

## 10.2. Quarterly Budget Review - September 2022

**AUTHOR:** Christian Munday, Manager Financial Services

**ENDORSED BY:** Margaret Palmer, Director Corporate Services

**ATTACHMENTS:** Quarterly Budget Review Statement for the Quarter Ended 30 September 2022

### **PURPOSE:**

This report should be read in conjunction with Item 10.01 Q1 Review of the Operational Plan 2022/23. This report reviews the budget for quarter ended 30 September 2022 and seeks approval to adjust the 2022/23 budget accordingly.

### **EXECUTIVE SUMMARY:**

The 2022/22 Original Budget forecast a balanced operating result (a \$15 thousand deficit) before capital grants and contributions, and a net operating surplus of \$8.01 million after capital grants and contributions.

At the end of the September quarter, actual operating income was \$1.09 million (1.3%) above the year-to-date current budget. Actual operating expenditure was \$1.35 million (4.8%) below the year-to-date current budget.

Early indicators are that parking revenue is exceeding budget, and that there are savings in Employee Benefits (due to unfilled positions). These items will be monitored by staff and considered for adjustment in subsequent budget reviews.

At its meeting of 14 November 2022 Council approved the carry forward of funds from the 2021/22 Operating Budget and Capital Budget. Refer to *10.12 Unspent funds to be carried over from 2021/22 to 2022/23*. This report added \$2.7 million operating expenditure to the 2022/23 budget, funded from reserves held at 30 June 2022.

This budget review proposes further adjustments that, added to the carry forward adjustment, will result in an operating deficit before capital grants and contributions of \$6.15 million. The surplus after capital grants and contributions will be \$12.80 million.

The main reasons identified in this report for the increase in the deficit before capital grants and contributions are:

- a reduction in grant income of \$1.77 million dollars. This is because the 2022/23 Financial Assistance Grant was received early and recognized as income in FY 2021/22. This will not change Council's cash position; the funds were received in advance of the budgeted year.
- Revaluations of infrastructure assets as at 30 June 2022 have resulted in an increase of \$1.85 million in depreciation expense. This will be addressed in future revisions of Asset Management Plans and capital renewal budgets.

\$7.40 million has been added to the Capital Grants and Contributions budgets mainly for Victoria Cross Station developer contributions.

The balance of cash reserves at 30 June 2023 is forecast at \$58.38 million.

#### **FINANCIAL IMPLICATIONS:**

The proposed changes to the budget result in a net operating surplus of \$12.80 million. The net operating result after capital grants and contributions is a proposed deficit of \$6.15 million. The increase in the deficit compared to the original budget is due to:

- carry forwards,
- the recognition of FY 2022/23 grant income in FY 2021/22, and
- an increase in depreciation calculated following revaluation of infrastructure assets as at 30 June 2022.

After carry forwards and the proposed adjustments in this report, cash reserves are forecast to be \$58.38 million dollars at 30 June 2023, compared to the original budget of \$75.19 million.

#### **RECOMMENDATION:**

- 1. THAT** the Quarterly Budget Review Statement – September 2022 report be received.
- 2. THAT** Council acknowledges the budget amendments in this report.

## **LINK TO COMMUNITY STRATEGIC PLAN**

The relationship with the Community Strategic Plan is as follows:

### **5. Our Civic Leadership**

#### **5.1 Lead North Sydney's strategic direction**

## **BACKGROUND**

Clause 203 of the Local Government (General) Regulation 2021 requires that a Quarterly Budget Review Statement be considered by Council. It must show revised estimates for income and expenditure for the year and indicate whether Council's financial position is satisfactory or make recommendations for remedial action where needed.

## **CONSULTATION REQUIREMENTS**

Community engagement is not required.

## **DETAIL**

### **Position of the Budget at the Beginning of the Quarter**

Council's original annual budget forecast a balanced budget before Capital Grants and contributions (\$15 thousand deficit) and net operating surplus after capital grants and contributions of \$8.01 million. The budget included \$71.20 million for capital works program and replacement of plant and equipment. The original budget forecast a net transfer from reserves of \$40.31 million.

### **Position of the Operating Budget at the End of the September Quarter**

The year-to-date operating result shows:

- actual operating income has a favourable variance of \$1.09 million (1.3%); and
- actual operating expenditure had a favourable variance of \$1.35 million (4.8%).

The favourable variance in operating income is mainly due to higher-than-expected parking revenues, return on investments and development fees. Staff will continue to monitor these trends. No adjustment is proposed for these items at this time.

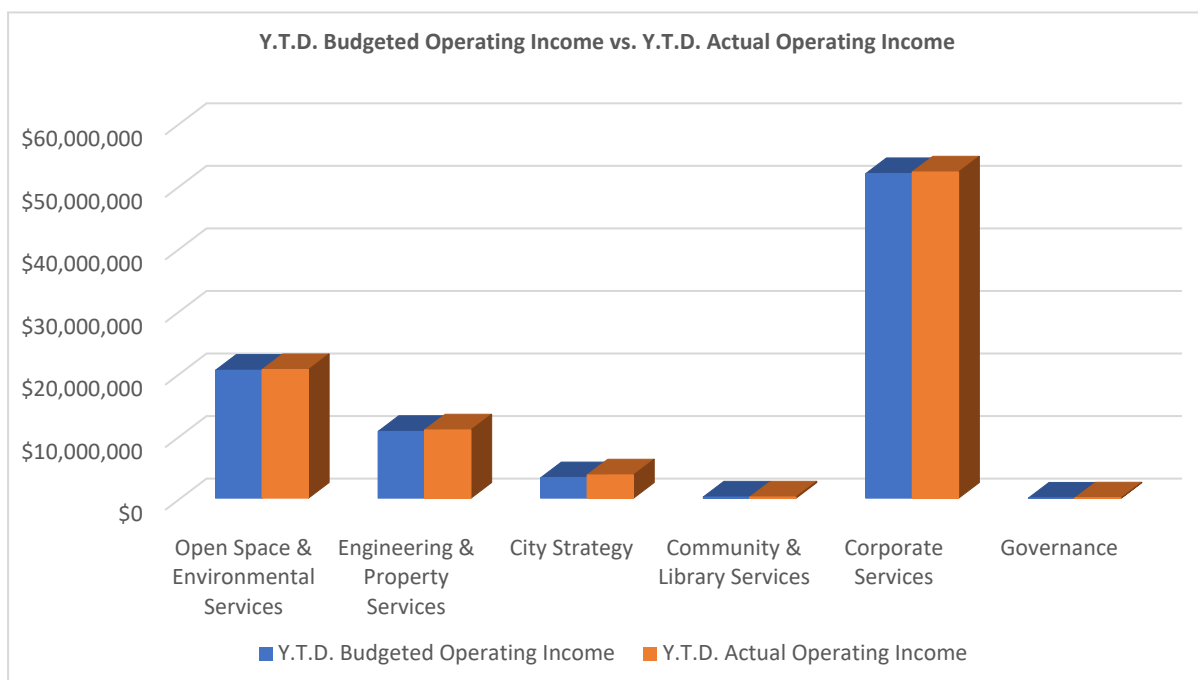
The favourable variance in operating expenditure is mostly due to Employee Benefits and unfilled positions. Staff will, again, continue to monitor the trend. No adjustment is proposed to this item at this time.

The report titled 'Operational Plan Summary Report by Divisions and Departments' on pages 12 to 15 of the attached QBRS, provides details of both budgeted and actual operating income and expenditure for each Division and Department in the Operational Plan. The following tables and graphs present this information in a summarised form.

## Operating Income

### Operating Income

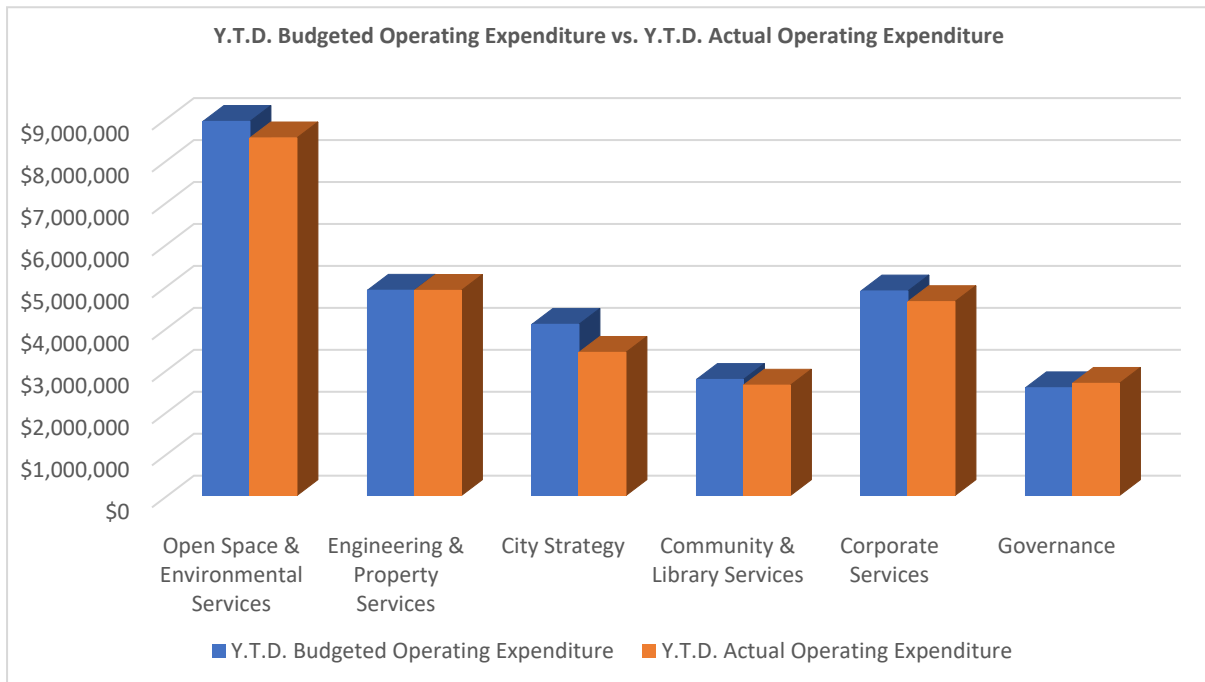
Division	Original Budget (\$)	Revised Budget (\$)	Y.T.D. Revised Budget (\$)	Y.T.D. Actual (\$)	Y.T.D. Variance (\$)	Y.T.D. Variance (%)
Open Space & Environmental Services	21,755,300	21,773,300	20,456,016	20,553,936	97,920	0.5%
Engineering & Property Services	33,995,361	34,140,461	10,676,558	10,916,070	239,512	2.2%
City Strategy	11,367,723	11,395,560	3,265,343	3,721,454	456,111	14.0%
Community & Library Services	1,176,786	1,176,786	191,378	196,296	4,918	2.6%
Corporate Services	55,464,710	55,464,710	51,893,979	52,156,584	262,605	0.5%
Governance	50,400	50,400	12,600	41,680	29,080	230.8%
<b>Total as per Operational Plan</b>	<b>123,810,280</b>	<b>124,001,217</b>	<b>86,495,874</b>	<b>87,586,020</b>	<b>1,090,146</b>	<b>1.3%</b>



## Operating Expenditure

### Operating Expenditure

Division	Original Budget (\$)	Revised Budget (\$)	Y.T.D. Budget (\$)	Y.T.D. Actual (\$)	Y.T.D. Variance (\$)	Y.T.D. Variance (%)
Open Space & Environmental Services	33,230,178	33,684,935	8,917,509	8,524,699	392,810	4.4%
Engineering & Property Services	16,559,978	17,542,925	4,893,179	4,889,676	3,503	0.1%
City Strategy	15,735,014	15,925,984	4,080,889	3,412,334	668,555	16.4%
Community & Library Services	7,503,651	7,556,100	2,766,645	2,630,551	136,094	4.9%
Corporate Services	17,982,563	18,682,640	4,875,571	4,622,277	253,294	5.2%
Governance	6,158,349	6,420,266	2,568,519	2,673,788	-105,269	-4.1%
<b>Total as per Operational Plan</b>	<b>97,169,733</b>	<b>99,812,850</b>	<b>28,102,312</b>	<b>26,753,325</b>	<b>1,348,987</b>	<b>4.8%</b>



### **Position of the Capital Budget at the End of the September Quarter**

Capital expenditure year-to-date is \$8.29 million. The original capital budget was \$71.20 million. Including carry forwards and minor adjustments proposed in this review the capital budget for the year is \$94.65 million. \$85.69 million remains to be expended.

Expenditure on the North Sydney Olympic Pool project year-to-date is \$2.46 million compared to a budgeted expenditure for the year of \$40.70 million. Staff will continue to closely monitor the progress of this project and the timing of its cash flows. No adjustment is proposed at this stage of the year.

The report titled 'Operational Plan Summary Report by Divisions and Departments' on pages 12 to 15 of the attached QBRs, provides details of both budgeted and actual capital income and expenditure for each Division and Department in the Operational Plan.

### **Recommended Adjustments to the Budget at the End of the September Quarter**

This review proposes adjustments listed in the following tables. These adjustments are also listed under the heading 'Recommended Variations to Revised Budget for September Quarter' within the attached QBRs.

The most significant adjustments are:

- An increase in developer contributions of \$6.88 million mostly related to the Victoria Cross over-station development,
- An increase in depreciation of infrastructure assets following upward revaluations of infrastructure assets at 30 June 2022,
- A decrease of Financial Assistance Grant of \$1.64 million due to early receipt and recognition of FY 2022/23 Financial Assistance grant in FY 2021/22,
- Developer contributions of \$313 thousand towards multi-function poles at William and Blue Streets, and
- Increase in Worker's Compensation Premium of \$268 thousand.

### **Proposed Adjustments to Operating Income**

	<b>Increase / (Decrease) (\$)</b>
<b>Operating Income</b>	
Library Per Capita Subsidy	5,079
Library Writers Festival Sponsorship	2,600
Library Children's Activities Grant	1,500
Ex Gratia Rates	1,307
Catchment Study Grant	(24,094)
Monford Place Road Closure Consultancy & Legal Costs Contribution	(40,079)
Business Rates	(40,915)
Community Recycling Program Contributions	(103,882)

Financial Assistance Grant - Local Roads Component (received in advance in June 2022)	(384,747)
Financial Assistance Grant - General Purpose Component (received in advance in June 2022)	(1,258,927)
<b>Total</b>	<b>(1,842,158)</b>

## Operating Expenditure

<b>Operating Expenditure</b>	<b>Increase / (Decrease) (\$)</b>
Depreciation	1,850,000
Workers Compensation Insurance Premium	268,289
Independent Review - North Sydney Olympic Pool	150,000
Community Centres Playgrounds/Tree Inspections	33,000
67 Euroka Street Waverton Retaining Wall Repair	32,180
Resilient Sydney Program Contribution	10,000
Catchment Study (transferred from Drainage Design - Capital Expenditure)	9,978
Councillor Training Expenses	9,000
Citizenships & Days of Remembrance Other Expenses	8,000
Community Awards Expenses	6,500
Staff Functions	4,858
Vacation Play Centres Management Fee	4,000
Library Writers Festival Expenses	2,600
Library Children's Activities Expenses	1,500
Citizenships & Days of Remembrance Salaries	1,500
Valuer General Fee	1,191
NSROC Membership Fee	(254)
EPS Works Management Sundry Expenses (transferred to IT Hardware Acquisitions - Capital Expenditure)	(728)
Customer Services Sundry Expenses (transferred to IT Hardware Acquisitions - Capital Expenditure)	(960)
Other Insurance Premiums	(2,698)
Department of Planning Fee	(3,189)
CIS Administration Sundry Expenses (transferred to IT Hardware Acquisitions - Capital Expenditure)	(3,360)
Community Centres Playgrounds/Tree Inspections Contributions	(17,000)
Monford Place Road Closure Consultancy & Legal Costs	(38,079)
NSW Planning Portal Integration	(90,000)
SES & Fire & Rescue Contribution	(97,620)
Property Maintenance (transferred to Central Depot Building Refurbishment - Capital Expenditure)	(113,500)
Public Liability Insurance Premium	(183,500)
<b>Total</b>	<b>1,841,708</b>

## Capital Income



<b>Capital Income</b>	<b>Increase / (Decrease) (\$)</b>
Developer Contributions	6,880,000
Contribution to Installation of Multifunction Poles at William & Blue Streets	313,106
McMahons Point Pocket Park Grant	125,000
Contribution to Wheeler Lane & William Street Footpath Upgrade	78,000
Library Local Priority Grant	(1,109)
<b>Total</b>	<b>7,394,997</b>

### **Capital Expenditure**

<b>Capital Expenditure</b>	<b>Increase / (Decrease) (\$)</b>
Public Lighting Works William and Blue Streets	313,106
McMahons Point Pocket Park	125,000
Central Depot Building Refurbishment (transferred from Property Maintenance - Operating Expenditure)	113,500
Wheeler Lane & William Street Footpath Upgrade	78,000
Council Chambers AV Project	55,000
Road Pavement Reconstruction (Financial Assistance Grant - Local Roads Component)	24,485
Library Security System Upgrade	12,989
Ranger Services Tablets	11,769
IT Hardware Acquisitions (transferred from Customer Services, EPS Works Management & CIS Administration - Operating Expenditure)	5,048
Family Day Care Centre Playground Upgrade	1,305
Library Local Priority Grant Expenditure	(1,109)
Drainage Design (transferred to Catchment Study - Operating Expenditure)	(34,072)
<b>Total</b>	<b>705,021</b>

A reconciliation of the forecast net operating result to net transfers from reserves follows:

	Original Budget	Carried Forward from 2021/22	Carried Back to 2021/22	Other recommended adjustments - September Quarter	September Quarter Revised Forecast
<b>Net Operating Surplus / (Deficit) before Capital Items</b>	<b>(14,655)</b>	<b>(2,475,551)</b>	<b>23,371</b>	<b>(3,683,866)</b>	<b>(6,150,701)</b>
<i>Add</i>					
Capital Grants and Contributions	8,023,810	3,535,375	-	7,394,997	18,954,182
<b>Surplus / (Deficit) from Continuing Operations</b>	<b>8,009,155</b>	<b>1,059,824</b>	<b>23,371</b>	<b>3,711,131</b>	<b>12,803,481</b>
<i>Add</i>					
Depreciation, Amortisation & Impairment for Non-Financial Assets	23,937,400	-	-	1,850,000	25,787,400
Net Losses from Disposal of Assets	547,004	-	-	-	547,004
Proceeds from Disposal of Plant & Equipment	321,282	-	-	-	321,282
<i>Deduct</i>					
Capital Expenditure (other than Plant Purchases)	(70,418,170)	(24,333,817)	2,293,702	(705,021)	(93,163,306)
Plant Purchases	(777,103)	(711,187)	-	-	(1,488,290)
Loan Principal to be repaid	(1,927,127)	-	-	-	(1,927,127)
Increase in Fair Value of Investment Properties	-	-	-	-	0
<b>Net Transfers To / (From) Reserves</b>	<b>(40,307,559)</b>	<b>(23,985,180)</b>	<b>2,317,073</b>	<b>4,856,110</b>	<b>(57,119,556)</b>

**North Sydney Council**

**Quarterly Budget Review Statement**

**for the quarter ended 30 September 2022**

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## North Sydney Council

### Quarterly Budget Review Statement for the quarter ended 30 September 2022 Responsible Accounting Officer's Statement

The following statement is made in accordance with Clause 203(2) of the Local Government (General) Regulations 2021.

It is my opinion that the Quarterly Budget Review Statement for North Sydney Council for the quarter ended 30 September 2022 indicates that Council's projected financial position will be satisfactory having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

At the end of the quarter, actual operating income was ahead of the the year-to-date budget by \$1.1 million mainly due to greater than expected revenue from off-street parking, parking infringements, investment returns and development fees. Actual operating expenditure was \$1.3 million below the year-to-date budget and this can be primarily attributed to lower than expected labour costs due to staff turnover.

Council's short term liquidity position remains sound, based on the level of its internally restricted reserves and available working capital. Uncommitted internally restricted reserves and available working capital are more than sufficient to cover known commitments. These reserves are supported by monies invested in term deposits or floating rate notes with various financial institutions or held 'at call' or in Council's trading account with the Commonwealth Bank.

The 'Income & Expenses Report' on pages 3 to 4 of this Quarterly Budget Review Statement forecasts a projected year end net operating deficit before capital grants and contributions of \$6.15 million. A reconciliation of this figure to the forecast net drawdown from reserves is as follows:

Net Operating Deficit before Capital Items	(\$6,150,701)
Add Capital grants and contributions	\$18,954,182
Surplus from Continuing Operations	\$12,803,481
Add Depreciation	\$25,787,400
Net Losses from disposal of assets	\$547,004
Proceeds from disposal of plant and equipment	\$321,282
Deduct Capital expenditure (other than Plant Purchases)	(\$93,163,306)
Plant and equipment purchases	(\$1,488,290)
Loan principal to be repaid	(\$1,927,127)
Net drawdown from reserves	<u>(\$57,119,556)</u>

Signed: C. Menday

Date: 28/11/22

Christian Menday  
Responsible Accounting Officer

## North Sydney Council

Quarterly Budget Review Statement for the quarter ended 30 September 2022

## Income &amp; Expenses Report

	Approved Variations			Revised Budget (\$000's)	Recommended Variations to Revised Budget for September Quarter Other (\$000's)	Projected Year End Result 2022/23 (\$000's)	YTD Actual (\$000's)	YTD Revised Budget (\$000's)
	Original Budget 2022/23 (\$000's)	Carried Forward from 2021/22 (\$000's)	Carried Back to 2021/22 (\$000's)					
<b>Income</b>								
<i>Rates and annual charges</i>	72,409	-	-	72,409	(41)	72,368	72,012	72,121
<i>User charges and fees</i>	29,592	-	-	29,592	3	29,595	10,294	9,229
<i>Other revenue</i>	9,087	-	-	9,087	(39)	9,048	2,209	2,261
<i>Grants and contributions - operating</i>	5,457	191	-	5,648	(1,765)	3,883	1,034	1,103
<i>Grants and contributions - capital</i>	8,024	3,535	-	11,559	7,395	18,954	7,360	334
<i>Interest and investment income</i>	1,384	-	-	1,384	-	1,384	719	346
<i>Other income</i>	5,881	-	-	5,881	-	5,881	1,336	1,436
<b>Total Income from Continuing Operations</b>	<b>131,834</b>	<b>3,726</b>	<b>-</b>	<b>135,560</b>	<b>5,553</b>	<b>141,113</b>	<b>94,964</b>	<b>86,830</b>
<b>Expenses</b>								
<i>Employee benefits and on-costs</i>	49,083	135	-	49,218	275	49,493	12,759	13,979
<i>Materials and services</i>	45,250	2,114	(23)	47,341	(165)	47,176	14,365	13,924
<i>Borrowing costs</i>	1,533	-	-	1,533	-	1,533	(206)	(206)
<i>Depreciation, amortisation and impairment for non-financial assets</i>	23,937	-	-	23,937	1,850	25,787	5,919	5,985
<i>Other expenses</i>	3,475	417	-	3,892	(118)	3,774	1,735	1,729
<i>Net losses from disposal of assets</i>	547	-	-	547	-	547	(274)	(219)
<b>Total Expenses from Continuing Operations</b>	<b>123,825</b>	<b>2,666</b>	<b>(23)</b>	<b>126,468</b>	<b>1,842</b>	<b>128,310</b>	<b>34,298</b>	<b>35,192</b>
<b>Net Operating Result from Continuing Operations</b>	<b>8,009</b>	<b>1,060</b>	<b>23</b>	<b>9,092</b>	<b>3,711</b>	<b>12,803</b>	<b>60,666</b>	<b>51,638</b>
<b>Net Operating Result Before Capital Items</b>	<b>(15)</b>	<b>(2,475)</b>	<b>23</b>	<b>(2,467)</b>	<b>(3,684)</b>	<b>(6,151)</b>	<b>53,306</b>	<b>51,304</b>

## Notes:

1. Original Budget +/- approved budget variations in previous quarters = Revised Budget.
2. Revised Budget +/- recommended variations this quarter = Projected Year End Result.
3. YTD Revised Budget includes recommended variations for this quarter.

**Recommended Variations to Revised Budget for September Quarter**

	Increase / (Decrease) (\$000's)
<b>Income</b>	
<i>Rates and Annual Charges:</i>	
Business Rates	(41)
	(41)
<i>User Charges and Fees:</i>	
Library Writers Festival Sponsorship	3
	3
<i>Other Revenue:</i>	
Ex Gratia Rates	1
Monford Place Road Closure Consultancy & Legal Costs Contribution	(40)
	(39)

**Recommended Variations to Revised Budget for September Quarter (continued)**

	<b>Increase / (Decrease) (\$000's)</b>
<i>Grants and Contributions - Operating:</i>	
Library Per Capita Subsidy	5
Library Childrens Activities Grant	1
Catchment Study Grant	(24)
Community Recycling Program Contributions	(104)
Financial Assistance Grant - Local Roads Component	(384)
Financial Assistance Grant - General Purpose Component	(1,259)
	<u>(1,765)</u>
<i>Grants and Contributions - Capital:</i>	
Developer Contributions	6,880
Contribution to Installation of Multifunction Poles at William & Blue Streets	313
McMahons Point Pocket Park Grant	125
Contribution to Wheeler Lane & William Street Footpath Upgrade	78
Library Local Priority Grant	(1)
	<u>7,395</u>
<b>Total Income</b>	<b><u>5,553</u></b>
<b>Expenditure</b>	
<i>Employee Benefits and On-costs:</i>	
Workers Compensation Insurance Premium	268
Staff Functions	5
Citizenships & Days of Remembrance Salaries	2
	<u>275</u>
<i>Materials and Services:</i>	
Independent Review - North Sydney Olympic Pool	150
Community Centres Playgrounds/Tree Inspections	33
67 Euroka Street Waverton Retaining Wall Repair	33
Resilient Sydney Program Contribution	10
Catchment Study (transferred from Drainage Design - Capital Expenditure)	10
Councillor Training Expenses	9
Citizenships & Days of Remembrance Expenses	8
Community Awards Expenses	6
Vacation Play Centres Management Fee	4
Library Writers Festival Expenses	3
Library Childrens Activities Expenses	1
Valuer General Fee	1
Customer Services Sundry Expenses (transferred to IT Hardware Acquisitions - Capital Expenditure)	(1)
EPS Works Management Sundry Expenses (transferred to IT Hardware Acquisitions - Capital Expenditure)	(1)
CIS Administration Sundry Expenses (transferred to IT Hardware Acquisitions - Capital Expenditure)	(3)
Other Insurance Premiums	(3)
Monford Place Road Closure Consultancy & Legal Costs	(38)
NSW Planning Portal Integration	(90)
Property Maintenance (transferred to Central Depot Building Refurbishment - Capital Expenditure)	(114)
Public Liability Insurance Premium	(183)
	<u>(165)</u>
<i>Depreciation, amortisation and impairment for non-financial assets:</i>	
Depreciation Expense	1,850
	<u>1,850</u>
<i>Other Expenses:</i>	
Department of Planning Fee	(3)
Community Centres Playgrounds/Tree Inspections Contributions	(17)
SES & Fire & Rescue Contribution	(98)
	<u>(118)</u>
<b>Total Expenditure</b>	<b><u>1,842</u></b>

The above adjustments are either offset by a transfer to or from a Reserve or are matched by a corresponding increase or decrease to the budget for another income or expenditure item. Hence, they have no impact on the bottom line of the budget and, therefore, the 2022/23 Operational Plan and it is not anticipated that they will have a significant impact on Council's Long Term Financial Plan.

This document forms part of North Sydney Council's Quarterly Budget Review Statement for the quarter ended 30/9/22 and should be read in conjunction with the total QBRS report.

## North Sydney Council

Quarterly Budget Review Statement for the quarter ended 30 September 2022

## Capital Budget Report

	Approved			Revised Budget	Recommended Variations to Revised Budget for September Quarter Other	Projected Year End Result 2022/23	YTD Actual
	Original Budget 2022/23 (\$000's)	Variations					
		Carried Forward from 2021/22 (\$000's)	Carried Back to 2021/22 (\$000's)				
<b>Capital Expenditure</b>							
<i>New Assets</i>							
- Office Equipment	25	207	-	232	55	287	4
- Land & Buildings	320	2,642	-	2,962	-	2,962	196
- Land Improvements	812	666	-	1,478	-	1,478	53
- Roads & Bridges	1,180	1,914	-	3,094	-	3,094	250
- Footpaths	1,303	1,600	-	2,903	-	2,903	83
- Stormwater Drainage	36	196	-	232	-	232	3
- Open Space/Recreational Assets	659	728	-	1,387	-	1,387	97
- Other Infrastructure Assets	1,101	917	-	2,018	-	2,018	68
- Heritage Collections	5	-	-	5	-	5	-
<i>Renewal Assets (Replacement)</i>							
- Plant & Equipment	852	743	-	1,595	-	1,595	904
- Office Equipment	1,455	19	-	1,474	17	1,491	53
- Furniture & Fittings	75	-	-	75	(1)	74	3
- Land & Buildings	1,000	1,279	-	2,279	126	2,405	47
- Land Improvements	262	900	-	1,162	-	1,162	51
- Roads & Bridges	5,973	3,272	-	9,245	95	9,340	769
- Footpaths	2,725	4,591	-	7,316	102	7,418	953
- Stormwater Drainage	3,392	1,578	-	4,970	(29)	4,941	930
- Swimming Pools	42,969	-	(2,265)	40,704	-	40,704	2,797
- Open Space/Recreational Assets	1,323	1,182	(29)	2,476	1	2,477	359
- Other Infrastructure Assets	5,310	2,313	-	7,623	339	7,962	1,228
- Library Books	418	-	-	418	-	418	105
- Heritage Collections	-	71	-	71	-	71	8
<b>Total Capital Expenditure</b>	<b>71,195</b>	<b>24,818</b>	<b>(2,294)</b>	<b>93,719</b>	<b>705</b>	<b>94,424</b>	<b>8,961</b>
<b>Capital Funding</b>							
<i>Rates and Other Untied Funding</i>	1,134	-	-	1,134	17	1,151	169
<i>Capital Grants &amp; Contributions</i>	7,454	8,700	(29)	16,125	130	16,255	3,452
<i>Internal Reserves:</i>							
- Capital Works	14,574	12,790	-	27,364	557	27,921	3,573
- Income Producing Projects	-	407	-	407	-	407	-
- IT Hardware & Software	1,155	11	-	1,166	-	1,166	26
- Plant	777	711	-	1,488	-	1,488	904
- North Sydney Olympic Pool Redevelopment Reserve	5,269	-	(2,265)	3,004	-	3,004	-
- Insurance	-	-	-	-	-	-	-
<i>External Reserves:</i>							
- Environmental Levy	-	-	-	-	-	-	-
- Infrastructure Levy	2,231	-	-	2,231	-	2,231	345
- Crows Nest Mainstreet Levy	309	159	-	468	-	468	24
- Neutral Bay Mainstreet Levy	181	97	-	278	-	278	1
- Stormwater Levy	579	-	-	579	-	579	138
- Developer Contributions	6,532	2,170	-	8,702	1	8,703	329
<i>Existing Loans</i>	31,000	-	-	31,000	-	31,000	-
<b>Total Capital Funding</b>	<b>71,195</b>	<b>25,045</b>	<b>(2,294)</b>	<b>93,946</b>	<b>705</b>	<b>94,651</b>	<b>8,961</b>

## Notes:

1. Original Budget +/- approved budget variations in previous quarters = Revised Budget
2. Revised Budget +/- recommended changes this quarter = Projected Year End Result

**Recommended Variations to Revised Budget for September Quarter**

	<b>Increase / (Decrease) (\$000's)</b>
Public Lighting Works William and Blue Streets	313
McMahons Point Pocket Park	125
Central Depot Building Refurbishment (transferred from Property Maintenance - Operating Expenditure)	114
Wheeler Lane & William Street Footpath Upgrade	78
Council Chambers AV Project	55
Road Pavement Reconstruction	24
Library Security System Upgrade	13
Ranger Services Tablets	12
IT Hardware Acquisitions (transferred from Customer Services, EPS Works Management & CIS Administration - Operating Expenditure)	5
Family Day Care Centre Playground Upgrade	1
Library Local Priority Grant Expenditure	(1)
Drainage Design (transferred to Catchment Study - Operating Expenditure)	(34)
<b>Total</b>	<b><u>705</u></b>

**Recommended Variations to Revised Budget for September Quarter (continued)**

	<b>Other Recommended Variations Increase / (Decrease) (\$000's)</b>
<b>Total</b>	<b><u>-</u></b>

The above adjustments are either offset by a transfer to or from a Reserve or are matched by a corresponding increase or decrease to the budget for another income or expenditure item. Hence, they have no impact on the bottom line of the budget and, therefore, the 2022/23 Operational Plan and it is not anticipated that they will have a significant impact on Council's Long Term Financial Plan.



<b>North Sydney Council</b>						
<b>Quarterly Budget Review Statement for the Quarter Ended 30 September 2022</b>						
<b>Cash &amp; Investments Report</b>						
	Original Budget 2022/23 (\$000's)	Approved Variations		Revised Budget (\$000's)	Recommended Variations for September Quarter (\$000's)	Projected Year End Result 2022/23 (\$000's)
		Carried Forward from 2021/22 (\$000's)	Carried Back to 2021/22 (\$000's)			
<b>Externally Restricted</b>						
<i>Developer Contributions</i>	13,183	(2,180)	-	11,003	6,879	17,882
<i>Developer Contributions VPA</i>	13,786	-	-	13,786	-	13,786
<i>TfNSW Contributions</i>	-	-	-	-	-	-
<i>Other Special Purpose Contributions</i>	123	(4)	-	119	(104)	15
<i>Special Purpose Grants</i>	6,247	(6,276)	29	-	-	-
<i>Better Waste &amp; Recycling Fund</i>	40	-	-	40	-	40
<i>Domestic Waste Management</i>	11,650	(167)	-	11,483	-	11,483
<i>Environmental Levy</i>	1,426	-	-	1,426	-	1,426
<i>Infrastructure Levy</i>	25	-	-	25	-	25
<i>Crows Nest Mainstreet Levy</i>	188	(159)	-	29	73	102
<i>Neutral Bay Mainstreet Levy</i>	114	(102)	-	12	-	12
<i>Stormwater Management Service Charge</i>	-	-	-	-	-	-
<i>Unexpended Loans</i>	-	-	-	-	-	-
<b>Total Externally Restricted</b>	<b>46,782</b>	<b>(8,888)</b>	<b>29</b>	<b>37,923</b>	<b>6,848</b>	<b>44,771</b>
<b>Internally Restricted</b>						
<i>Capital Works Reserve</i>	18,044	(13,924)	-	4,120	(1,691)	2,429
<i>Income Producing Projects Reserve</i>	822	(407)	-	415	-	415
<i>Insurance Reserve</i>	-	-	-	-	-	-
<i>I.T. Hardware &amp; Software Reserve</i>	(12)	(11)	23	-	-	-
<i>Plant Reserve</i>	3,300	(711)	-	2,589	-	2,589
<i>Employee Leave Entitlements Reserve</i>	7,270	-	-	7,270	(268)	7,002
<i>North Sydney Olympic Pool Redevelopment Reserve</i>	(2,265)	-	2,265	-	-	-
<i>Community Housing - Capital Purchases Reserve</i>	963	-	-	963	-	963
<i>Community Housing - Major Maintenance Reserve</i>	283	(44)	-	239	(33)	206
<b>Total Internally Restricted</b>	<b>28,405</b>	<b>(15,097)</b>	<b>2,288</b>	<b>15,596</b>	<b>(1,992)</b>	<b>13,604</b>
<b>Total Restricted</b>	<b>75,187</b>	<b>(23,985)</b>	<b>2,317</b>	<b>53,519</b>	<b>4,856</b>	<b>58,375</b>
<b>Unrestricted</b>	-	-	-	-	-	-
<b>Total Cash &amp; Investments</b>	<b>75,187</b>	<b>(23,985)</b>	<b>2,317</b>	<b>53,519</b>	<b>4,856</b>	<b>58,375</b>

Notes:

- Externally restricted funds must be spent for a specific purpose and cannot be used by council for general operations.
- Internally restricted funds have been earmarked by Council for a specific future purpose. Unrestricted funds are cash and investments available after deducting restricted funds.
- Unrestricted funds are cash and investments available after deducting restricted funds.
- Original Budget +/- approved budget variations in previous quarters = Revised Budget.
- Revised Budget +/- recommended variations this quarter = Projected Year End Result.

**Comment on Cash & Investments Position****Investments**

All externally and internally restricted funds have been invested in accordance with Council's Investment Policy.

**Cash**

The value of Cash at Bank which has been included in the 'Total Cash & Investments' figure of \$155,240,577 is \$974,449. This Cash at Bank amount has been reconciled to Council's physical bank statements. The bank reconciliation completed on 13 October, 2022.

**Reconciliation**

The YTD total Cash and Investments reconciles to the actual balances held as follows:

Cash at Bank (as per bank statements)	974,449
Cash on Hand (Cash Floats)	11,900
Cash Equivalent Assets (Deposits at Call)	12,815,566
Investment Securities (Term Deposits & FRNs)	141,898,353
less Shorelink Cash & Investments	(399,828)
less Wendy Whiteley Reserve Cash	(123,664)
less Unpresented Cheques	(1,559)
plus Undeposited Funds	91,445
less Unidentified Deposits (not yet accounted in ledger)	(26,085)
<b>YTD Cash &amp; Investments</b>	<b>155,240,577</b>

**Recommended Variations to Revised Budget for September Quarter**

		<b>Increase / (Decrease) (\$000's)</b>
<b>Movement in Restricted Funds - Income from Continuing Operations</b>		
Developer Contributions	Developer Contributions	6,880
Other Special Purpose Contributions	Community Recycling Centre Contributions	(104)
		<b>6,776</b>
<b>Movement in Restricted Funds - Expenses from Continuing Operations</b>		
Crows Nest Mainstreet Levy	Crows Nest Fair Contribution	73
Capital Works Reserve	NSW Planning Portal Integration	90
Capital Works Reserve	SES & Fire & Rescue Contribution (2022/23 Financial Assistance Grant funds received in 2021/22)	(1,304)
Employee Leave Entitlements Reserve	Workers Compensation Insurance Premium	(268)
Community Housing - Major Maintenance Reserve	67 Euroka Street Waverton Retaining Wall Repair	(33)
		<b>(1,442)</b>
<b>Movement in Restricted Funds - Capital Expenditure</b>		
Developer Contributions	Family Day Care Centre Playground Upgrade	(1)
Capital Works Reserve	Roads Renewal (2022/23 Financial Assistance Grant funds received in 2021/22)	(409)
Capital Works Reserve	Council Chambers AV Project	(55)
Capital Works Reserve	Library Security System Upgrade	(13)
		<b>(478)</b>
<b>Total Movement in Restricted Funds</b>		<b>4,856</b>

The above adjustments are either offset by an increase or decrease in the budget for an income or expenditure item. Hence, they have no impact on the bottom line of the budget and, therefore, the 2022/23 Operational Plan and it is not anticipated that they will have a significant impact on Council's Long Term Financial Plan.

## North Sydney Council

### Quarterly Budget Review Statement for the quarter ended 30 September 2022

#### Contracts Listing

Contractor	Contract Detail & Purpose	Contract Value	Commencement Date	Duration of Contract	Budgeted (Y/N)
Ezy Pave Pty Ltd	Contract 1-2021(15)B Atchison Lane Upgrade	\$354,166.00	26/07/2022	4 Months	Y
Shamrock Developments International Pty	Contract 1-2021(17)B Bent Street Safety Barrier Works	\$382,005.00	26/07/2022	4 Months	Y
DCFM Australia Pty Ltd	Contract 6-2022 Caretakers Cottage Refurbishment	\$192,795.00	02/08/2022	3 Months	Y
Shamrock Developments International Pty	Contract 13-2022 Blue's Point Reserve	\$165,395.00	11/08/2022	3 Months	Y
Gartner Australasia Pty Ltd	Contract 20-2022 Midsize Enterprise Technology	\$138,700.00	16/08/2022	2 Months	Y
Stateline Asphalt Pty Ltd	NSROC-2022(2) - Miller St Pavement Restoration Works	\$367,912.00	16/08/2022	3 Months	Y
State Civil Pty Ltd	Contract 1-2021(33) Footpath, Kerb & Gutter Capital Works	\$160,932.00	19/08/2022	4 Months	Y
Group GSA Pty Ltd	Contract 15-2022 Willoughby Road Public Domain Upgrade Design	\$132,500.00	23/08/2022	24 Months	Y
Anzellotti Constructions Pty Ltd	Contract 1-2021(23) Newland St Construction of Drainage	\$206,758.00	01/09/2022	3 Months	Y
Raguz Building Services	NSWSCM0256(1)A - Depot Office Renovations	\$331,639.00	01/09/2022	3 Months	Y
Beaver Air Conditioning Service Pty Ltd	NSWSCM0256(1)B - Depot Office Renovations	\$103,765.00	01/09/2022	3 Months	Y
Planet Civil Pty Ltd	Contract 1-2021(32) - Footpath, Kerb & Guttering Capital Works	\$190,279.00	05/09/2022	3 Months	Y
Rees Electrical Pty Ltd	Contract 3-2022 Anderson Park Sportsfield Lighting	\$152,450.00	27/09/2022	6 Months	Y
Ezy Pave Pty Ltd	Contract 1-2021(34) Wheeler Lane & William St Footpath Upgrade	\$566,399.00	30/09/2022	3 Months	Y

#### Notes

- Contracts listed are those entered into during the quarter with a value in excess of the lesser of 1% of Council's estimated income from continuing operations or \$50,000 that have yet to be fully performed (excluding those with contractors that are on Council's preferred supplier list and contracts for employment).
- Contracts entered into with contractors that are on Council's preferred supplier list and contracts for employment have been excluded.

#### Consultancy and Legal Expenses

Expense	Expenditure YTD \$	Budgeted (Y/N)
Consultancies	626,615	Y
Legal Fees	538,567	Y

#### Definition of 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.

## North Sydney Council

### Quarterly Budget Review Statement for the quarter ended 30 September 2022 Operational Plan Summary Report

#### Operating Income

Division / Department	Original Budget (\$)	Revised Budget (\$)	YTD Revised Budget (\$)	YTD Actual (\$)	YTD Actual / Revised Budget	YTD Actual / YTD Revised Budget
<b>Open Space &amp; Environmental Services</b>						
Environment Services	20,333,752	20,351,752	20,067,518	20,008,266	98.3%	99.7%
Landscape Planning & Design	9,000	9,000	2,250	-	0.0%	0.0%
North Sydney Olympic Pool	-11,600	-11,600	-11,600	-11,931	102.9%	102.9%
North Sydney Oval & Function Centre	837,848	837,848	197,513	349,282	41.7%	176.8%
Parks & Reserves	586,300	586,300	200,335	208,318	35.5%	104.0%
<b>Total</b>	<b>21,755,300</b>	<b>21,773,300</b>	<b>20,456,016</b>	<b>20,553,935</b>	<b>94.4%</b>	<b>100.5%</b>
<b>Engineering &amp; Property Services</b>						
Asset Management/Engineering	16,185,115	16,185,115	4,237,329	4,883,920	30.2%	115.3%
Project Management	498,000	498,000	498,000	494,718	99.3%	99.3%
Property Assets	7,163,124	7,163,124	1,243,040	740,286	10.3%	59.6%
Traffic & Transport Operations	388,775	533,875	62,500	58,500	11.0%	93.6%
Works Engineering	9,760,347	9,760,347	4,635,889	4,738,646	48.5%	102.2%
<b>Total</b>	<b>33,995,361</b>	<b>34,140,461</b>	<b>10,676,558</b>	<b>10,916,070</b>	<b>32.0%</b>	<b>102.2%</b>
<b>City Strategy</b>						
Administration	290,000	290,000	72,501	70,049	24.2%	96.6%
Development Services	3,889,000	3,889,000	1,263,694	1,466,794	37.7%	116.1%
Environment & Building Compliance	366,600	366,600	91,656	112,810	30.8%	123.1%
Ranger & Parking Services	6,020,000	6,020,000	1,504,992	1,808,425	30.0%	120.2%
Strategic Planning	802,123	829,960	332,500	263,376	31.7%	79.2%
<b>Total</b>	<b>11,367,723</b>	<b>11,395,560</b>	<b>3,265,343</b>	<b>3,721,454</b>	<b>32.7%</b>	<b>114.0%</b>
<b>Community &amp; Library Services</b>						
Community Development	906,586	906,586	175,076	166,270	18.3%	95.0%
Library Services	270,200	270,200	16,302	30,026	11.1%	184.2%
<b>Total</b>	<b>1,176,786</b>	<b>1,176,786</b>	<b>191,378</b>	<b>196,296</b>	<b>16.7%</b>	<b>102.6%</b>
<b>Corporate Services</b>						
Administration	-	-	-	-	0.0%	0.0%
Communication & Events	-	-	-	8,970	0.0%	0.0%
Contracts Management	-	-	-	-	0.0%	0.0%
Customer Services & Records Management	581,700	581,700	71,426	88,475	15.2%	123.9%
Financial Services	54,869,510	54,869,510	51,818,554	52,057,455	94.9%	100.5%
Human Resources	12,500	12,500	3,750	1,517	12.1%	40.5%
Information Technology	1,000	1,000	249	168	16.8%	67.5%
<b>Total</b>	<b>55,464,710</b>	<b>55,464,710</b>	<b>51,893,979</b>	<b>52,156,585</b>	<b>94.0%</b>	<b>100.5%</b>
<b>Governance</b>						
Executive Services	-	-	-	-	0.0%	0.0%
Corporate Planning & Engagement	-	-	-	-	0.0%	0.0%
Legal Services	50,400	50,400	12,600	41,680	82.7%	330.8%
Governance & Committee Services	-	-	-	-	0.0%	0.0%
Risk Management/WHS	-	-	-	-	0.0%	0.0%
<b>Total</b>	<b>50,400</b>	<b>50,400</b>	<b>12,600</b>	<b>41,680</b>	<b>82.7%</b>	<b>330.8%</b>
<b>Total Operating Income</b>	<b>123,810,280</b>	<b>124,001,217</b>	<b>86,495,874</b>	<b>87,586,020</b>	<b>70.6%</b>	<b>101.3%</b>

## North Sydney Council

### Quarterly Budget Review Statement for the quarter ended 30 September 2022 Operational Plan Summary Report

#### Operating Expenditure

Division / Department	Original Budget (\$)	Revised Budget (\$)	YTD Revised Budget (\$)	YTD Actual (\$)	YTD Actual / Revised Budget	YTD Actual / YTD Revised Budget
<b>Open Space &amp; Environmental Services</b>						
Environment Services	21,840,173	22,186,991	5,824,906	5,645,257	25.4%	96.9%
Landscape Planning & Design	884,359	884,359	232,875	194,520	22.0%	83.5%
North Sydney Olympic Pool	70,000	70,000	-	9,912	14.2%	0.0%
North Sydney Oval & Function Centre	1,727,176	1,727,176	517,207	479,286	27.7%	92.7%
Parks & Reserves	8,708,470	8,816,409	2,342,521	2,195,724	24.9%	93.7%
<b>Total</b>	<b>33,230,178</b>	<b>33,684,935</b>	<b>8,917,509</b>	<b>8,524,699</b>	<b>25.3%</b>	<b>95.6%</b>
<b>Engineering &amp; Property Services</b>						
Asset Management/Engineering	9,408,765	9,605,137	2,582,904	2,509,343	26.1%	97.2%
Project Management	109,500	635,169	40,394	67,172	10.6%	166.3%
Property Assets	4,872,267	4,945,418	1,658,371	1,859,557	37.6%	112.1%
Traffic & Transport Operations	1,555,684	1,743,439	431,571	289,495	16.6%	67.1%
Works Engineering	613,762	613,762	179,939	164,109	26.7%	91.2%
<b>Total</b>	<b>16,559,978</b>	<b>17,542,925</b>	<b>4,893,179</b>	<b>4,889,676</b>	<b>27.9%</b>	<b>99.9%</b>
<b>City Strategy</b>						
Administration	1,443,978	1,443,978	422,098	326,593	22.6%	77.4%
Development Services	3,284,105	3,514,854	907,778	733,156	20.9%	80.8%
Environment & Building Compliance	2,303,366	2,303,366	616,329	490,981	21.3%	79.7%
Ranger & Parking Services	6,186,500	6,204,211	1,623,409	1,458,842	23.5%	89.9%
Strategic Planning	2,517,065	2,459,575	511,275	402,762	16.4%	78.8%
<b>Total</b>	<b>15,735,014</b>	<b>15,925,984</b>	<b>4,080,889</b>	<b>3,412,334</b>	<b>21.4%</b>	<b>83.6%</b>
<b>Community &amp; Library Services</b>						
Community Development	3,786,494	3,838,943	1,604,411	1,560,109	40.6%	97.2%
Library Services	3,717,157	3,717,157	1,162,234	1,070,442	28.8%	92.1%
<b>Total</b>	<b>7,503,651</b>	<b>7,556,100</b>	<b>2,766,645</b>	<b>2,630,551</b>	<b>34.8%</b>	<b>95.1%</b>
<b>Corporate Services</b>						
Administration	639,343	639,343	167,567	171,646	26.8%	102.4%
Communication & Events	2,852,954	3,021,512	557,360	454,337	15.0%	81.5%
Contracts Management	269,157	269,157	72,458	72,798	27.0%	100.5%
Customer Services & Records Management	2,897,358	2,954,380	786,122	675,512	22.9%	85.9%
Financial Services	6,169,566	6,587,434	1,391,466	1,300,936	19.7%	93.5%
Human Resources	1,099,571	1,099,571	311,919	304,611	27.7%	97.7%
Information Technology	4,054,614	4,111,243	1,588,679	1,642,437	39.9%	103.4%
<b>Total</b>	<b>17,982,563</b>	<b>18,682,640</b>	<b>4,875,571</b>	<b>4,622,277</b>	<b>24.7%</b>	<b>94.8%</b>
<b>1. Governance</b>						
Executive Services	1,165,408	1,165,408	277,984	511,393	43.9%	184.0%
Corporate Planning & Engagement	550,286	812,203	197,088	152,199	18.7%	77.2%
Legal Services	1,855,061	1,855,061	505,009	645,050	34.8%	127.7%
Council & Committee Services	825,093	825,093	220,727	197,886	24.0%	89.7%
Risk Management/WHS	1,762,501	1,762,501	1,367,711	1,167,260	66.2%	85.3%
<b>Total</b>	<b>6,158,349</b>	<b>6,420,266</b>	<b>2,568,519</b>	<b>2,673,788</b>	<b>41.6%</b>	<b>104.1%</b>
<b>Total Operating Expenditure</b>	<b>97,169,733</b>	<b>99,812,850</b>	<b>28,102,312</b>	<b>26,753,325</b>	<b>26.8%</b>	<b>95.2%</b>

## North Sydney Council

Quarterly Budget Review Statement for the quarter ended 30 September 2022

## Operational Plan Summary Report

## Capital Income

Direction / Goal	Original Budget (\$)	Revised Budget (\$)	YTD Revised Budget (\$)	YTD Actual (\$)	YTD Actual / Revised Budget	YTD Actual / YTD Revised Budget
<b>Open Space &amp; Environmental Services</b>						
Environment Services	-	-	-	-	0.0%	0.0%
Landscape Planning & Design	-	-	-	-	0.0%	0.0%
North Sydney Olympic Pool	-	-	-	-	0.0%	0.0%
North Sydney Oval & Function Centre	-	-	-	24,000	0.0%	0.0%
Parks & Reserves	1,967,110	2,734,404	-	-	0.0%	0.0%
<b>Total</b>	<b>1,967,110</b>	<b>2,734,404</b>	<b>-</b>	<b>24,000</b>	<b>0.9%</b>	<b>0.0%</b>
<b>Engineering &amp; Property Services</b>						
Asset Management/Engineering	-	-	-	156,553	0.0%	0.0%
Project Management	-	-	-	-	0.0%	0.0%
Property Assets	4,000,000	5,364,836	-	-	0.0%	0.0%
Traffic & Transport Operations	-	1,403,245	-	-	0.0%	0.0%
Works Engineering	-	-	-	-	0.0%	0.0%
<b>Total</b>	<b>4,000,000</b>	<b>6,768,081</b>	<b>-</b>	<b>156,553</b>	<b>2.3%</b>	<b>0.0%</b>
<b>City Strategy</b>						
Administration	-	-	-	-	0.0%	0.0%
Development Services	-	-	-	-	0.0%	0.0%
Environment & Building Compliance	-	-	-	-	0.0%	0.0%
Ranger & Parking Services	-	-	-	-	0.0%	0.0%
Strategic Planning	-	-	-	-	0.0%	0.0%
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Community &amp; Library Services</b>						
Community Development	-	-	-	-	0.0%	0.0%
Library Services	56,700	56,700	-	-	0.0%	0.0%
<b>Total</b>	<b>56,700</b>	<b>56,700</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Corporate Services</b>						
Administration	-	-	-	-	0.0%	0.0%
Communication & Events	-	-	-	-	0.0%	0.0%
Contracts Management	-	-	-	-	0.0%	0.0%
Customer Services & Records Management	-	-	-	-	0.0%	0.0%
Financial Services	-	-	-	-	0.0%	0.0%
Human Resources	-	-	-	-	0.0%	0.0%
Information Technology	-	-	-	-	0.0%	0.0%
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Governance</b>						
Executive Services	-	-	-	-	0.0%	0.0%
Corporate Planning & Engagement	-	-	-	-	0.0%	0.0%
Legal Services	-	-	-	-	0.0%	0.0%
Governance & Committee Services	-	-	-	-	0.0%	0.0%
Risk Management/WHS	-	-	-	-	0.0%	0.0%
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Total Capital Income</b>	<b>6,023,810</b>	<b>9,559,185</b>	<b>-</b>	<b>180,553</b>	<b>1.9%</b>	<b>0.0%</b>

## North Sydney Council

Quarterly Budget Review Statement for the quarter ended 30 September 2022

## Operational Plan Summary Report

## Capital Expenditure

Direction / Goal	Original Budget (\$)	Revised Budget (\$)	YTD Revised Budget (\$)	YTD Actual (\$)	YTD Actual / Revised Budget	YTD Actual / YTD Revised Budget
<b>Open Space &amp; Environmental Services</b>						
Environment Services	-	266,390	2,400	2,400	0.9%	100.0%
Landscape Planning & Design	-	-	-	-	0.0%	0.0%
North Sydney Olympic Pool	-	-	-	-	0.0%	0.0%
North Sydney Oval & Function Centre	25,000	25,000	-	-	0.0%	0.0%
Parks & Reserves	6,422,500	13,408,516	990,241	842,837	6.3%	85.1%
Total	6,447,500	13,699,906	992,641	845,237	6.2%	85.2%
<b>Engineering &amp; Property Services</b>						
Asset Management/Engineering	14,099,325	18,376,683	4,637,768	3,604,170	19.6%	77.7%
Project Management	2,480,000	8,671,675	133,223	186,205	2.1%	139.8%
Property Assets	43,968,647	45,143,443	2,754,219	3,176,997	7.0%	115.4%
Traffic & Transport Operations	1,350,000	4,181,356	223,477	255,992	6.1%	114.5%
Works Engineering	-	-	-	-	0.0%	0.0%
Total	61,897,972	76,373,157	7,748,687	7,223,364	9.5%	93.2%
<b>City Strategy</b>						
Administration	-	-	-	-	0.0%	0.0%
Development Services	-	-	-	-	0.0%	0.0%
Environment & Building Compliance	-	-	-	-	0.0%	0.0%
Ranger & Parking Services	30,000	43,176	38,439	26,527	61.4%	69.0%
Strategic Planning	-	96,000	-	-	0.0%	0.0%
Total	30,000	139,176	38,439	26,527	19.1%	69.0%
<b>Community &amp; Library Services</b>						
Community Development	144,000	228,754	44,093	46,673	20.4%	105.9%
Library Services	484,500	486,107	102,683	106,076	21.8%	103.3%
Total	628,500	714,861	146,776	152,749	21.4%	104.1%
<b>Corporate Services</b>						
Administration	-	-	-	-	0.0%	0.0%
Communication & Events	1,000	1,000	-	-	0.0%	0.0%
Contracts Management	-	-	-	-	0.0%	0.0%
Customer Services & Records Management	-	-	-	-	0.0%	0.0%
Financial Services	258,000	258,000	-	-	0.0%	0.0%
Human Resources	-	-	-	-	0.0%	0.0%
Information Technology	1,155,198	1,161,035	25,128	25,804	2.2%	102.7%
Total	1,414,198	1,420,035	25,128	25,804	1.8%	102.7%
<b>Governance</b>						
Executive Services	-	-	-	-	0.0%	0.0%
Corporate Planning & Engagement	-	5,600	-	-	0.0%	0.0%
Legal Services	-	-	-	-	0.0%	0.0%
Governance & Committee Services	-	105,550	4,450	4,450	4.2%	100.0%
Risk Management/WHS	-	-	-	-	0.0%	0.0%
Total	-	111,150	4,450	4,450	4.0%	100.0%
<b>Total Capital Expenditure</b>	<b>70,418,170</b>	<b>92,458,285</b>	<b>8,956,121</b>	<b>8,278,131</b>	<b>9.0%</b>	<b>92.4%</b>

North Sydney Council

Quarterly Budget Review Statement for the quarter ended 30 September 2022

Key Performance Indicators

Key Performance Indicator	Indicator	Indicator	Prior Periods		
	Projected 2022/23	Original 2022/23	Actual 2021/22	Actual 2020/21	Actual 2019/20

To assist in measuring Council's financial sustainability the following key performance indicators are monitored:

1. Operating Performance Ratio

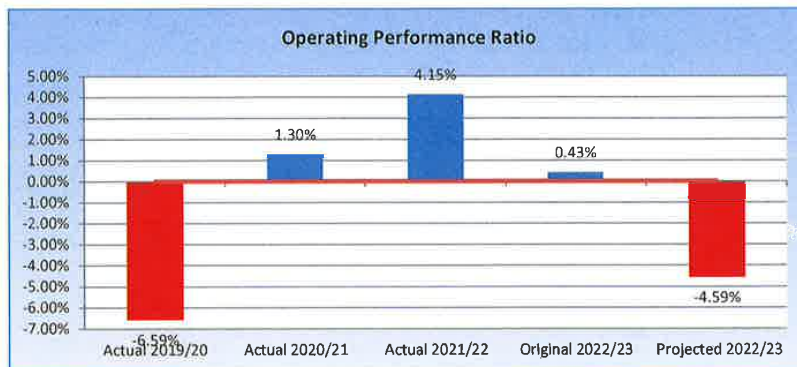
Total continuing operating revenue excluding capital grants and contributions, fair value adjustments, net gains on disposal of assets and net share of interest in joint venture gain less operating expenses excluding fair value decrements, net losses on disposal of assets and net share of interest in joint venture loss

-4.59%	0.43%	4.15%	1.30%	-6.59%
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Total continuing operating revenue excluding capital grants and contributions, fair value increments, net gains on disposal of assets and net share of interest in joint venture gain

The purpose of this indicator is to determine whether operating revenue is sufficient to finance Council's current operations. A series of negative results indicates that Council is relying on capital and/or external funding sources to prop up its operating activities. Continuing operating deficits reflect on the long-term ability of Council to maintain existing programs and sustain current levels into the future. This assumes that current depreciation provisions are adequate to provide for the replacement of existing assets. Any inadequate provision will render the situation worse.

After failing to meet the benchmark in 2019/20 due to the impact of the pandemic, this ratio exceeded the benchmark in each of the last 2 years. It was originally forecast to be at slightly above the benchmark in 2022/23. However, the early receipt in June 2022 of 75% of the estimated 2022/23 Financial Assistance Grant and the need to carry forward \$2.7 million of funding from 2021/22 to 2022/23 to complete non-recurrent operating projects still in progress at 30 June 2022 has resulted in a deterioration of Council's forecast operating result for 2022/23. This has resulted in the forecast Operating Performance Ratio falling below the benchmark.





North Sydney Council

Quarterly Budget Review Statement for the quarter ended 30 September 2022

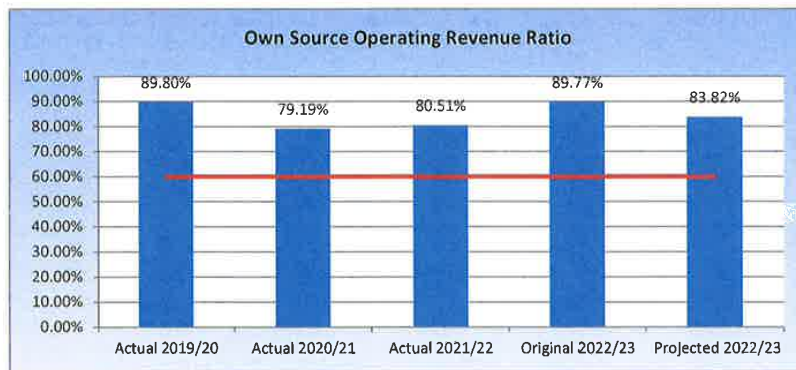
Key Performance Indicators

Key Performance Indicator	Indicator	Indicator	Prior Periods		
	Projected 2022/23	Original 2022/23	Actual 2021/22	Actual 2020/21	Actual 2019/20

2. Own Source Operating Revenue Ratio

Total continuing operating revenue excluding all grants and contributions, fair value adjustments, net gains on disposal of assets and net share of interest in joint venture gain	83.82%	89.77%	80.51%	79.19%	89.80%
Total continuing operating revenue excluding fair value adjustments, net gains on disposal of assets and net share of interest in joint venture gain					

This indicator provides a measure of the degree of reliance on external funding sources such as operating grants and contributions. It should be greater than the benchmark of 60% and has been for many years and is forecast to be again in 2022/23. This is an indication that Council does not rely heavily on external funding sources such as grants.

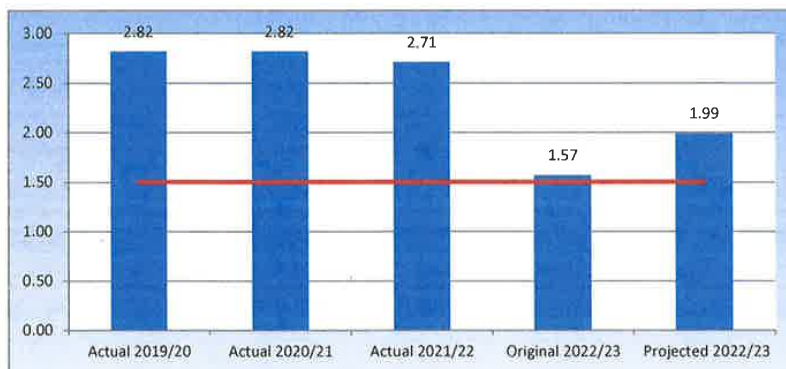


3. Unrestricted Current Ratio

Current assets less all external restrictions	1.99 x	1.57 x	2.71 x	2.82 x	2.82 x
Current liabilities less specific purpose liabilities					

The purpose of this indicator is to assess the ability of the organisation to meet the short term debts and obligations relating to its unrestricted activities as they fall due. Current means within the next 12 months, i.e. assets receivable or convertible to cash within 12 months and liabilities to be paid within the next 12 months. Externally restricted assets are cash and receivables that have a restriction placed on them, by statute or otherwise, which governs the way they are managed. Examples include unspent developer contributions, specific purpose grants and contributions and Domestic Waste Management, Mainstreet, Environmental and Infrastructure Levy funds. Externally restricted assets are deducted from total current assets as it is only unrestricted current funds that are available to meet liabilities as they fall due.

This ratio should be greater than 1.5x, the benchmark considered satisfactory by the industry. Council's ratio has been above the benchmark for a number of years and is forecast to remain at this level in the short to medium term. This indicates that Council has more than adequate capacity to meet its obligations in the short term for its unrestricted activities.



North Sydney Council

Quarterly Budget Review Statement for the quarter ended 30 September 2022

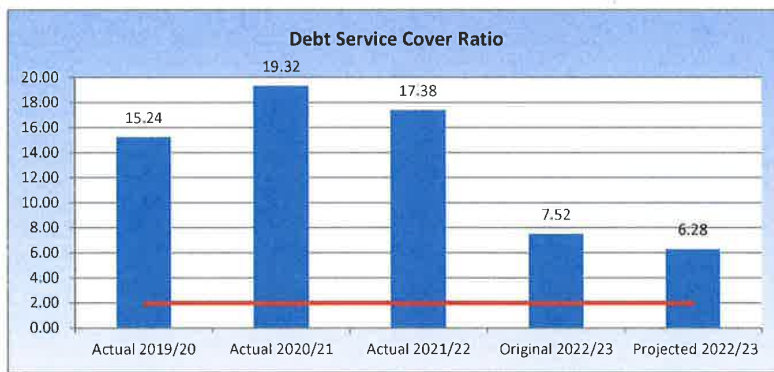
Key Performance Indicators

Key Performance Indicator	Indicator	Indicator	Prior Periods		
	Projected 2022/23	Original 2022/23	Actual 2021/22	Actual 2020/21	Actual 2019/20

4. Debt Service Cover Ratio

Operating result before capital grants and contributions excluding interest and depreciation	6.28 x	7.52 x	17.38 x	19.32 x	15.24 x
Debt service cost (i.e. loan principal and interest payments)					

The purpose of this indicator is to assess the impact of loan principle and interest repayments on the organisation's discretionary revenue. Prudent financial management dictates that an organisation should not over commit itself to debts that it cannot service. For a developed council, such as North Sydney, ideally this ratio should be greater than 2.00x. The need to borrow \$31 million to partially fund the North Sydney Olympic Pool redevelopment is forecast to result in a significant drop in this ratio in 2022/23. Nevertheless, it is forecast to remain comfortably above the benchmark.



5. Buildings and Infrastructure Renewals Ratio

Infrastructure Asset Renewals	360.55%	329.61%	158.28%	98.35%	93.60%
Infrastructure Depreciation, Amortisation & Impairment					

The purpose of this indicator is to measure the extent to which Council is maintaining the condition of its infrastructure assets, either through repairs and maintenance, or the adequacy of its provision to replace those assets as they reach the end of their useful lives. This ratio should be at least 100% and this is the benchmark documented in Council's Financial Management Policy. It is forecast to be well above the benchmark in 2022/23, largely due to the impact of the redevelopment of North Sydney Olympic Pool. Nevertheless, it has been above or near the benchmark for the last three years. This is a reflection of Council's ongoing commitment to ensuring that sufficient funds are allocated to the replacement of its ageing infrastructure assets in order to offset the rate at which they are depreciating.

