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HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement
for the period 01/07/23 to 30/09/23

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 30/09/23 indicates that Council's financial position at 30/6/24 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:

25-10-23

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement

for the period 01/07/23 to 30/09/23

Budget review for the quarter ended 30 September 2023

Income & Expenses - All Principal Activities

	Original Budget 2023/24	Approved Changes					Revised Budget 2023/24	Bud Change Request for Sep Qtr	Projected Year End Result	Actual YTD figures
		Total QBRs Contra Changes	Sep QBRs	Dec QBRs	Mar QBRs	Jun QBRs				
Income										
Rates & Annual Charges	-115,907,044	0	0	0	0	0	-115,907,044	11,184	-115,895,861	-115,756,185
User Charges & Fees	-14,747,958	0	0	0	0	0	-14,747,958	-310,065	-15,058,024	-4,310,201
Interest	-10,049,786	0	0	0	0	0	-10,049,786	0	-10,049,786	-3,266,660
Other Revenues	-3,962,866	0	0	0	0	0	-3,962,866	0	-3,962,866	-965,220
Operating Grants & Contributions	-9,161,340	5,170,429	0	0	0	0	-3,990,911	-435,769	-4,426,680	-746,430
Other Income (including Lease Income)	-3,052,584	0	0	0	0	0	-3,052,584	-46,800	-3,099,384	-619,389
Total Income from Continuing Operations	-156,881,578	5,170,429	0	0	0	0	-151,711,149	-781,451	-152,492,599	-125,664,085
Expenses										
Employee benefits and on-costs	56,691,780	0	0	0	0	0	56,691,780	614,370	57,306,150	14,434,849
Materials and services	66,961,717	0	0	0	0	0	66,961,717	-39,637	66,922,080	14,642,034
Borrowing costs	16,194	0	0	0	0	0	16,194	0	16,194	0
Other expenses	4,728,218	0	0	0	0	0	4,728,218	0	4,728,218	1,407,381
Internal Expenses	-481,075	0	0	0	0	0	-481,075	0	-481,075	-135,901
Legal Expenses	1,393,301	0	0	0	0	0	1,393,301	0	1,393,301	57,232
Consultants	3,282,907	0	0	0	0	0	3,282,907	34,414	3,317,321	1,294,984
Depreciation & amortisation	22,131,300	0	0	0	0	0	22,131,300	0	22,131,300	6,200,584
Total Expenses from Continuing Operations	154,724,341	0	0	0	0	0	154,724,341	609,147	155,333,488	37,901,162
Net Operating Result before Depreciation	-24,288,536	5,170,429	0	0	0	0	-19,118,107	-172,304	-19,290,411	-93,963,507
Net Operating Result from Continuing Operations	-2,157,237	5,170,429	0	0	0	0	3,013,193	-172,304	2,840,889	-87,762,923
Net Operating Result before Capital Items	-2,157,237	5,170,429	0	0	0	0	3,013,193	-172,304	2,840,889	-87,762,923

Income & Expenses Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details
\$	

Refer to the body of the Report for details

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement

for the period 01/07/23 to 30/09/23

Budget review for the quarter ended 30 September 2023

Capital Budget - All Principal Activities

	Original Budget 2023/24	Approved Changes					Revised Budget 2023/24	Bud Change Request for Sep Qtr	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	93,338,275	0	0	0	0	0	93,338,275	-7,133,729	86,204,547	9,374,819
Total Capital Expenditure	93,338,275	0	0	0	0	0	93,338,275	-7,133,729	86,204,547	9,374,819
Capital Funding										
Grants and contributions (capital)	-18,159,769	0	0	0	0	0	-18,159,769	-2,752,969	-20,912,738	982,652
Proceeds from the sale of assets	-1,000,000	0	0	0	0	0	-1,000,000	0	-1,000,000	0
	-19,159,769	0	0	0	0	0	-19,159,769	-2,752,969	-21,912,738	982,652
Other Funding										
External Restricted Assets	-51,507,059	-5,170,429	0	0	0	0	-56,677,488	13,113,435	-43,564,053	20,945,322
Internal Restricted Assets	-4,096,133	0	0	0	0	0	-4,096,133	-3,053,210	-7,149,343	2,099,059
External Loan Principal Repayments	0	0	0	0	0	0	0	0	0	0
Employee leave payments (from provisions)	956,069	0	0	0	0	0	956,069	0	956,069	392,719
Non cash accounting adjustments	4,717,153	0	0	0	0	0	4,717,153	0	4,717,153	-2,192,419
Writeback Depreciation	-22,131,300	0	0	0	0	0	-22,131,300	0	-22,131,300	-6,200,584
Total Funding	-91,221,039	-5,170,429	0	0	0	0	-96,391,468	7,307,256	-89,084,212	16,026,749
Net Capital Funding	2,117,237	-5,170,429	0	0	0	0	-3,053,193	173,527	-2,879,665	25,401,568
Net Operating Result before Capital Items	-2,157,237	5,170,429	0	0	0	0	3,013,193	-172,304	2,840,889	-87,762,923
Net Operating & Capital Result after Funding	-40,000	0	0	0	0	0	-40,000	1,224	-38,776	-62,361,355

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement
for the period 01/07/23 to 30/09/23

Capital Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details
	\$

Refer to the body of the Report for details

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement for the period 01/07/23 to 30/09/23

Budget review for the quarter ended 30 September 2023
Cash & Investments - All Principal Activities

	Original Budget 2023/24	Revised Budget Projected Year End 2023/24	Actual YTD figures
Total Cash & Investments	301,572,000	301,572,000	294,218,178
Externally Restricted ⁽¹⁾	191,884,000	191,884,000	184,514,266
Internally Restricted ⁽²⁾	83,870,000	83,870,000	89,435,448
Total Restrictions	275,754,000	275,754,000	273,949,714
Unrestricted (ie. available after the above Restrictions)	25,818,000	25,818,000	20,268,464
Total Cash & Investments	301,572,000	301,572,000	294,218,178

(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 01/07/23 to 30/09/23

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 29/09/23

Reconciliation Status

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

	\$ 000's
GL Investments - Trial Balance	279,346
GL Cash at Bank - Trial Balance	14,870
GL Cash on Hand - Trial Balance	2
	294,218
Reconciled Cash at Bank & Investments	
Investments	279,346
Investment Total	279,346
Cash at Bank (as per bank statements)	15,076
less: Ledger transactions not yet in the bank	(Timing Difference) -284
add: Bank transactions to be posted to the ledger	(Timing Difference) 78
Cash at Bank Total	14,870
Cash on Hand Total	2

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement for the period 01/07/23 to 30/09/23

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

Budget review for the quarter ended 30 September 2023

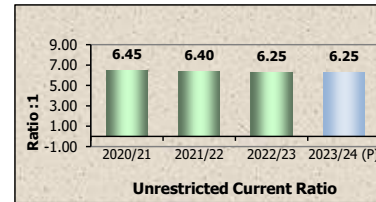
(\$000's)	Draft June \$'000 23/24	Draft June Indicator 23/24	Actuals Prior Periods Indicator 22/23 21/22
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The Council monitors the following Key Performance Indicators:

Unrestricted Current Ratio

Current Assets less External Restrictions	123,691	6.25	6.25	6.40
Current Liabilities less Specific Purpose Liabilities	19,787			

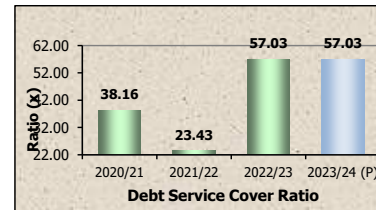
This indicator assesses the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.



Debt Service Cover Ratio

Operating Result before capital excl. interest and depreciation/impairment/amortisation	42,257	57.03	57.03	23.43
Principal repayments and borrowing interest costs	741			

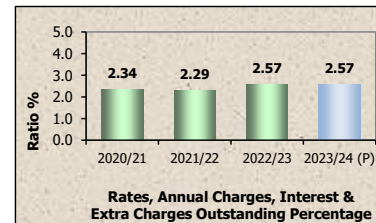
This ratio measures the availability of operating cash to service debt including interest, principal and lease payments.



Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage

Rates, Annual and Extra Charges Outstanding	2,895	2.57	2.57	2.29
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

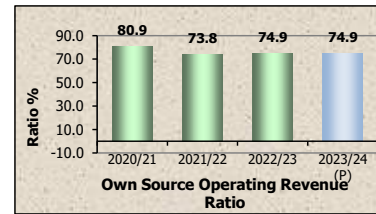
Quarterly Budget Review Statement for the period 01/07/23 to 30/09/23

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

Budget review for the quarter ended 30 September 2023

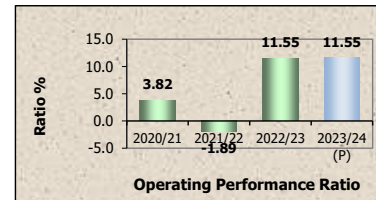
(\$000's)	Draft June \$'000 23/24	Draft June Indicator 23/24	Actuals Prior Periods Indicator 22/23 21/22
Own Source Operating Revenue Ratio			
Total continuing operating revenue (less All Grants & Contributions)	143,047	74.93	74.93 73.76
Total continuing operating revenue	190,919		

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



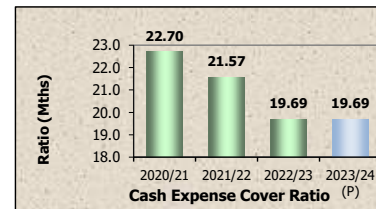
Operating Performance Ratio			
Total continuing operating revenue (excl. Capital Grants & Contributions) - Operating Expenses	18,926	11.55	11.55 -1.89
Total continuing operating revenue (excl. Capital Grants & Contributions)	163,812		

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	19.69 21.57
Payments from Cash flow of operating and financing activities	10,954		

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 01/07/23 to 30/09/23

Contracts Budget Review Statement

Budget review for the quarter ended 30 September 2023

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
No contracts above the reporting level have been entered into during the quarter.						

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 01/07/23 to 30/09/23

Consultancy & Legal Expenses Budget Review Statement

Budget review for the quarter ended 30 September 2023

Consultancy & Legal Expenses Overview

Expense	YTD Expenditure (Actual Dollars)	Budgeted (Y/N)
Consultancies	1,294,984	Y
Legal Fees	57,232	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.