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HORNSBY SHIRE COUNCIL

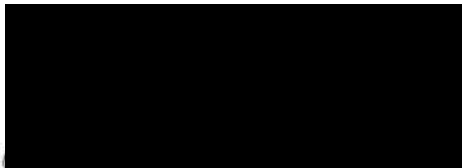
Quarterly Budget Review Statement
for the period 01/10/23 to 31/12/23

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 31/12/23 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 large black rectangular redaction box covers the signature of the Responsible Accounting Officer.

Duncan Chell
Responsible Accounting Officer

date: 24-01-24

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement

for the period 01/10/23 to 31/12/23

Budget review for the quarter ended 31 December 2023

Income & Expenses - All Principal Activities

	Original Budget 2023/24	Approved Changes					Revised Budget 2023/24	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				
Income										
Rates & Annual Charges	-115,907,044	1	11,184	0	0	0	-115,895,860	0	-115,895,860	-116,479,780
User Charges & Fees	-14,747,958	0	-310,065	0	0	0	-15,058,024	0	-15,058,024	-7,857,362
Interest	-10,049,786	0	0	0	0	0	-10,049,786	0	-10,049,786	-7,446,429
Other Revenues	-3,962,866	0	0	0	0	0	-3,962,866	0	-3,962,866	-2,124,039
Operating Grants & Contributions	-9,161,340	5,170,429	-435,769	0	0	0	-4,426,680	-29,277	-4,455,957	-3,234,270
Other Income (including Lease Income)	-3,052,584	0	-46,800	0	0	0	-3,099,384	0	-3,099,384	-1,624,360
Total Income from Continuing Operations	-156,881,578	5,170,430	-781,451	0	0	0	-152,492,599	-29,277	-152,521,876	-138,766,239
Expenses										
Employee benefits and on-costs	56,691,780	390,467	614,370	0	0	0	57,696,617	0	57,696,617	28,073,987
Materials and services	66,961,717	959,031	-39,637	0	0	0	67,881,111	29,277	67,910,388	30,984,278
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	2,513,858
Internal Expenses	-481,075	0	0	0	0	0	-481,075	0	-481,075	-216,408
Legal Expenses	1,393,301	0	0	0	0	0	1,393,301	0	1,393,301	152,208
Consultants	3,282,907	-34,414	34,414	0	0	0	3,282,907	0	3,282,907	2,523,277
Depreciation & amortisation	22,131,300	0	0	0	0	0	22,131,300	0	22,131,300	12,189,568
Total Expenses from Continuing Operations	154,724,341	1,315,084	609,147	0	0	0	156,648,573	29,277	156,677,850	76,220,768
Net Operating Result before Depreciation	-24,288,536	6,485,514	-172,304	0	0	0	-17,975,326	0	-17,975,326	-74,735,039
Net Operating Result from Continuing Operations	-2,157,237	6,485,514	-172,304	0	0	0	4,155,974	0	4,155,974	-62,545,471
Net Operating Result before Capital Items	-2,157,237	6,485,514	-172,304	0	0	0	4,155,974	0	4,155,974	-62,545,471

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 01/10/23 to 31/12/23

Budget review for the quarter ended 31 December 2023

Capital Budget - All Principal Activities

	Original Budget 2023/24	Approved Changes					Revised Budget 2023/24	Bud Change Request for Dec 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	-107	-7,133,729	0	0	0	86,204,440	5,660,000	91,864,440	30,810,471
Total Capital Expenditure	93,338,275	-107	-7,133,729	0	0	0	86,204,440	5,660,000	91,864,440	30,810,471
Capital Funding										
Grants and contributions (capital)	-18,159,769	-82,722	-2,752,969	0	0	0	-20,995,460	-1,291,538	-22,286,998	-1,865,116
Proceeds from the sale of assets	-1,000,000	0	0	0	0	0	-1,000,000	0	-1,000,000	-454,096
	-19,159,769	-82,722	-2,752,969	0	0	0	-21,995,460	-1,291,538	-23,286,998	-2,319,212
Other Funding										
External Restricted Assets	-51,507,059	-5,162,685	13,113,435	0	0	0	-43,556,309	3,050,000	-40,506,309	6,568,208
Internal Restricted Assets	-4,096,133	-1,240,000	-3,053,210	0	0	0	-8,389,343	-7,418,462	-15,807,805	-3,810,049
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	478,936
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	-12,189,568
Total Funding	-91,221,039	-6,485,407	7,307,256	0	0	0	-90,399,190	-5,660,000	-96,059,190	-13,464,102
Net Capital Funding	2,117,237	-6,485,514	173,527	0	0	0	-4,194,750	0	-4,194,750	17,346,369
Net Operating Result before Capital Items	-2,157,237	6,485,514	-172,304	0	0	0	4,155,974	0	4,155,974	-62,545,471
Net Operating & Capital Result after Funding	-40,000	0	1,224	0	0	0	-38,776	0	-38,776	-45,199,102

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement
for the period 01/10/23 to 31/12/23

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 01/10/23 to 31/12/23

Budget review for the quarter ended 31 December 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	290,195,117
Externally Restricted ⁽¹⁾	191,884,000	191,884,000	179,795,088
Internally Restricted ⁽²⁾	83,870,000	83,870,000	83,526,341
Total Restrictions	275,754,000	275,754,000	263,321,429
Unrestricted (ie. available after the above Restrictions)	25,818,000	25,818,000	26,873,688
Total Cash & Investments	301,572,000	301,572,000	290,195,117

(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 01/10/23 to 31/12/23

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	282,236
GL Cash at Bank - Trial Balance	7,957
GL Cash on Hand - Trial Balance	2
	<u>290,195</u>

Reconciled Cash at Bank & Investments

Investments	282,236
Investment Total	<u>282,236</u>

Cash at Bank (as per bank statements)	8,091
less: Ledger transactions not yet in the bank	(Timing Difference) -153
add: Bank transactions to be posted to the ledger	(Timing Difference) 19
Cash at Bank Total	<u>7,957</u>

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

Quarterly Budget Review Statement for the period 01/10/23 to 31/12/23

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

Budget review for the quarter ended 31 December 2023

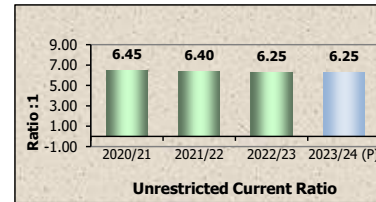
(\$000's)	Draft June \$'000 23/24	Draft June Indicator 23/24	Actuals Prior Periods Indicator 22/23 21/22
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The Council monitors the following Key Performance Indicators:

Unrestricted Current Ratio

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

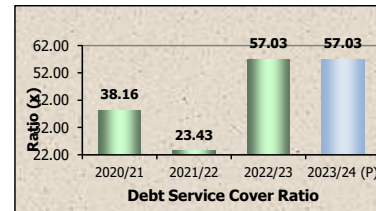
This indicator assesses the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.



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			

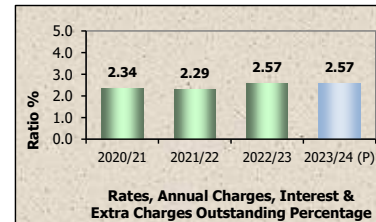
This ratio measures the availability of operating cash to service debt including interest, principal and lease payments.



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

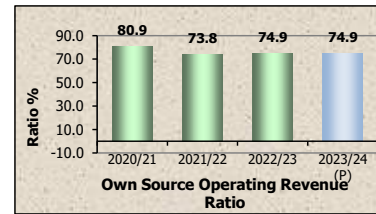
Quarterly Budget Review Statement for the period 01/10/23 to 31/12/23

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

Budget review for the quarter ended 31 December 2023

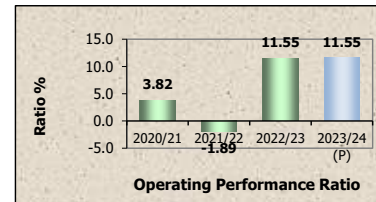
(\$000's)	Draft June \$'000 23/24	Draft June Indicator 23/24	Actuals Prior Periods Indicator 22/23 21/22
Own Source Operating Revenue Ratio			
Total continuing operating revenue (less All Grants & Contributions)	143,047	74.93	74.93 73.76
Total continuing operating revenue	190,919		

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



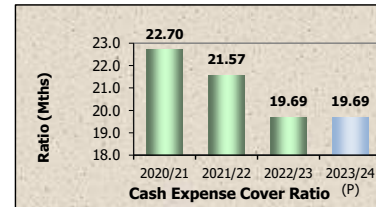
Operating Performance Ratio			
Total continuing operating revenue (excl. Capital Grants & Contributions) - Operating Expenses	18,926	11.55	11.55 -1.89
Total continuing operating revenue (excl. Capital Grants & Contributions)	163,812		

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 01/10/23 to 31/12/23

Contracts Budget Review Statement

Budget review for the quarter ended 31 December 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
Water Technology Pty Ltd Suite 3, Level 1, 20 Wentworth Street, Parramatta NSW 2150	Deliver Stages 3 and 4 of the Hawkesbury Nepean River System Coastal Management Program	429,903	5th October 2023	2 years	Y	
Northside Office Furniture (Registered as Capricorn Busines Systems Pty Ltd Unit 2 /37 Leighton Place Hornsby	Supply and Installation of office equipment	731,338	30th October 2023	As per agreed timeline between Council and Northside Office Furniture. Expected end - March 2023	Y	
Court Craft (Aust) Pty Ltd	Reconstruction of netball courts 1 and 2, Pennant Hills Park	320,453	26th October 2023	4 months	Y	
STS Geotechnics Pty Ltd. PO Box 6989 Wetherill Park NSW 2164	Geotechnical investigations and testing in all areas of Hornsby Shire Council	Estimated value of \$50,000 for a period of 12 months. No variations can be ascertained at this stage.	10th October 2023	24 months with provision to extend by further 12 months.	Y	

Notes:

Contracts disclosed are based on the date of signing, which is typically a period of time after tenders have been accepted. A number of tenders have recently been accepted for the embellishment of Hornsby Park with contracts expected to be signed in due course. Once signed these contracts will be disclosed in Council's Contract Register and the applicable Quarterly Budget Review Statement

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.

HORNSBY SHIRE COUNCIL

Quarterly Budget Review Statement

for the period 01/10/23 to 31/12/23

Consultancy & Legal Expenses Budget Review Statement

Budget review for the quarter ended 31 December 2023

Consultancy & Legal Expenses Overview

Expense	YTD Expenditure (Actual Dollars)	Budgeted (Y/N)
Consultancies	2,523,277	Y
Legal Fees	152,208	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

NA