

**Statement of Variances in Excess of \$100,000 by Nature and Type**  
**Financial Year-To-Date Ending 31 July 2021**

This report provides commentary on the year to date variances identified in attachment 6002C – Rate Setting Statement by Nature and Type, for the period ended 31 July 2021.

In accordance with Regulation 34(5) of the Local Government (Financial Management) Regulations 1996, a local government is required each financial year, to adopt a percentage or value to be used in statements of financial activity for the reporting of material variances. The City's Accounting Policy CP-025, indicates that this will occur each year when adopting the annual budget. When adopting the 2021-2022 Annual Budget, a level of 10% or \$100,000 (whichever is the greater) was adopted for the reporting of material variances for the 2021-2022 financial year. Variances less than 10% or \$100,000 are not considered material and are not detailed in this report.

Variances are based on 'Actual' income raised and expenditure incurred, compared to the Year to Date Revised Budget and are shown in the Year to Date Budget Variance column in the tables below. The main reasons for the variances are outlined in this report.

It should be noted that end of financial year adjustments are not reflected in this report, and as a result, the final year end results could differ significantly from those presented below.

The 2020-2021 capital works project budgets and other budgets to be carried forward for inclusion in the 2021-2022 financial year, have not been finalised at the time of reporting.

In the tables below, positive variances are shown in black coloured font, and negative variances are shown in both parentheses and in red coloured font, i.e. (XXX.XX). These tables refer to the applicable nature and type variance.

### Operating Revenue

	YTD Budget \$	YTD Actual \$	YTD Budget Variance \$	Annual Revised Budget \$
Rates	91,575,357	91,690,981	115,624	91,775,357

#### Rates

- Rates income is \$115,624 higher than budget, due to the impact of interim rate adjustments processed on various residential improved properties following the preparation of the 2021-2022 annual budget. These adjustments are subsequently reflected in the value of the rates raised in 2021-2022.

### Operating Expenditure

	YTD Budget \$	YTD Actual \$	YTD Budget Variance \$	Annual Revised Budget \$
Employee Costs	(3,636,817)	(2,992,705)	644,112	(52,588,189)
Materials and Contracts	(2,941,277)	(1,867,253)	1,074,024	(33,760,054)
Other Expenditure	(156,214)	(439,925)	(283,712)	(6,420,921)

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**Operating Expenditure (continued)**

Employee costs are underspent by \$644,112.

- Natural Areas and Parks show a positive variance of \$156,427 made up of various minor positive and negative variances across the City's various parks and reserves.
- Other service areas show a net positive variance of \$487,685 due mainly to various staff vacancies in Neighbourhood Development, Information Services and Community Safety Services.

Materials and Contracts show a positive variance of \$1,074,024.

- Natural Areas and Parks have a positive variance of \$395,062 relating to timing variances on contractors budgets across the City's various parks and reserves.
- City Buildings have a positive variance of \$260,912 relating to timing variances on contractors budgets across the City's various buildings.
- Engineering have a positive variance of \$167,378 relating to timing variances on contractors budgets across the City's various infrastructure maintenance programs.
- Other service areas show a net positive variance of \$250,672 made up of various minor amounts.

Other Expenditure shows a negative variance of \$283,712.

- Resource Recovery and Waste show a negative variance of \$136,876 due to timing differences between budget and actual expenditure for fleet and internally charged expenditure.
- Other service areas show a net negative variance of \$146,836 made up of various minor amounts.

**Capital Income**

	<b>YTD Budget \$</b>	<b>YTD Actual \$</b>	<b>YTD Budget Variance \$</b>	<b>Annual Revised Budget \$</b>
Non-operating Grants, Subsidies and Contributions	Nil	(363,529)	<b>(363,529)</b>	2,200,084

Non-operating Grants, Subsidies and Contributions

- Negative variance of \$363,529, relating to the reversal of accrual entries for capital grant payments for the City's Park Improvements and Playgrounds projects. These amounts relate to Covid-19 stimulus funding grants secured by the City.

**Capital Expenditure**

There were no material variances relating to the capital expenditure program for the month of July.