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## **HORNSBY SHIRE COUNCIL**

## **Quarterly Budget Review Statement** for the period 01/07/22 to 30/09/22

### **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 30/09/22 indicates that Council's financial position at 30/6/23 is Satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

**Signed:**



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Duncan Chell  
Responsible Accounting Officer

**date:** 26-10-22

# HORNSBY SHIRE COUNCIL

## Quarterly Budget Review Statement for the period 01/07/22 to 30/09/22

Budget review for the quarter ended 30 September 2022

### Income & Expenses - All Principal Activities

(\$000's)	Original Budget 2022/23	Approved Changes					Revised Budget 2022/23	Bud Change Request for Sep Qtr	Notes	Projected Year End Result	Actual YTD figures
		Total QBRs Contra Changes	Sep QBRs	Dec QBRs	Mar QBRs	Jun QBRs					
<b>Income</b>											
Rates & Annual Charges	-109,401,105	0	0	0	0	0	-109,401,105	0	-109,401,105	-109,168,137	
User Charges & Fees	-14,231,474	0	0	0	0	0	-14,231,474	-124,751	-14,356,225	-4,022,921	
Interest	-4,941,246	0	0	0	0	0	-4,941,246	0	-4,941,246	-1,571,232	
Other Revenues	-4,020,017	0	0	0	0	0	-4,020,017	124,751	-3,895,266	-1,001,927	
Operating Grants & Contributions	-12,770,694	0	0	0	0	0	-12,770,694	2,099,917	-10,670,777	-2,388,173	
Other Income (including Lease Income)	-2,864,057	0	0	0	0	0	-2,864,057	0	-2,864,057	-835,511	
<b>Total Income from Continuing Operations</b>	<b>-148,228,594</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-148,228,594</b>	<b>2,099,917</b>	<b>-146,128,677</b>	<b>-118,987,901</b>	
<b>Expenses</b>											
Employee benefits and on-costs	54,016,719	0	0	0	0	0	54,016,719	-1,379,965	52,636,754	12,982,443	
Materials and services	61,161,037	0	0	0	0	0	61,161,037	389,793	61,550,829	11,098,422	
Borrowing costs	25,388	0	0	0	0	0	25,388	0	25,388	3,432	
Other expenses	3,874,130	0	0	0	0	0	3,874,130	0	3,874,130	1,186,494	
Internal Expenses	-481,075	0	0	0	0	0	-481,075	0	-481,075	-97,005	
Legal Expenses	1,483,301	0	0	0	0	0	1,483,301	0	1,483,301	158,261	
Consultants	4,518,343	0	0	0	0	0	4,518,343	523,000	5,041,343	1,157,813	
Depreciation & amortisation	21,215,275	0	0	0	0	0	21,215,275	0	21,215,275	5,481,744	
<b>Total Expenses from Continuing Operations</b>	<b>145,813,117</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>145,813,117</b>	<b>-467,172</b>	<b>145,345,945</b>	<b>31,971,603</b>	
<b>Net Operating Result from Continuing Operations</b>	<b>-2,415,476</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2,415,476</b>	<b>1,632,745</b>	<b>-782,731</b>	<b>-87,016,298</b>	
<b>Net Operating Result before Capital Items</b>	<b>-2,415,476</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2,415,476</b>	<b>1,632,745</b>	<b>-782,731</b>	<b>-87,016,298</b>	

**Income & Expenses Budget Review Statement**  
**Recommended changes to revised budget**

Budget Variations being recommended include the following material items:

<b>Notes</b>	<b>Details</b>
	\$

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Please refer to the Business Paper for details

# HORNSBY SHIRE COUNCIL

## Quarterly Budget Review Statement

for the period 01/07/22 to 30/09/22

Budget review for the quarter ended 30 September 2022

### Capital Budget - All Principal Activities

(\$000's)	Original Budget 2022/23	Approved Changes					Revised Budget 2022/23	Bud Change Request for Sep Qtr	Notes	Projected Year End Result	Actual YTD figures
		Total QBRS Contra Changes	Sep QBRS	Dec QBRS	Mar QBRS	Jun QBRS					
<b>Capital Expenditure</b>											
WIP Expenditure & Asset Purchases	65,965,434	0	0	0	0	0	65,965,434	27,242,665		93,208,099	14,310,582
<b>Total Capital Expenditure</b>	<b>65,965,434</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>65,965,434</b>	<b>27,242,665</b>		<b>93,208,099</b>	<b>14,310,582</b>
<b>Capital Funding</b>											
Grants and contributions (capital)	-8,350,000	0	0	0	0	0	-8,350,000	-5,421,682		-13,771,682	-4,811,332
Proceeds from the sale of assets	-1,000,000	0	0	0	0	0	-1,000,000	0		-1,000,000	-121,605
	<b>-9,350,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-9,350,000</b>	<b>-5,421,682</b>		<b>-14,771,682</b>	<b>-4,932,936</b>
<b>Other Funding</b>											
External Restricted Assets	-37,135,471	0	0	0	0	0	-37,135,471	-14,443,730		-51,579,200	25,355,468
Internal Restricted Assets	2,370,494	0	0	0	0	0	2,370,494	-10,044,902		-7,674,408	747,603
External Loan Principal Repayments	256,532	0	0	0	0	0	256,532	0		256,532	62,734
Employee leave payments (from provisions)	956,069	0	0	0	0	0	956,069	0		956,069	231,104
Non cash accounting adjustments	-2,340,307	0	0	0	0	0	-2,340,307	1,594,903		-745,404	-1,158,456
Writeback Depreciation	-21,215,275	0	0	0	0	0	-21,215,275	0	0	-21,215,275	-5,481,744
<b>Total Funding</b>	<b>-66,457,958</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-66,457,958</b>	<b>-28,315,411</b>		<b>-94,773,368</b>	<b>14,823,772</b>
<b>Net Capital Funding</b>	<b>-492,524</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-492,524</b>	<b>-1,072,746</b>		<b>-1,565,269</b>	<b>29,134,354</b>
<b>Net Operating Result before Capital Items</b>	<b>-2,415,476</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2,415,476</b>	<b>1,632,745</b>		<b>-782,731</b>	<b>-87,016,298</b>
<b>Net Operating &amp; Capital Result after Funding</b>	<b>-2,908,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2,908,000</b>	<b>559,999</b>		<b>-2,348,001</b>	<b>-57,881,944</b>

**HORNSBY SHIRE COUNCIL**

**Quarterly Budget Review Statement**  
for the period 01/07/22 to 30/09/22

**Capital Budget Review Statement**  
**Recommended changes to revised budget**

Budget Variations being recommended include the following material items:

<b>Notes</b>	<b>Details</b>
	\$

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Please refer to the Business Paper for details

# HORNSBY SHIRE COUNCIL

## Quarterly Budget Review Statement for the period 01/07/22 to 30/09/22

Budget review for the quarter ended 30 September 2022

### Cash & Investments - All Principal Activities

(\$000's)	Original Budget 2022/23	Revised Budget Projected Year End 2022/23	Actual YTD figures
<b>Total Cash &amp; Investments</b>	<b>302,856,000</b>	<b>302,856,000</b>	<b>306,096,984</b>
Externally Restricted <sup>(1)</sup>	200,551,046	200,551,046	198,468,260
Internally Restricted <sup>(2)</sup>	83,625,597	83,625,597	82,853,056
<b>Total Restrictions</b>	<b>284,176,643</b>	<b>284,176,643</b>	<b>281,321,316</b>
<b>Unrestricted</b> (ie. available after the above Restrictions)	18,679,357	18,679,357	24,775,668
<b>Total Cash &amp; Investments</b>	<b>302,856,000</b>	<b>302,856,000</b>	<b>306,096,984</b>

(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 01/07/22 to 30/09/22

### 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 \$9,247,095

This Cash at Bank amount has been reconciled to Council's physical Bank Statements.

The date of completion of this bank reconciliation is 30/09/22

#### Reconciliation Status

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

**\$ 000's**

GL Investments - Trial Balance	297,072
GL Cash at Bank - Trial Balance	9,023
GL Cash on Hand - Trial Balance	2
	<u>306,097</u>

#### ***Reconciled Cash at Bank & Investments***

Investments	297,072
<b>Investment Total</b>	<u><b>297,072</b></u>

Cash at Bank (as per bank statements)	9,247
less: Ledger transactions not yet in the bank (Timing Difference)	42
add: Bank transactions to be posted to the ledger (Timing Difference)	-266
<b>Cash at Bank Total</b>	<u><b>9,023</b></u>

<b>Cash on Hand Total</b>	<u><b>2</b></u>
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# HORNSBY SHIRE COUNCIL

## Quarterly Budget Review Statement for the period 01/07/22 to 30/09/22

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

Budget review for the quarter ended 30 September 2022

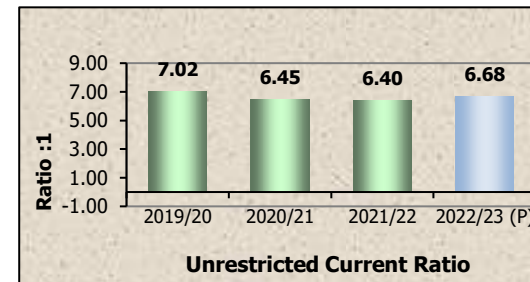
(\$000's)	Draft June \$'000 22/23	Draft June Indicator 22/23	Actuals Prior Periods Indicator 21/22 20/21
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The Council monitors the following Key Performance Indicators:

#### Unrestricted Current Ratio

Current Assets less External Restrictions	109,447	6.68	6.40	6.45
Current Liabilities less Specific Purpose Liabilities	16,384			

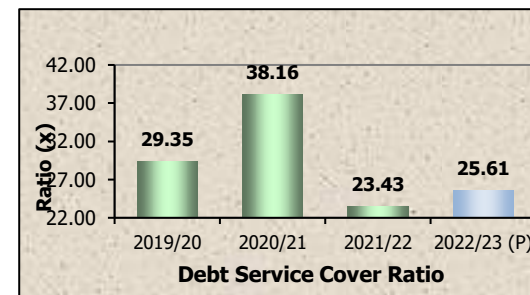
This indicator assesses the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.



#### Debt Service Cover Ratio

Operating Result before capital excl. interest and depreciation/impairment/amortisation	24,892	25.61	23.43	38.16
Principal repayments and borrowing interest costs	972			

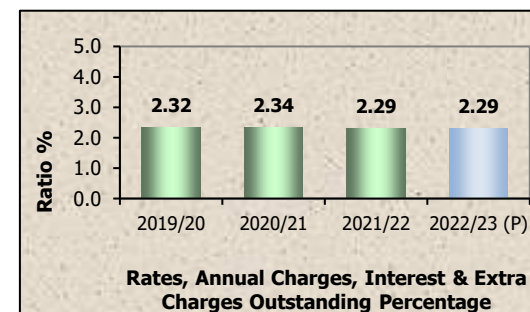
This ratio measures the availability of operating cash to service debt including interest, principal and lease payments.



#### Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage

Rates, Annual and Extra Charges Outstanding	2,562	2.29	2.29	2.34
Rates, Annual and Extra Charges Collectible	111,893			

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

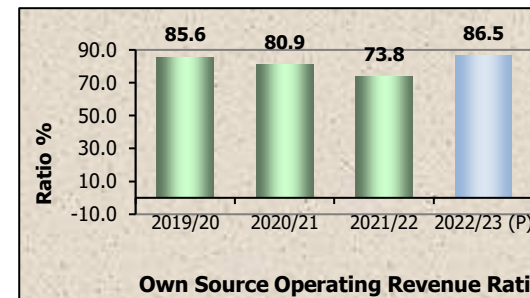
## Quarterly Budget Review Statement for the period 01/07/22 to 30/09/22

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

Budget review for the quarter ended 30 September 2022

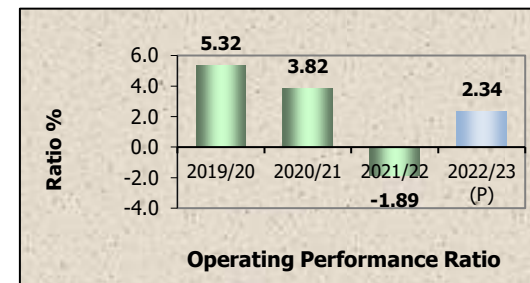
(\$000's)	Draft June \$'000 22/23	Draft June Indicator 22/23	Actuals Prior Periods Indicator	
			21/22	20/21
<b>Own Source Operating Revenue Ratio</b>				
Total continuing operating revenue (less All Grants & Contributions)	135,099	86.48	73.76	80.89
Total continuing operating revenue	156,220			

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



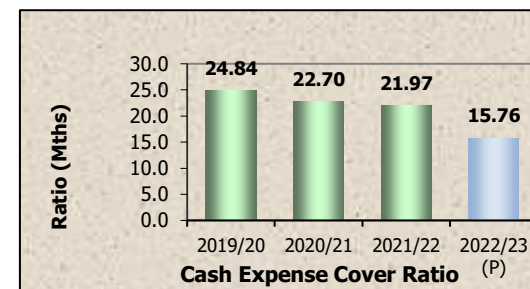
<b>Operating Performance Ratio</b>				
Total continuing operating revenue (excl. Capital Grants & Contributions) - Operating Expenses	3,454	2.34	-1.89	3.82
Total continuing operating revenue (excl. Capital Grants & Contributions)	147,870			

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



<b>Cash Expense Cover Ratio</b>				
Current Years Cash and Cash Equivalents including All Term Deposits	170,963	15.76	21.97	22.70
Payments from Cash flow of operating and financing activities	10,847			

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 01/07/22 to 30/09/22

### Contracts Budget Review Statement

Budget review for the quarter ended 30 September 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
Australian Native Landscape Services	Garden waste processing	6,000,000	01-07-22	2 years, plus 6x6 month extension options	Y	
The Australian Grinding Company	Grinding of Concrete Footpaths on Schedule of Rates basis.	Estimated value of \$50,000 for a period of 12 months	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 01/07/22 to 30/09/22

### Consultancy & Legal Expenses Budget Review Statement

Budget review for the quarter ended 30 September 2022

Consultancy & Legal Expenses Overview

Expense	YTD Expenditure (Actual Dollars)	Budgeted (Y/N)
Consultancies	1,157,813	Y
Legal Fees	158,261	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

\$1,007,518 of year to date consultancy expenditure relates to the employment of contractors for landfill remediation at Foxglove Oval.