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## **HORNSBY SHIRE COUNCIL**

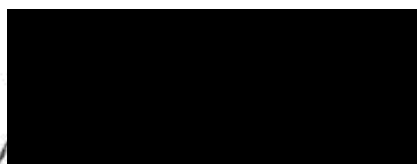
## **Quarterly Budget Review Statement** for the period 01/10/22 to 31/12/22

### **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 31/12/22 indicates that Council's financial position at 30/6/23 will be Satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

**Signed:**

A black rectangular box redacting the signature of the Responsible Accounting Officer.

Duncan Chell  
Responsible Accounting Officer

**date:**

24-01-22

# HORNSBY SHIRE COUNCIL

## Quarterly Budget Review Statement

for the period 01/10/22 to 31/12/22

Budget review for the quarter ended 31 December 2022

### Income & Expenses - All Principal Activities

(\$000's)	Original Budget 2022/23	Approved Changes					Revised Budget 2022/23	Bud Change Request for Dec Qtr	Projected Year End Result	Actual YTD figures
		Total QBR Contra Changes	Sep QBR	Dec QBR	Mar QBR	Jun QBR				
<b>Income</b>										
Rates & Annual Charges	-109,401,105	0	0	0	0	0	-109,401,105	0	-109,401,105	-109,869,362
User Charges & Fees	-14,231,474	0	-124,751	0	0	0	-14,356,224	-130,000	-14,486,224	-7,652,803
Interest	-4,941,246	0	0	0	0	0	-4,941,246	0	-4,941,246	-4,160,879
Other Revenues	-4,020,017	0	124,751	0	0	0	-3,895,266	0	-3,895,266	-2,597,757
Operating Grants & Contributions	-12,770,694	0	2,099,917	0	0	0	-10,670,777	0	-10,670,777	-4,107,545
Other Income (including Lease Income)	-2,864,057	0	0	0	0	0	-2,864,057	-104,654	-2,968,711	-1,733,600
<b>Total Income from Continuing Operations</b>	<b>-148,228,594</b>	<b>0</b>	<b>2,099,917</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-146,128,676</b>	<b>-234,654</b>	<b>-146,363,330</b>	<b>-130,121,945</b>
<b>Expenses</b>										
Employee benefits and on-costs	54,016,719	0	-1,379,965	0	0	0	52,636,754	36,000	52,672,754	24,568,822
Materials and services	61,161,037	1	389,793	0	0	0	61,550,830	149,000	61,699,830	26,337,196
Borrowing costs	25,388	0	0	0	0	0	25,388	0	25,388	6,025
Other expenses	3,874,130	0	0	0	0	0	3,874,130	0	3,874,130	2,084,794
Internal Expenses	-481,075	0	0	0	0	0	-481,075	0	-481,075	-230,371
Legal Expenses	1,483,301	0	0	0	0	0	1,483,301	0	1,483,301	295,783
Consultants	4,518,343	0	523,000	0	0	0	5,041,343	0	5,041,343	4,189,603
Depreciation & amortisation	21,215,275	0	0	0	0	0	21,215,275	0	21,215,275	11,609,606
<b>Total Expenses from Continuing Operations</b>	<b>145,813,117</b>	<b>0</b>	<b>-467,172</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>145,345,946</b>	<b>185,000</b>	<b>145,530,946</b>	<b>68,861,458</b>
<b>Net Operating Result before Depreciation</b>	<b>-23,630,752</b>	<b>1</b>	<b>1,632,745</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-21,998,006</b>	<b>-49,654</b>	<b>-22,047,660</b>	<b>-72,870,094</b>
<b>Net Operating Result from Continuing Operations</b>	<b>-2,415,476</b>	<b>1</b>	<b>1,632,745</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-782,731</b>	<b>-49,654</b>	<b>-832,385</b>	<b>-61,260,488</b>
<b>Net Operating Result before Capital Items</b>	<b>-2,415,476</b>	<b>1</b>	<b>1,632,745</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-782,731</b>	<b>-49,654</b>	<b>-832,385</b>	<b>-61,260,488</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 01/10/22 to 31/12/22

Budget review for the quarter ended 31 December 2022

### Capital Budget - All Principal Activities

(\$000's)	Original Budget 2022/23	Approved Changes					Revised Budget 2022/23	Bud Change Request for Dec Qtr	Projected Year End Result	Actual YTD figures
		Total QBR Contra Changes	Sep QBR	Dec QBR	Mar QBR	Jun QBR				
<b>Capital Expenditure</b>										
WIP Expenditure & Asset Purchases	65,965,434	0	27,242,665	0	0	0	93,208,099	1,152,641	94,360,740	33,998,907
<b>Total Capital Expenditure</b>	<b>65,965,434</b>	<b>0</b>	<b>27,242,665</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>93,208,099</b>	<b>1,152,641</b>	<b>94,360,740</b>	<b>33,998,907</b>
<b>Capital Funding</b>										
Grants and contributions (capital)	-8,350,000	0	-5,421,682	0	0	0	-13,771,682	-197,988	-13,969,670	-14,418,188
Proceeds from the sale of assets	-1,000,000	0	0	0	0	0	-1,000,000	0	-1,000,000	-280,590
	<b>-9,350,000</b>	<b>0</b>	<b>-5,421,682</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-14,771,682</b>	<b>-197,988</b>	<b>-14,969,670</b>	<b>-14,698,777</b>
<b>Other Funding</b>										
External Restricted Assets	-37,135,471	0	-14,443,730	0	0	0	-51,579,200	-295,002	-51,874,202	12,563,633
Internal Restricted Assets	2,370,494	0	-10,044,902	0	0	0	-7,674,408	-294,412	-7,968,820	-2,263,131
External Loan Principal Repayments	256,532	0	0	0	0	0	256,532	0	256,532	126,392
Employee leave payments (from provisions)	956,069	0	0	0	0	0	956,069	0	956,069	688,939
Non cash accounting adjustments	-2,340,307	0	1,594,903	0	0	0	-745,404	0	-745,404	-1,501,660
Writeback Depreciation	-21,215,275	0	0	0	0	0	-21,215,275	0	-21,215,275	-11,609,606
<b>Total Funding</b>	<b>-66,457,958</b>	<b>0</b>	<b>-28,315,411</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-94,773,368</b>	<b>-787,401</b>	<b>-95,560,769</b>	<b>-16,694,211</b>
<b>Net Capital Funding</b>	<b>-492,524</b>	<b>0</b>	<b>-1,072,746</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,565,270</b>	<b>365,240</b>	<b>-1,200,030</b>	<b>17,304,697</b>
<b>Net Operating Result before Capital Items</b>	<b>-2,415,476</b>	<b>1</b>	<b>1,632,745</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-782,731</b>	<b>-49,654</b>	<b>-832,385</b>	<b>-61,260,488</b>
<b>Net Operating &amp; Capital Result after Funding</b>	<b>-2,908,000</b>	<b>1</b>	<b>559,999</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2,348,000</b>	<b>315,586</b>	<b>-2,032,414</b>	<b>-43,955,791</b>

**HORNSBY SHIRE COUNCIL**

**Quarterly Budget Review Statement**  
for the period 01/10/22 to 31/12/22

**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 01/10/22 to 31/12/22

Budget review for the quarter ended 31 December 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>293,692,601</b>
Externally Restricted <sup>(1)</sup>	200,551,046	200,551,046	195,428,628
Internally Restricted <sup>(2)</sup>	83,625,597	83,625,597	81,372,466
<b>Total Restrictions</b>	<b>284,176,643</b>	<b>284,176,643</b>	<b>276,801,094</b>
<b>Unrestricted</b> (ie. available after the above Restrictions)	18,679,357	18,679,357	16,891,507
<b>Total Cash &amp; Investments</b>	<b>302,856,000</b>	<b>302,856,000</b>	<b>293,692,601</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 01/10/22 to 31/12/22

### 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 \$14,280,402

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

The date of completion of this bank reconciliation is 31/12/22

#### Reconciliation Status

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

**\$ 000's**

GL Investments - Trial Balance	279,546
GL Cash at Bank - Trial Balance	14,145
GL Cash on Hand - Trial Balance	2
	<u>293,693</u>

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

Investments	279,546
<b>Investment Total</b>	<u><b>279,546</b></u>

Cash at Bank (as per bank statements)	14,280
less: Ledger transactions not yet in the bank	(Timing Difference) 111
add: Bank transactions to be posted to the ledger	(Timing Difference) -247
<b>Cash at Bank Total</b>	<u><b>14,145</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 01/10/22 to 31/12/22

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

Budget review for the quarter ended 31 December 2022

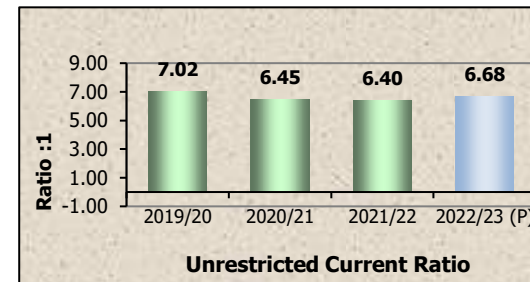
(\$000's)	Draft June \$'000 22/23	Draft June Indicator 22/23	Actuals Prior Periods Indicator 21/22 20/21
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The Council monitors the following Key Performance Indicators:

#### Unrestricted Current Ratio

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

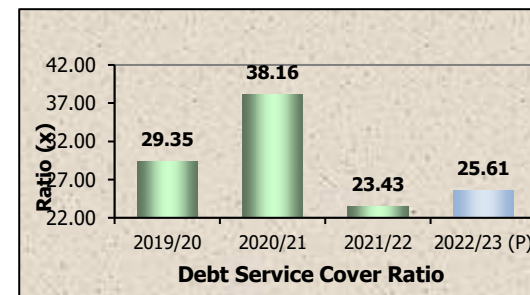
This indicator assesses the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.



#### 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			

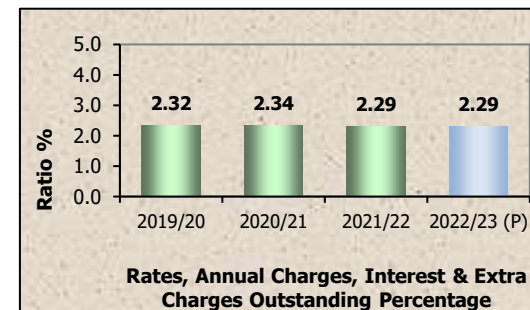
This ratio measures the availability of operating cash to service debt including interest, principal and lease payments.



#### 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

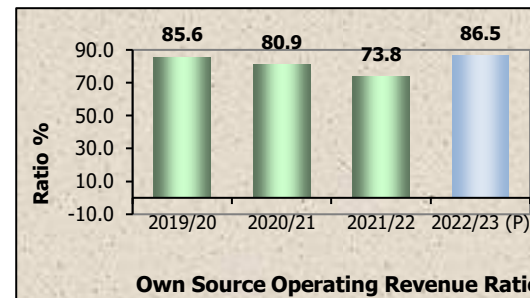
## Quarterly Budget Review Statement for the period 01/10/22 to 31/12/22

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

Budget review for the quarter ended 31 December 2022

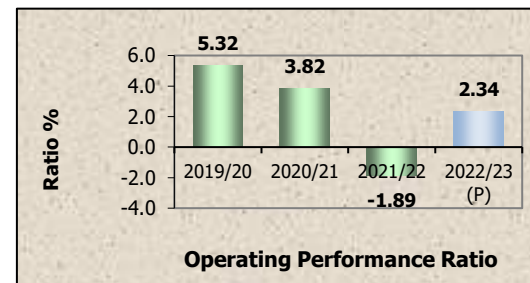
(\$000's)	Draft June \$'000 22/23	Draft June Indicator 22/23	Actuals Prior Periods Indicator	
			21/22	20/21
<b>Own Source Operating Revenue Ratio</b>				
Total continuing operating revenue (less All Grants & Contributions)	135,099	86.48	73.76	80.89
Total continuing operating revenue	156,220			

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



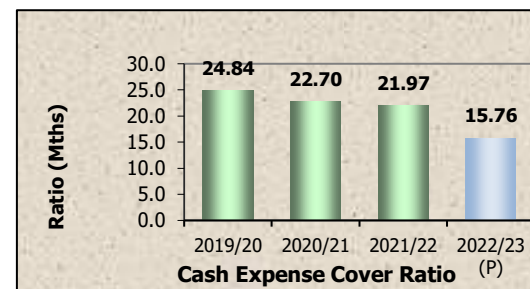
<b>Operating Performance Ratio</b>				
Total continuing operating revenue (excl. Capital Grants & Contributions) - Operating Expenses	3,454	2.34	-1.89	3.82
Total continuing operating revenue (excl. Capital Grants & Contributions)	147,870			

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 01/10/22 to 31/12/22

### Contracts Budget Review Statement

Budget review for the quarter ended 31 December 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
Opal Lighting Systems	Hornsby Mall Lighting Upgrade	393,000	27-10-22	12 weeks	Y	
Tenite Pty Ltd T/as B & K Revegetation & Landscaping	Landscape Works & Learn-To-Ride at Ruddock Park	2,050,400	19-09-22	16 Weeks	Y	
D&JF Scaife Electrical REES Electrical Pty Ltd	Electrical Services on Schedule of Rates basis	Estimated value of \$500,000 for a period of 12 months.No variations can be ascertained at this stage.	15-12-22	24 months with provision to extend twice by 12 months each time.	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 01/10/22 to 31/12/22

### Consultancy & Legal Expenses Budget Review Statement

Budget review for the quarter ended 31 December 2022

Consultancy & Legal Expenses Overview

Expense	YTD Expenditure (Actual Dollars)	Budgeted (Y/N)
Consultancies	4,189,603	Y
Legal Fees	295,783	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

\$3,001,764.97 of year to date consultancy expenditure relates to the employment of contractors for landfill remediation at foxglove Oval.