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HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement for the period 01/10/21 to 31/12/21

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 31/12/21 indicates that Council's financial position at 30/6/22 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: 02-02-22

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement

for the period 01/10/21 to 31/12/21

Budget review for the quarter ended 31 December 2021

Income & Expenses - All Principal Activities

(\$000's)	Original Budget 2021/22	Approved Changes				Revised Budget 2021/22	Bud Change Request for Dec Qtr	Notes	Projected Year End Result	Actual YTD figures
		Total QBRs Contra Changes	Sep QBRs	Dec QBRs	Mar QBRs					
Income										
Rates & Annual Charges	-101,523,124	0	17,617	0	0	0	-101,505,507	0	-101,505,507	-102,171,619
User Charges & Fees	-14,304,331	0	-17,143	0	0	0	-14,321,474	0	-14,321,474	-5,672,358
Interest	-3,992,059	0	0	0	0	0	-3,992,059	0	-3,992,059	-1,997,073
Other Revenues	-6,562,574	0	68,700	0	0	0	-6,493,874	0	-6,493,874	-2,643,634
Operating Grants	-9,612,314	0	1,802,880	0	0	0	-7,809,434	-10,000	-7,819,434	-5,838,658
Operating Contributions & Donations	-958,796	0	-210,000	0	0	0	-1,168,796	0	-1,168,796	-1,480,211
Total Income from Continuing Operations	-136,953,198	0	1,662,054	0	0	0	-135,291,144	-10,000	-135,301,144	-119,803,553
Expenses										
Employee Expense	51,405,167	0	218,799	0	0	0	51,623,966	-719,262	50,904,704	23,459,919
Borrowing Expense	24,070	0	0	0	0	0	24,070	0	24,070	13,339
Materials & Contracts	46,444,545	-710,783	1,792,651	0	0	0	47,526,413	1,137,820	48,664,233	17,429,505
Depreciation-&-Amortisation	20,442,227	0	0	0	0	0	20,442,227	0	20,442,227	9,882,248
Internal Expenses	-71,569	-34,869	125,370	0	0	0	18,932	0	18,932	-108,081
Legal Expenses	1,433,301	0	50,000	0	0	0	1,483,301	0	1,483,301	284,408
Consultants	3,298,818	743,152	0	0	0	0	4,041,970	0	4,041,970	3,082,308
Other Expenses	14,039,793	2,500	310,100	0	0	0	14,352,393	0	14,352,393	6,618,373
Total Expenses from Continuing Operations	137,016,352	0	2,496,920	0	0	0	139,513,273	418,558	139,931,830	60,662,019
Net Operating Result from Continuing Operations	63,154	0	4,158,974	0	0	0	4,222,129	408,558	4,630,687	-59,141,534
Net Operating Result before Capital Items	63,154	0	4,158,974	0	0	0	4,222,129	408,558	4,630,687	-59,141,534

Income & Expenses Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details
\$	

The net impact of budget changes is \$nil for the quarter. Please refer to the body of Report CS70/21 for details.

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement

for the period 01/10/21 to 31/12/21

Budget review for the quarter ended 31 December 2021

Capital Budget - All Principal Activities

(\$000's)	Original Budget 2021/22	Approved Changes					Revised Budget 2021/22	Bud Change Request for Dec 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	56,362,171	0	7,050,822	0	0	0	63,412,993	980,351		64,393,344	20,981,932
Total Capital Expenditure	56,362,171	0	7,050,822	0	0	0	63,412,993	980,351		64,393,344	20,981,932
Capital Funding											
Capital Grants	-300,000	0	-2,607,451	0	0	0	-2,907,451	-2,170,000		-5,077,451	-12,694,707
Capital Contributions & Donations	-4,982,264	0	0	0	0	0	-4,982,264	0		-4,982,264	-3,624,166
Asset Sales	-1,000,000	0	0	0	0	0	-1,000,000	0		-1,000,000	-514,745
	-6,282,264	0	-2,607,451	0	0	0	-8,889,715	-2,170,000		-11,059,715	-16,833,619
Other Funding											
External Restricted Assets	-29,544,713	0	-6,665,799	0	0	0	-36,210,512	1,381,091		-34,829,421	24,102,919
Internal Restricted Assets	-2,751,218	0	-1,243,282	0	0	0	-3,994,501	-600,000		-4,594,501	1,349,752
External Loan Principal Repayments	241,970	0	0	0	0	0	241,970	0		241,970	118,347
Employee Leave Payments	956,069	0	0	0	0	0	956,069	0		956,069	529,328
Writeback Depreciation	-20,442,227	0	0	0	0	0	-20,442,227	0		-20,442,227	-9,882,248
Total Funding	-57,822,384	0	-10,516,533	0	0	0	-68,338,917	-1,388,909		-69,727,826	-615,521
Net Capital Funding	-1,460,213	0	-3,465,711	0	0	0	-4,925,924	-408,558		-5,334,482	20,366,411
Net Operating Result before Capital Items	63,154	0	4,158,974	0	0	0	4,222,129	408,558		4,630,687	-59,141,534
Net Operating & Capital Result after Funding	-1,397,058	0	693,264	0	0	0	-703,795	0		-703,795	-38,775,124

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement
for the period 01/10/21 to 31/12/21

Capital Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details
\$	

The net impact of budget changes is \$nil for the quarter. Please refer to the body of Report CS70/21 for details.

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement for the period 01/10/21 to 31/12/21

Budget review for the quarter ended 31 December 2021
Cash & Investments - All Principal Activities

(\$000's)	Original Budget 2021/22	Revised Budget Projected Year End 2021/22	Actual YTD figures
Total Cash & Investments	296,599,000	296,599,000	308,945,411
Externally Restricted ⁽¹⁾	195,539,000	195,539,000	204,635,090
Internally Restricted ⁽²⁾	82,223,000	82,223,000	83,655,719
Total Restrictions	277,762,000	277,762,000	288,290,809
Unrestricted (ie. available after the above Restrictions)	18,837,000	18,837,000	20,654,602
Total Cash & Investments	296,599,000	296,599,000	308,945,411

(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 \$2,480,243

This Cash at Bank amount has been reconciled to Council's physical Bank Statements.
The date of completion of this bank reconciliation is 31/12/21

Reconciliation Status

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

	\$ 000's
GL Investments - Trial Balance	306,630
GL Cash at Bank - Trial Balance	2,315
GL Cash on Hand - Trial Balance	<u>2</u>
	<u>308,945</u>
 <i>Reconciled Cash at Bank & Investments</i>	
Investments	<u>306,630</u>
Investment Total	<u>306,630</u>
Cash at Bank (as per bank statements)	2,480
less: Ledger transactions not yet in the bank (Timing Difference)	-86
add: Bank transactions to be posted to the ledger (Timing Difference)	-79
Cash at Bank Total	<u>2,315</u>
Cash on Hand Total	<u>2</u>

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement for the period 01/10/21 to 31/12/21

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

Budget review for the quarter ended 31 December 2021

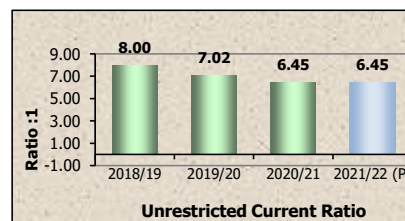
(\$000's)	Draft June \$'000 21/22	Draft June Indicator 21/22	Actuals Prior Periods Indicator 20/21 19/20
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The Council monitors the following Key Performance Indicators:

Unrestricted Current Ratio

Current Assets less External Restrictions	109,969	6.45	6.45	7.02
Current Liabilities less Specific Purpose Liabilities	17,054			

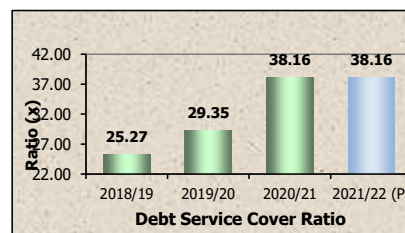
This indicator assesses the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.



Debt Service Cover Ratio

Operating Result before capital excl. interest and depreciation/impairment/amortisation	25,186	38.16	38.16	29.35
Principal repayments and borrowing interest costs	660			

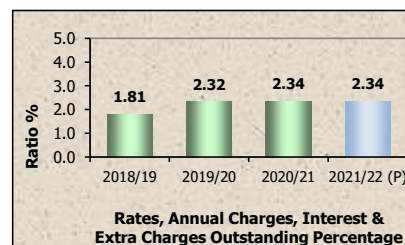
This ratio measures the availability of operating cash to service debt including interest, principal and lease payments.



Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage

Rates, Annual and Extra Charges Outstanding	2,414	2.34	2.34	2.32
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 01/10/21 to 31/12/21

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

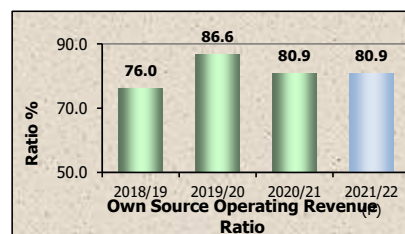
Budget review for the quarter ended 31 December 2021

(\$000's)	Draft June \$'000 21/22	Draft June Indicator 21/22	Actuals Prior Periods Indicator 20/21 19/20
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Own Source Operating Revenue Ratio

Total continuing operating revenue (less All Grants & Contributions)	126,443	80.89	80.89 86.59
Total continuing operating revenue	156,307		

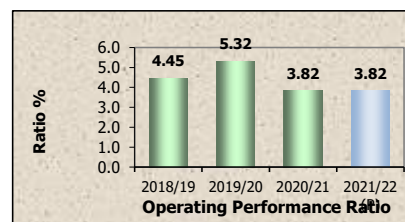
This ratio measures Council's fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants & contributions.



Operating Performance Ratio

Total continuing operating revenue (excl. Capital Grants & Contributions) - Operating Expenses	5,246	3.82	3.82 5.32
Total continuing operating revenue (excl. Capital Grants & Contributions)	137,305		

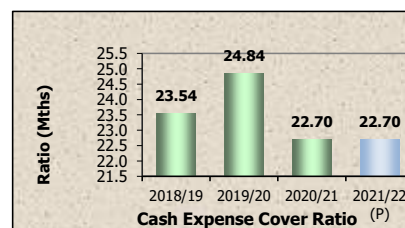
This ratio measures Council's achievement of containing operating expenditure within operating revenue.



Cash Expense Cover Ratio

Current Years Cash and Cash Equivalents including All Term Deposits	227,056	22.70	22.70 24.84
Payments from Cash flow of operating and financing activities	10,001		

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 01/10/21 to 31/12/21

Contracts Budget Review Statement

Budget review for the quarter ended 31 December 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
(1). Pave-Rite Excavations, PO Box 3322, Asquith, NSW 2077. (2). Aston and Bourke Pty Ltd., PO Box353, Berowra, NSW 2081. (3). Convil Group Pty Ltd., Unit 33/ 50-60, Cosgrove Rd. Strathfield South, NSW 2136. (4). All Civil Works Group Pty Ltd. PO Box 469, Mortdale NSW 2223. (5). NSW Kerbing Pty Ltd. PO Box 818, Rockdale NSW 2216. (6). Rockpave Civil Pty Ltd., PO Box A182, Enfield South, NSW 2216. (7) Kelbon Project Services Pty Ltd. PO Box 211 Terry Hills, NSW 2084, (8) Mack Civil Pty Ltd. 209 Chuter Avenue, Sans Souci NSW 2219	C16/2021: Construction and Maintenance of Vehicular crossings and footpaths on Schedule of Rates basis.	Estimated value of \$1,000,000 for a period of 12 months.	06-12-21	12 months with provision to extend by further 12 months.	Y	All eight contractors will carry out work by employing their own resources and sub-contractors.

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 01/10/21 to 31/12/21

Consultancy & Legal Expenses Budget Review Statement

Budget review for the quarter ended 31 December 2021

Consultancy & Legal Expenses Overview

Expense	YTD Expenditure (Actual Dollars)	Budgeted (Y/N)
Consultancies	3,082,308	Y
Legal Fees	284,408	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.