



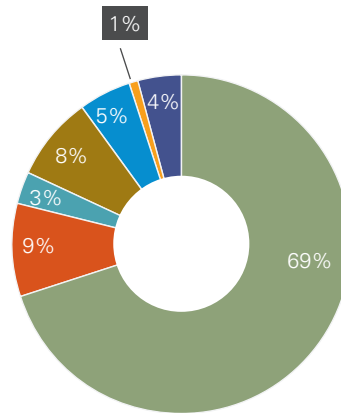
Budget overview

Council's budget for 2022/23 has been prepared after taking into account community demands for services, obligations to present and future generations, statutory income constraints and expenditure commitments.

With Hornsby Shire's high expectation of the many different services to be provided, Council's income is not able to realise all services and expectations. The budget therefore represents Council's best efforts to meet community priorities after recognising these constraints.

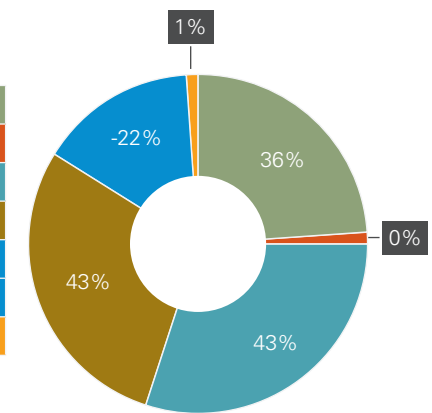
2022/23 Budget Summary

Source of funds	%	2022/23 \$
Rates and charges ¹	69	109,401,105
Fees and charges ²	9	14,231,474
Interest ³	3	4,941,246
Grants and Contributions – operating purposes ⁴	8	12,770,694
Grants and Contributions – capital purposes ⁵	5	8,350,000
Asset sales ⁶	1	1,000,000
Other ⁷	4	6,884,074
Total Income⁸	100	157,578,594



- Rates and Charges** includes all ordinary rates, the Catchments Remediation Rate and garbage charges
- Fees and Charges** includes fees from Development Applications and revenue earned from aquatic centres, commercial waste services, park and oval hire and property rentals
- Interest** – Investment income received from Council's investment portfolio, overdue rates and annual charges interest
- Grants and Contributions – operating purposes** includes development contributions, the Federal Government's Financial Assistance Grant and numerous smaller amounts from governments for services including bushfire mitigation, various community services, libraries, roads, various environmental grants and pensioner rate subsidy
- Grants and Contributions – capital purposes** includes new facilities and upgrades to footpaths, local roads, leisure and foreshore facilities, parks, playgrounds, sportsgrounds, stormwater drainage and Council buildings
- Asset Sales** – proceeds from the sale of property, plant or equipment
- Other** includes many revenue sources such as fines, recycling income, private vehicle use fees and income from road closures
- Based on Council's final budget for 2022/23 as at June 2022

Use of funds	%	2022/23 \$
Employee costs ¹	3624	54,972,788
Borrowing repayments ²	0 +	281,920
Materials and contracts ³	4330	66,681,605
Capital expenditure ⁴	4329	65,965,434
Restricted assets ⁵	15	(34,433,503)
	-22	(34,764,977)
Other ⁶	1	1,533,823
Total Expenses⁷	100	155,002,067 154,670,593



Net Budget Surplus ⁷	2022/23 \$
	2,576,526 2,908,000

- Employee Costs** includes salaries and wages, leave entitlements, travel expenses, superannuation, workers compensation insurance, fringe benefits tax and training
- Borrowing Repayments** includes principal and interest repayments required from external loan borrowing
- Materials and Contracts** includes all costs, other than employee costs, associated with the maintenance of parks, roads, buildings, aquatic centres, drainage and the cost of waste services. Also included are environmental protection and plant operating expenditure
- Capital Expenditure** includes new facilities and upgrades to footpaths, local roads, leisure and foreshore facilities, parks, playgrounds, sportsgrounds, stormwater drainage, Council buildings and fleet
- Restricted Assets** is the transfer of funds to reserve accounts to be used in future years
- Other** reflects Council's diverse operations and includes such items as statutory levies, street lighting, office equipment, legals, insurance, advertising and utility costs
- Based on Council's final budget for 2022/23 as at June 2022



Summary budget 2022/23

	Total Year 2022/23 Original Budget	Total Year 2021/22 Total Revised Budget	Total Year 2021/22 Original Budget	Jun YTD 2021/22 Actual
	\$	\$	\$	\$
OPERATING INCOME				
Rates and annual charges	(109,401,105)	(102,135,834)	(102,153,451)	(102,933,507)
User charges and fees	(14,231,474)	(14,285,451)	(14,254,331)	(11,244,321)
Interest & investment revenue	(4,941,246)	(3,992,059)	(3,992,059)	(1,163,878)
Other revenue	(4,020,017)	(3,779,817)	(3,848,517)	(3,012,139)
Grants and contributions (operating)	(12,770,694)	(12,263,671)	(9,940,783)	(16,744,970)
Other income (including lease income)	(2,864,057)	(2,750,080)	(2,764,057)	(3,583,912)
Total operating income	(148,228,594)	(139,206,912)	(136,953,198)	(138,682,726)
OPERATING EXPENSES (CONTROLLABLE)				
Employee benefits and on-costs	54,016,719	49,135,473	50,817,497	45,114,373
Materials and services	67,162,681	65,438,657	62,584,717	54,521,491
Borrowing costs	25,388	24,070	24,070	17,622
Other expenses	3,874,130	3,704,723	3,699,723	2,590,577
Internal expenses	(481,075)	(461,381)	(551,882)	(325,500)
Total operating expenses (controllable)	124,597,842	117,841,542	116,574,125	101,918,563
Net operating result before depreciation	(23,630,752)	(21,365,370)	(20,379,072)	(36,764,163)
CAPITAL INCOME				
Grants and contributions (capital)	(8,350,000)	(11,383,130)	(5,282,264)	(23,071,166)
Proceeds from the sale of assets	(1,000,000)	(1,000,000)	(1,000,000)	(1,016,879)
Total capital income	(9,350,000)	(12,383,130)	(6,282,264)	(24,088,045)
CAPITAL EXPENSES				
WIP Expenditure	63,401,934	67,269,625	53,798,671	33,427,748
Asset Purchases	2,563,500	2,563,500	2,563,500	3,117,993
Total capital expenses	65,965,434	69,833,125	56,362,171	36,545,740
Net capital result	56,615,434	57,449,995	50,079,907	12,457,695
Net operating & capital result before depreciation	32,984,682	36,084,624	29,700,835	(24,306,468)
FUNDING ADJUSTMENTS				
External restricted assets	(36,803,997) 37,135,471	(31,473,653)	(29,544,713)	11,955,322
Internal restricted assets	2,370,494	(5,812,805)	(2,751,219)	1,175,369
External loan principal repayments/(proceeds)	256,532	241,970	241,970	180,145
Employee leave payments (from provisions)	956,069	956,069	956,069	1,305,422
Non cash accounting adjustments contra	(2,340,307)	0	0	72,535
Total funding adjustments	(35,561,208) (35,892,682)	(36,088,420)	(31,097,893)	14,688,794
Net operating & capital result after funding (liquidity result)	(2,576,526) 2,908,000	(3,795)	(1,397,059)	(9,617,674)
Consolidated Statutory Reporting Result				
Net operating result	(23,630,752)	(21,365,370)	(20,379,072)	(36,764,163)
FINANCIAL REPORTING ADJUSTMENTS – NON CASH				
Depreciation & amortisation	21,215,275	20,442,227	20,442,227	18,402,717
Carrying amount of assets disposed/impaired	0	0	0	585,076
Asset revaluation decrement (P&L)	0	0	0	0
Fair value increment on investment properties	0	0	0	0
Other	0	0	0	0
Total financial reporting adjustments – non cash	21,215,275	20,442,227	20,442,227	18,987,792
Net operating result before capital grants and contributions	(2,415,476)	(923,143)	63,155	(17,776,370)