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HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement for the period 01/04/22 to 30/06/22

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 30/06/22 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: 18-08-22

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement

for the period 01/04/22 to 30/06/22

Budget review for the quarter ended 30 June 2022

Income & Expenses - All Principal Activities

(\$000's)	Original Budget 2021/22	Approved Changes					Revised Budget 2021/22	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	-101,523,124	0	17,617	0	0	0	-101,505,507	0		-101,505,507	-102,258,922
User Charges & Fees	-14,304,331	0	-17,143	0	-13,977	0	-14,335,451	0		-14,335,451	-11,662,829
Interest	-3,992,059	0	0	0	0	0	-3,992,059	0		-3,992,059	-1,619,896
Other Revenues	-6,562,574	0	68,700	0	13,977	0	-6,479,897	0		-6,479,897	-5,990,444
Operating Grants	-9,612,314	0	1,802,880	-10,000	-3,905,768	0	-11,725,202	0		-11,725,202	-13,222,713
Operating Contributions & Donations	-958,796	0	-210,000	0	0	0	-1,168,796	0		-1,168,796	-4,114,753
Total Income from Continuing Operations	-136,953,198	0	1,662,054	-10,000	-3,905,768	0	-139,206,912	0		-139,206,912	-138,869,557
Expenses											
Employee Expense	51,405,167	1	218,799	-719,262	-948,062	0	49,956,643	0		49,956,643	48,727,583
Borrowing Expense	24,070	0	0	0	0	0	24,070	0		24,070	84,265
Materials & Contracts	46,444,545	-730,783	1,792,651	1,137,820	-110,000	0	48,534,233	0		48,534,233	47,887,768
Depreciation-&-Amortisation	20,442,227	0	0	0	0	0	20,442,227	0		20,442,227	20,460,517
Internal Expenses	-71,569	-34,869	125,370	0	0	0	18,932	0		18,932	-348,877
Legal Expenses	1,433,301	0	50,000	0	-390,000	0	1,093,301	0		1,093,301	683,170
Consultants	3,298,818	743,152	0	0	-100,000	0	3,941,970	0		3,941,970	12,865,680
Other Expenses	14,039,793	-77,500	310,100	0	0	0	14,272,393	0		14,272,393	11,272,827
Total Expenses from Continuing Operations	137,016,352	-99,999	2,496,920	418,558	-1,548,062	0	138,283,769	0		138,283,769	141,632,933
Net Operating Result from Continuing Operations	63,154	-100,000	4,158,974	408,558	-5,453,830	0	-923,143	0		-923,143	2,763,376
Net Operating Result before Capital Items	63,154	-100,000	4,158,974	408,558	-5,453,830	0	-923,143	0		-923,143	2,763,376

Income & Expenses Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details
	\$

There are no variations included within this review

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement

for the period 01/04/22 to 30/06/22

Budget review for the quarter ended 30 June 2022

Capital Budget - All Principal Activities

(\$000's)	Original Budget 2021/22	Approved Changes					Revised Budget 2021/22	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	56,362,171	-1	7,050,822	980,351	5,439,781	0	69,833,124	0		69,833,124	43,438,329
Total Capital Expenditure	56,362,171	-1	7,050,822	980,351	5,439,781	0	69,833,124	0		69,833,124	43,438,329
Capital Funding											
Capital Grants	-300,000	383,415	-2,607,451	-2,170,000	-1,323,415	0	-6,017,451	0		-6,017,451	-21,463,928
Capital Contributions & Donations	-4,982,264	-383,415	0	0	0	0	-5,365,679	0		-5,365,679	-7,384,332
Asset Sales	-1,000,000	0	0	0	0	0	-1,000,000	0		-1,000,000	-1,157,218
	-6,282,264	0	-2,607,451	-2,170,000	-1,323,415	0	-12,383,130	0		-12,383,130	-30,005,479
Other Funding											
External Restricted Assets	-29,544,713	1	-6,665,799	1,381,091	3,355,768	0	-31,473,653	0		-31,473,653	5,079,443
Internal Restricted Assets	-2,751,218	100,000	-1,243,282	-600,000	-1,318,304	0	-5,812,805	0		-5,812,805	-3,496,587
External Loan Principal Repayments	241,970	0	0	0	0	0	241,970	0		241,970	241,970
Employee Leave Payments	956,069	0	0	0	0	0	956,069	0		956,069	1,370,314
Writeback Depreciation	-20,442,227	0	0	0	0	0	-20,442,227	0		-20,442,227	-20,005,658
Total Funding	-57,822,384	100,000	-10,516,533	-1,388,909	714,049	0	-68,913,776	0		-68,913,776	-46,815,997
Net Capital Funding	-1,460,213	99,999	-3,465,711	-408,558	6,153,830	0	919,348	0		919,348	-3,377,668
Net Operating Result before Capital Items	63,154	-100,000	4,158,974	408,558	-5,453,830	0	-923,143	0		-923,143	2,763,376
Net Operating & Capital Result after Funding	-1,397,058	-1	693,264	0	700,000	0	-3,795	0		-3,795	-614,292

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement

for the period 01/04/22 to 30/06/22

**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 variations included within this review

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement for the period 01/04/22 to 30/06/22

Budget review for the quarter ended 30 June 2022

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	302,856,000
Externally Restricted ⁽¹⁾	195,539,000	195,539,000	200,551,046
Internally Restricted ⁽²⁾	82,223,000	82,223,000	83,625,597
Total Restrictions	277,762,000	277,762,000	284,176,643
Unrestricted (ie. available after the above Restrictions)	18,837,000	18,837,000	18,679,357
Total Cash & Investments	296,599,000	296,599,000	302,856,000

(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 \$7,568,129

This Cash at Bank amount has been reconciled to Council's physical Bank Statements.
The date of completion of this bank reconciliation is 31/03/22

Reconciliation Status

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

\$ 000's

GL Investments - Trial Balance	289,491
GL Cash at Bank - Trial Balance	13,363
GL Cash on Hand - Trial Balance	2
	302,856

Reconciled Cash at Bank & Investments

Investments	289,491
Investment Total	289,491

Cash at Bank (as per bank statements)	13,584
less: Ledger transactions not yet in the bank (Timing Difference)	36
add: Bank transactions to be posted to the ledger (Timing Difference)	-257
Cash at Bank Total	13,363

Cash on Hand Total	2
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HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement for the period 01/04/22 to 30/06/22

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

Budget review for the quarter ended 30 June 2022

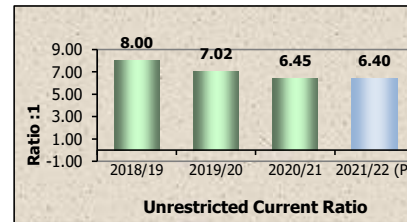
(\$000's)	Draft June \$'000 21/22	Draft June Indicator 21/22	Actuals Prior Periods Indicator 20/21 19/20
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The Council monitors the following Key Performance Indicators:

Unrestricted Current Ratio

Current Assets less External Restrictions	112,810	6.40	6.45	7.02
Current Liabilities less Specific Purpose Liabilities	17,623			

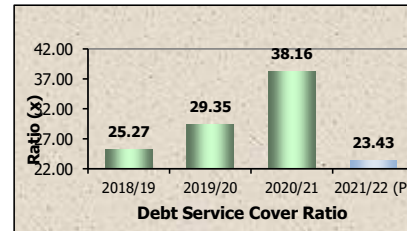
This indicator assesses the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.



Debt Service Cover Ratio

Operating Result before capital excl. interest and depreciation/impairment/amortisation	17,901	23.43	38.16	29.35
Principal repayments and borrowing interest costs	764			

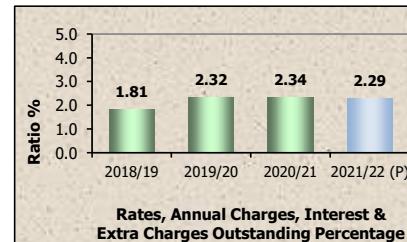
This ratio measures the availability of operating cash to service debt including interest, principal and lease payments.



Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage

Rates, Annual and Extra Charges Outstanding	2,423	2.29	2.34	2.32
Rates, Annual and Extra Charges Collectible	105,688			

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 01/04/22 to 30/06/22

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

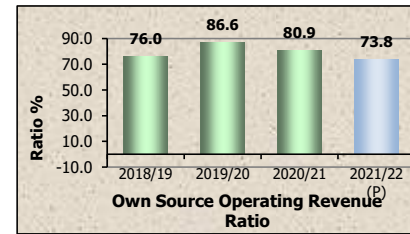
Budget review for the quarter ended 30 June 2022

(\$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)	124,828	73.76	80.89 86.59
Total continuing operating revenue	169,243		

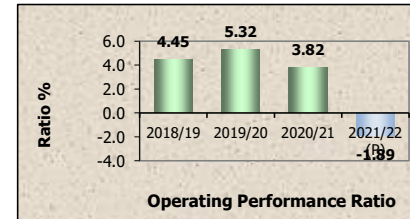
This ratio measures Council's fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants & contributions.



Operating Performance Ratio

Total continuing operating revenue (excl. Capital Grants & Contributions) - Operating Expenses	- 2,644	-1.89	3.82 5.32
Total continuing operating revenue (excl. Capital Grants & Contributions)	139,642		

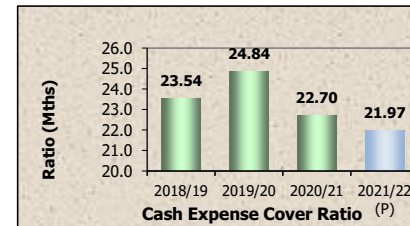
This ratio measures Council's achievement of containing operating expenditure within operating revenue.



Cash Expense Cover Ratio

Current Years Cash and Cash Equivalents including All Term Deposits	224,904	21.97	22.70 24.84
Payments from Cash flow of operating and financing activities	10,239		

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 01/04/22 to 30/06/22

Contracts Budget Review Statement

Budget review for the quarter ended 30 June 2022

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
Civil Constructions, 6 Mary Parade, Rydalmere	C35/2021 Hunt Reserve Renewal	610,610	30-03-22	16 weeks	Y	
The Australian Grinding Company, PO Box 533, Cleveland, QLD 4163	C9/2022: Grinding of Concrete Footpaths on Schedule of Rates basis.	Estimated value of \$50,000 for a period of 12 months. No variations can be ascertained at this stage.	05-07-22	24 months with provision to extend by further 12 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 01/04/22 to 30/06/22

Consultancy & Legal Expenses Budget Review Statement

Budget review for the quarter ended 30 June 2022

Consultancy & Legal Expenses Overview

Expense	YTD Expenditure (Actual Dollars)	Budgeted (Y/N)
Consultancies	12,865,680	N
Legal Fees	683,170	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 expenses are greater than the budget because of works at Foxglove Oval. This expenditure is fully funded by Council's Domestic Waste Management Reserve.