

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 MARCH 2023**

**OPERATING ACTIVITIES
NOTE 15
EXPLANATION OF MATERIAL VARIANCES**

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date Actual materially.

The material variance adopted by Council for the 2022-23 year is \$20,000 or 10.00% whichever is the greater.

Nature or type	Var. \$	Var. %	Explanation of positive variances		Explanation of negative variances	
			Timing	Permanent	Timing	Permanent
	\$	%				
Revenue from operating activities						
Interest earnings	129,677	33.62%	▲	Higher Interest earnings from reserve & municipal fund investments		
Other revenue	58,867	14.30%	▲	Timing of interim rate revenue		
Expenditure from operating activities						
Employee costs	926,145	10.12%	▲			
Materials and contracts	799,302	15.36%	▲	Timing of maintenance works		
Utility charges	156,489	15.73%	▲	Timing of invoices		
Interest expenses	57,911	35.59%	▲	Timing of loan expense charges		
Insurance expenses	(361,441)	(81.55%)	▼		Allocation of Insurance expenses	
Other expenditure	456,573	37.65%	▲	Timing of community grant funding and end of year write-offs		
Loss on disposal of assets	31,125	100.00%	▲	Timing of plant replacement program		
Investing activities						
Proceeds from non-operating grants, subsidies and contributions	(8,311,990)	(53.03%)	▼		Timing of BBRF, DRFAWA and KLC Aquatic redevelopment Grant receipts	
Payments for property, plant and equipment and infrastructure	6,509,094	55.78%	▲	Timing of projects and invoicing		
Closing funding surplus / (deficit)	952,881	(11.08%)	▲			