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## **HORNSBY SHIRE COUNCIL**

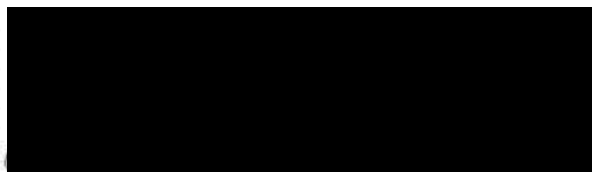
## **Quarterly Budget Review Statement** for the period 01/04/23 to 30/06/23

### **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 30/06/23 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 large black rectangular redaction box covering the signature of the Responsible Accounting Officer.

Duncan Chen  
Responsible Accounting Officer

**date:**

17-08-23

# HORNSBY SHIRE COUNCIL

## Quarterly Budget Review Statement for the period 01/04/23 to 30/06/23

Budget review for the quarter ended 30 June 2023

### Income & Expenses - All Principal Activities

	Original Budget 2022/23	Approved Changes					Revised Budget 2022/23	Bud Change Request for Jun Qtr	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	-109,972,397
User Charges & Fees	-14,231,474	0	-124,751	-130,000	0	0	-14,486,224	0	-14,486,224	-15,513,419
Interest	-4,941,246	0	0	0	0	0	-4,941,246	0	-4,941,246	-10,541,267
Other Revenues	-4,020,017	0	124,751	0	0	0	-3,895,266	0	-3,895,266	-4,563,185
Operating Grants & Contributions	-12,770,694	0	2,099,917	0	0	0	-10,670,777	0	-10,670,777	-20,608,024
Other Income (including Lease Income)	-2,864,057	0	0	-104,654	0	0	-2,968,711	0	-2,968,711	-3,540,962
<b>Total Income from Continuing Operations</b>	<b>-148,228,594</b>	<b>1</b>	<b>2,099,917</b>	<b>-234,654</b>	<b>0</b>	<b>0</b>	<b>-146,363,330</b>	<b>0</b>	<b>-146,363,330</b>	<b>-164,739,254</b>
<b>Expenses</b>										
Employee benefits and on-costs	54,016,719	0	-1,379,965	36,000	-1,500,000	0	51,172,754	0	51,172,754	50,157,614
Materials and services	61,161,037	-54,999	389,793	149,000	-2,832,267	0	58,812,563	0	58,812,563	57,620,775
Borrowing costs	25,388	0	0	0	0	0	25,388	0	25,388	28,226
Other expenses	3,874,130	0	0	0	0	0	3,874,130	0	3,874,130	4,179,933
Internal Expenses	-481,075	0	0	0	0	0	-481,075	0	-481,075	-537,067
Legal Expenses	1,483,301	0	0	0	0	0	1,483,301	0	1,483,301	722,914
Consultants	4,518,343	55,000	523,000	0	0	0	5,096,343	0	5,096,343	9,416,065
Depreciation & amortisation	21,215,275	0	0	0	0	0	21,215,275	0	21,215,275	23,296,031
<b>Total Expenses from Continuing Operations</b>	<b>145,813,117</b>	<b>1</b>	<b>-467,172</b>	<b>185,000</b>	<b>-4,332,267</b>	<b>0</b>	<b>141,198,679</b>	<b>0</b>	<b>141,198,679</b>	<b>144,884,491</b>
<b>Net Operating Result before Depreciation</b>	<b>-23,630,752</b>	<b>1</b>	<b>1,632,745</b>	<b>-49,654</b>	<b>-4,332,267</b>	<b>0</b>	<b>-26,379,926</b>	<b>0</b>	<b>-26,379,926</b>	<b>-43,150,794</b>
<b>Net Operating Result from Continuing Operations</b>	<b>-2,415,476</b>	<b>1</b>	<b>1,632,745</b>	<b>-49,654</b>	<b>-4,332,267</b>	<b>0</b>	<b>-5,164,651</b>	<b>0</b>	<b>-5,164,651</b>	<b>-19,854,763</b>
<b>Net Operating Result before Capital Items</b>	<b>-2,415,476</b>	<b>1</b>	<b>1,632,745</b>	<b>-49,654</b>	<b>-4,332,267</b>	<b>0</b>	<b>-5,164,651</b>	<b>0</b>	<b>-5,164,651</b>	<b>-19,854,763</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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There are no budget changes within the June Review

# HORNSBY SHIRE COUNCIL

## Quarterly Budget Review Statement

for the period 01/04/23 to 30/06/23

Budget review for the quarter ended 30 June 2023

### Capital Budget - All Principal Activities

	Original Budget 2022/23	Approved Changes					Revised Budget 2022/23	Bud Change Request for Jun 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	1,152,641	82,514	0	94,443,254	0	94,443,254	69,769,464
<b>Total Capital Expenditure</b>	<b>65,965,434</b>	<b>0</b>	<b>27,242,665</b>	<b>1,152,641</b>	<b>82,514</b>	<b>0</b>	<b>94,443,254</b>	<b>0</b>	<b>94,443,254</b>	<b>69,769,464</b>
<b>Capital Funding</b>										
Grants and contributions (capital)	-8,350,000	0	-5,421,682	-197,988	0	0	-13,969,670	0	-13,969,670	-25,200,724
Proceeds from the sale of assets	-1,000,000	0	0	0	0	0	-1,000,000	0	-1,000,000	-944,425
	<b>-9,350,000</b>	<b>0</b>	<b>-5,421,682</b>	<b>-197,988</b>	<b>0</b>	<b>0</b>	<b>-14,969,670</b>	<b>0</b>	<b>-14,969,670</b>	<b>-26,145,149</b>
<b>Other Funding</b>										
External Restricted Assets	-37,135,471	0	-14,443,730	-295,002	0	0	-51,874,202	0	-51,874,202	-9,006,163
Internal Restricted Assets	2,370,494	-82,514	-10,044,902	-294,412	0	0	-8,051,334	0	-8,051,334	3,534,460
External Loan Principal Repayments	256,532	0	0	0	0	0	256,532	0	256,532	257,354
Employee leave payments (from provisions)	956,069	0	0	0	0	0	956,069	0	956,069	1,580,958
Non cash accounting adjustments	-2,340,307	82,514	1,594,903	0	4,249,753	0	3,586,863	0	3,586,863	2,998,608
Writeback Depreciation	-21,215,275	0	0	0	0	0	-21,215,275	0	-21,215,275	-23,296,031
<b>Total Funding</b>	<b>-66,457,958</b>	<b>0</b>	<b>-28,315,411</b>	<b>-787,401</b>	<b>4,249,753</b>	<b>0</b>	<b>-91,311,017</b>	<b>0</b>	<b>-91,311,017</b>	<b>-50,075,962</b>
<b>Net Capital Funding</b>	<b>-492,524</b>	<b>-1</b>	<b>-1,072,746</b>	<b>365,240</b>	<b>4,332,267</b>	<b>0</b>	<b>3,132,237</b>	<b>0</b>	<b>3,132,237</b>	<b>19,693,502</b>
<b>Net Operating Result before Capital Items</b>	<b>-2,415,476</b>	<b>1</b>	<b>1,632,745</b>	<b>-49,654</b>	<b>-4,332,267</b>	<b>0</b>	<b>-5,164,651</b>	<b>0</b>	<b>-5,164,651</b>	<b>-19,854,763</b>
<b>Net Operating &amp; Capital Result after Funding</b>	<b>-2,908,000</b>	<b>1</b>	<b>559,999</b>	<b>315,586</b>	<b>0</b>	<b>0</b>	<b>-2,032,414</b>	<b>0</b>	<b>-2,032,414</b>	<b>-161,261</b>

**HORNSBY SHIRE COUNCIL**

**Quarterly Budget Review Statement**  
for the period 01/04/23 to 30/06/23

**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 budget changes within the June Review

## HORNSBY SHIRE COUNCIL

### Quarterly Budget Review Statement for the period 01/04/23 to 30/06/23

Budget review for the quarter ended 30 June 2023

#### Cash & Investments - All Principal Activities

	<b>Original Budget 2022/23</b>	<b>Revised Budget Projected Year End 2022/23</b>	<b>Actual YTD figures</b>
<b>Total Cash &amp; Investments</b>	<b>302,856,000</b>	<b>302,856,000</b>	<b>301,572,000</b>
Externally Restricted <sup>(1)</sup>	200,551,046	200,551,046	191,884,000
Internally Restricted <sup>(2)</sup>	83,625,597	83,625,597	83,870,000
<b>Total Restrictions</b>	<b>284,176,643</b>	<b>284,176,643</b>	<b>275,754,000</b>
<b>Unrestricted</b> (ie. available after the above Restrictions)	18,679,357	18,679,357	25,818,000
<b>Total Cash &amp; Investments</b>	<b>302,856,000</b>	<b>302,856,000</b>	<b>301,572,000</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 01/04/23 to 30/06/23

### 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 \$6,829,629

This Cash at Bank amount has been reconciled to Council's physical Bank Statements.  
The date of completion of this bank reconciliation is 30/06/23

#### Reconciliation Status

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

	<b>\$ 000's</b>
GL Investments - Trial Balance	294,811
GL Cash at Bank - Trial Balance	6,759
GL Cash on Hand - Trial Balance	<u>2</u>
<b>Reconciled Cash at Bank &amp; Investments</b>	<b><u>301,572</u></b>
Investments	<u>294,811</u>
<b>Investment Total</b>	<b><u>294,811</u></b>
Cash at Bank (as per bank statements)	6,975
less: Ledger transactions not yet in the bank (Timing Difference)	45
add: Bank transactions to be posted to the ledger (Timing Difference)	<u>-261</u>
<b>Cash at Bank Total</b>	<b><u>6,759</u></b>
<b>Cash on Hand Total</b>	<b><u>2</u></b>

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# HORNSBY SHIRE COUNCIL

## Quarterly Budget Review Statement

for the period 01/04/23 to 30/06/23

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

Budget review for the quarter ended 30 June 2023

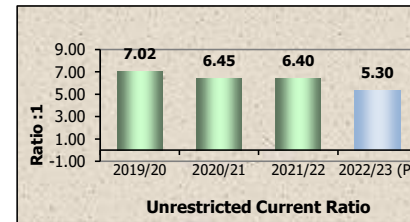
(\$000's)	Draft June \$'000 22/23	Draft June Indicator 22/23	Actuals Prior Periods Indicator 21/22 20/21
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The Council monitors the following Key Performance Indicators:

#### Unrestricted Current Ratio

Current Assets less External Restrictions	122,892	5.30	6.40	6.45
Current Liabilities less Specific Purpose Liabilities	23,169			

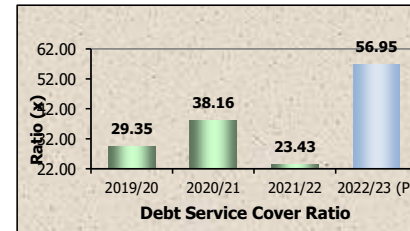
This indicator assesses the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.



#### Debt Service Cover Ratio

Operating Result before capital excl. interest and depreciation/impairment/amortisation	42,199	56.95	23.43	38.16
Principal repayments and borrowing interest costs	741			

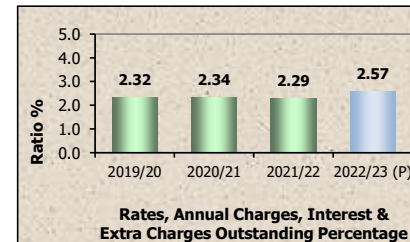
This ratio measures the availability of operating cash to service debt including interest, principal and lease payments.



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

Rates, Annual and Extra Charges Outstanding	2,895	2.57	2.29	2.34
Rates, Annual and Extra Charges Collectible	112,729			

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 01/04/23 to 30/06/23

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

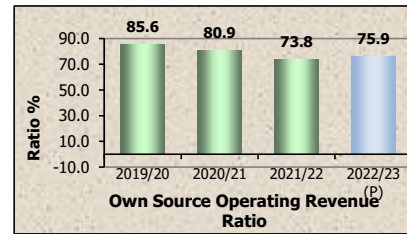
Budget review for the quarter ended 30 June 2023

(\$000's)	Draft June \$'000 22/23	Draft June Indicator 22/23	Actuals Prior Periods Indicator 21/22 20/21
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#### Own Source Operating Revenue Ratio

Total continuing operating revenue (less All Grants & Contributions)	143,047	75.86	73.76 80.89
Total continuing operating revenue	188,556		

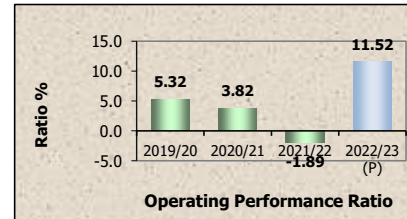
This ratio measures Council's fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants & contributions.



#### Operating Performance Ratio

Total continuing operating revenue (excl. Capital Grants & Contributions) - Operating Expenses	18,876	11.52	-1.89 3.82
Total continuing operating revenue (excl. Capital Grants & Contributions)	163,812		

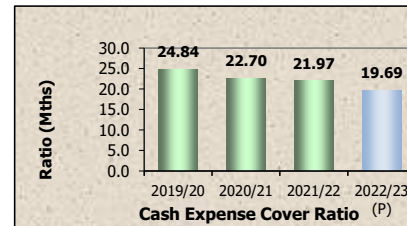
This ratio measures Council's achievement of containing operating expenditure within operating revenue.



#### Cash Expense Cover Ratio

Current Years Cash and Cash Equivalents including All Term Deposits	215,714	19.69	21.97 22.70
Payments from Cash flow of operating and financing activities	10,958		

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 01/04/23 to 30/06/23

### Contracts Budget Review Statement

Budget review for the quarter ended 30 June 2023

**Part A - Contracts Listing** - contracts entered into during the quarter

<b>Contractor</b>	<b>Contract detail &amp; purpose</b>	<b>Contract Value (\$)</b>	<b>Start Date</b>	<b>Duration of Contract</b>	<b>Budgeted (Y/N)</b>	<b>Notes</b>
GLG GreenLife Group Pty Ltd	Grass Cutting of Parks & Reserves, Roadsides and Dangar Island	\$2.3 million	01-06-23	3 years + 2 x 12 month Extension Options	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 01/04/23 to 30/06/23

### Consultancy & Legal Expenses Budget Review Statement

Budget review for the quarter ended 30 June 2023

Consultancy & Legal Expenses Overview

Expense	YTD Expenditure (Actual Dollars)	Budgeted (Y/N)
Consultancies	9,416,065	N
Legal Fees	722,914	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

\$5.973 million of year to date consultancy expenditure relates to the employment of contractors for landfill remediation at foxglove Oval. Whilst this expenditure was unbudgeted it is fully funded from Council's Domestic Waste Management Reserve and was unavoidable given the nature of the project that requires external monitoring and reporting to the EPA.