0	390,000	0	-70,752,764	0		-70,752,764	-33,289,264
Net Capital Funding	-5,371,303	-1,138,505	-2,090,443	0	75,000	0	-8,525,249	0		-8,525,249	7,223,935
Net Operating Result before Capital Items	3,733,468	1,138,503	2,600,702	0	37,500	0	7,510,173	0		7,510,173	-11,071,211
Net Operating & Capital Result after Funding	-1,637,835	-1	510,259	0	112,500	0	-1,015,076	0		-1,015,076	-3,847,276

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement
for the period 01/04/21 to 30/06/21

Capital Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	\$	Details
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There are no budget changes for the June quarter

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement

for the period 01/04/21 to 30/06/21

Budget review for the quarter ended 30 June 2021

Cash & Investments - All Principal Activities

(\$000's)	Original Budget 2020/21	Revised Budget Projected Year End 2020/21	Actual YTD figures
Total Cash & Investments	292,707,000	292,707,000	296,599,000
Externally Restricted ⁽¹⁾	193,247,164	193,247,164	195,539,000
Internally Restricted ⁽²⁾	80,342,503	80,342,503	82,223,000
Total Restrictions	273,589,667	273,589,667	277,762,000
Unrestricted (ie. available after the above Restrictions)	19,117,333	19,117,333	18,837,000
Total Cash & Investments	292,707,000	292,707,000	296,599,000

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

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

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 \$2,427,465

This Cash at Bank amount has been reconciled to Council's physical Bank Statements.
The date of completion of this bank reconciliation is 30/06/21

Reconciliation Status

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

	\$ 000's
GL Investments - Trial Balance	289,058
GL Cash at Bank - Trial Balance	7,541
GL Cash on Hand - Trial Balance	2
	296,599
 <i>Reconciled Cash at Bank & Investments</i>	
Investments	289,058
Investment Total	289,058
Cash at Bank (as per bank statements)	7,929
less: Ledger transactions not yet in the bank (Timing Difference)	73
add: Bank transactions to be posted to the ledger (Timing Difference)	-461
Cash at Bank Total	7,541
Cash on Hand Total	2

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement for the period 01/04/21 to 30/06/21

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

Budget review for the quarter ended 30 June 2021

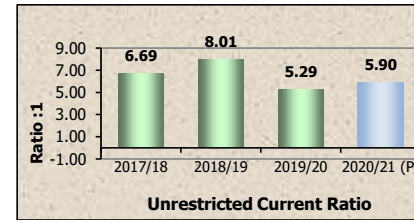
(\$000's)	Draft June \$'000 20/21	Draft June Indicator 20/21	Actuals Prior Periods Indicator 19/20 18/19
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The Council monitors the following Key Performance Indicators:

Unrestricted Current Ratio

Current Assets less External Restrictions	108,946	5.90	5.29	8.01
Current Liabilities less Specific Purpose Liabilities	18,475			

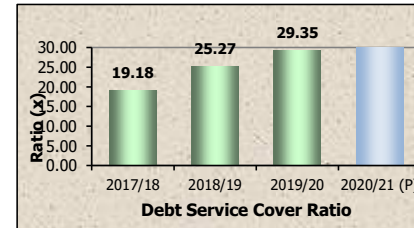
This indicator assesses the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.



Debt Service Cover Ratio

Operating Result before capital excl. interest and depreciation/impairment/amortisation	25,185	38.16	29.35	25.27
Principal repayments and borrowing interest costs	660			

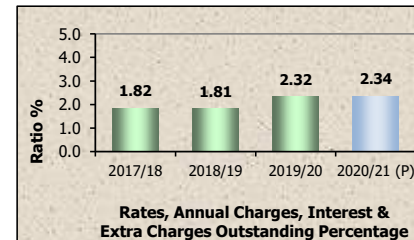
This ratio measures the availability of operating cash to service debt including interest, principal and lease payments.



Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage

Rates, Annual and Extra Charges Outstanding	2,414	2.34	2.32	1.81
Rates, Annual and Extra Charges Collectible	103,170			

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 01/04/21 to 30/06/21

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

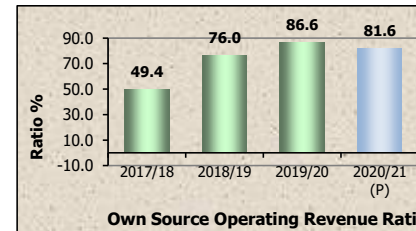
Budget review for the quarter ended 30 June 2021

(\$000's)	Draft June \$'000 20/21	Draft June Indicator 20/21	Actuals Prior Periods Indicator 19/20 18/19	
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Own Source Operating Revenue Ratio

Total continuing operating revenue (less All Grants & Contributions)	126,443	81.60	86.59	76.00
Total continuing operating revenue	154,957			

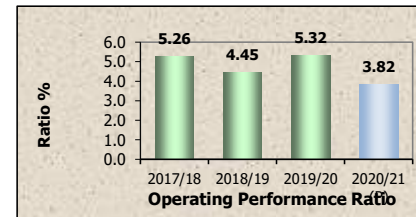
This ratio measures Council's fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants & contributions.



Operating Performance Ratio

Total continuing operating revenue (excl. Capital Grants & Contributions) - Operating Expenses	5,245	3.82	5.32	4.45
Total continuing operating revenue (excl. Capital Grants & Contributions)	137,305			

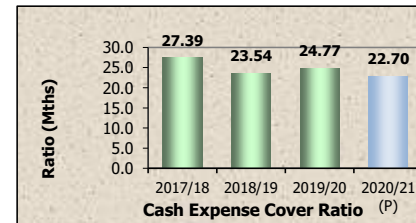
This ratio measures Council's achievement of containing operating expenditure within operating revenue.



Cash Expense Cover Ratio

Current Years Cash and Cash Equivalents including All Term Deposits	227,056	22.70	24.77	23.54
Payments from Cash flow of operating and financing activities	10,002			

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 01/04/21 to 30/06/21

Contracts Budget Review Statement

Budget review for the quarter ended 30 June 2021

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
Landscape Solutions Pty Ltd 16 Distribution Place, Seven Hills, NSW 2147	Renewal of the existing irrigation and drainage at Mark Taylor Oval, including associated civil works	2,000,000	07/06/21	28 Weeks	Y	
SJB Planners 490 Crown St, Surry Hills, NSW 2010	Planning application preparation	451,776	25/05/21	7 months	Y	
Ditchfield Contracting Proprietary Limited 8 Dee Crescent, Tuncurry, NSW 2428	Hornsby Quarry Rehabilitation Works Including Bulk Earthworks	27,000,000	20/05/21	18 months up to 24 months	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 01/04/21 to 30/06/21

Consultancy & Legal Expenses Budget Review Statement

Budget review for the quarter ended 30 June 2021

Consultancy & Legal Expenses Overview

Expense	YTD Expenditure (Actual Dollars)	Budgeted (Y/N)
Consultancies	4,433,914	Y
Legal Fees	738,853	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.