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Estimated Cost of Service Statements for All of Council

Governance: Leadership and Investments	EAP 2014/15	LTP 2016	LTP 2017	LTP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025
Operating Income											
Representation	469	468	480	493	506	521	537	555	574	594	616
	77	69	44	45	263	271	279	288	298	309	320
Treasury Management and Overhead Accounts	10	10	10	10	10	10	10	10	10	10	10
	556	547	534	548	779	802	826	853	882	913	946
Operating Expenditure											
Representation	771	780	816	817	844	877	885	924	966	978	1,023
Strategic Planning and Policy	1,008	875	899	1,046	940	972	1,141	1,033	1,067	1,258	1,140
Monitoring and Reporting	277	299	313	325	196	195	198	202	205	208	213
	807	814	799	829	835	839	843	845	844	842	839
Treasury Management and Overhead Accounts	10	10	11	11	9	10	10	10	10	8	9
Total Operating Expenditure	2,873	2,778	2,838	3,028	2,824	2,893	3,077	3,014	3,092	3,294	3,224
Net Operating Cost/(Surplus)	2,317	2,231	2,304	2,480	2,045	2,091	2,251	2,161	2,210	2,381	2,278
Capital Expenditure											
	683	461	505	481	391	431	634	520	578	644	594
Total Capital Expenditure	683	461	505	481	391	431	634	520	578	644	594
Net Expenditure	3,000	2,692	2,809	2,961	2,436	2,522	2,885	2,681	2,788	3,025	2,872
Funded By											
External Loan Repayments	0	0	0	0	0	0	0	0	0	0	0
Internal Loans	230	130	133	137	0	0	0	0	0	0	0
Reserves	683	461	505	481	391	431	634	520	578	644	594
Reserves	106	84	20	64	(352)	(360)	(200)	(397)	(405)	(239)	(430)
General Rates	1,008	1,017	1,083	1,148	1,209	1,234	1,235	1,288	1,317	1,321	1,366
UAGC	972	1,001	1,067	1,132	1,192	1,217	1,217	1,270	1,298	1,302	1,346
Total Funding	2,999	2,693	2,808	2,962	2,440	2,522	2,886	2,681	2,788	3,028	2,876

Governance: Leadership and Investments

Governance: Leadership and Investments	EAP 2014/15	LTP 2016	LTP 2017	LTP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025
Operating Income											
Representation	469	468	480	493	506	521	537	555	574	594	616
Investments	77	69	44	45	263	271	279	288	298	309	320
Treasury Management and Overhead Accounts	10	10	10	10	10	10	10	10	10	10	10
Total Operating Income	556	547	534	548	779	802	826	853	882	913	946
Operating Expenditure											
Representation	771	780	816	817	844	877	885	924	966	978	1,023
Strategic Planning and Policy	1,008	875	899	1,046	940	972	1,141	1,033	1,067	1,258	1,140
Monitoring and Reporting	277	299	313	325	196	195	198	202	205	208	213
Investments	807	814	799	829	835	839	843	845	844	842	839
Treasury Management and Overhead Accounts	10	10	11	11	9	10	10	10	10	8	9
Total Operating Expenditure	2,873	2,778	2,838	3,028	2,824	2,893	3,077	3,014	3,092	3,294	3,224
Net Operating Cost/(Surplus)	2,317	2,231	2,304	2,480	2,045	2,091	2,251	2,161	2,210	2,381	2,278
Capital Expenditure											
	683	461	505	481	391	431	634	520	578	644	594
Total Capital Expenditure	683	461	505	481	391	431	634	520	578	644	594
Net Expenditure	3,000	2,692	2,809	2,961	2,436	2,522	2,885	2,681	2,788	3,025	2,872
Funded By											
External Loan Repayments	0	0	0	0	0	0	0	0	0	0	0
Internal Loans	230	130	133	137	0	0	0	0	0	0	0
Reserves	683	461	505	481	391	431	634	520	578	644	594
Reserves	106	84	20	64	(352)	(360)	(200)	(397)	(405)	(239)	(430)
General Rates	1,008	1,017	1,083	1,148	1,209	1,234	1,235	1,288	1,317	1,321	1,366
UAGC	972	1,001	1,067	1,132	1,192	1,217	1,217	1,270	1,298	1,302	1,346
Total Funding	2,999	2,693	2,808	2,962	2,440	2,522	2,886	2,681	2,788	3,028	2,876

Community Services

Community Services	EAP 2014/15	LTP 2016	LTP 2017	LTP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025
Operating Income											
Parks and Reserves	5	2	2	2	2	2	2	2	2	2	2
Housing and Other Property	636	288	278	306	315	324	334	344	355	367	380
Recreation and Culture	109	112	119	126	130	133	137	142	146	151	157
Public Amenities	54	82	53	54	56	57	59	61	63	65	67
Total Operating Income	804	484	452	488	503	516	532	549	566	585	606
Operating Expenditure											
Parks and Reserves	658	706	632	649	691	723	784	818	805	789	815
Housing and Other Property	1,079	1,212	1,238	1,093	1,112	1,127	1,127	1,148	1,168	1,188	1,204
Recreation and Culture	1,058	1,115	1,125	1,123	1,139	1,135	1,128	1,174	1,215	1,258	1,303
Public Amenities	748	757	805	871	901	940	949	990	1,018	1,043	1,073
Safety	185	174	181	204	210	216	222	229	237	244	254
Total Operating Expenditure	3,728	3,964	3,981	3,940	4,053	4,141	4,210	4,359	4,443	4,522	4,649
Net Operating Cost/(Surplus)	2,924	3,480	3,529	3,452	3,550	3,625	3,678	3,810	3,877	3,937	4,043
Capital Expenditure											
Parks and Reserves	107	142	132	135	106	109	113	116	120	124	128
Housing and Other Property	874	237	257	84	31	32	30	31	32	33	34
Recreation and Culture	304	295	228	145	97	75	103	64	74	66	114
Public Amenities	79	390	354	105	97	44	49	43	44	46	47
Total Capital Expenditure	1,364	1,064	971	469	331	260	295	254	270	269	323
Net Expenditure	4,288	4,544	4,500	3,921	3,881	3,885	3,973	4,064	4,147	4,206	4,366
Funded By											
Internal Loans	599	598	564	257	144	126	178	134	156	143	190
Reserves	477	591	517	303	377	313	142	144	3	13	54
General Rates	1,541	1,435	1,455	1,415	1,423	1,459	1,556	1,610	1,697	1,719	1,741
UAGC	1,430	1,659	1,683	1,636	1,649	1,692	1,797	1,861	1,961	1,994	2,029
Target Rate - Marokopa Hall	4	4	4	4	4	4	4	4	4	4	4
Target Services Rate - Rural	72	78	83	93	85	87	89	95	97	100	103
Target Services Rate - Urban	168	180	193	217	198	202	207	219	225	233	240
Total Funding	4,291	4,545	4,499	3,925	3,880	3,883	3,973	4,067	4,143	4,206	4,361

Community Development

Community Development	EAP 2014/15	LTP 2016	LTP 2017	LTP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025
Operating Income											
Community Support	5	2	2	2	2	2	2	2	2	3	3
Sister City	0	2	2	2	2	2	2	2	2	3	3
District Development	54	34	35	36	37	38	39	41	42	44	45
Agencies	19	19	23	23	24	25	25	26	27	28	29
Total Operating Income	78	57	62	63	65	67	68	71	73	78	80
Operating Expenditure											
Community Support	622	576	579	596	613	633	654	677	702	728	756
Sister City	5	10	10	10	10	12	12	12	12	13	13
District Development	440	567	595	622	652	678	695	755	744	774	799
Agencies	31	30	31	31	32	33	34	35	36	37	39
Total Operating Expenditure	1,098	1,183	1,215	1,259	1,307	1,356	1,395	1,479	1,494	1,552	1,607
Net Operating Cost/(Surplus)	1,020	1,126	1,153	1,196	1,242	1,289	1,327	1,408	1,421	1,474	1,527
Capital Expenditure											
District Development	0	7	0	0	2	0	0	2	0	0	3
Total Capital Expenditure	0	7	0	0	2	0	0	2	0	0	3
Net Expenditure	1,020	1,133	1,153	1,196	1,244	1,289	1,327	1,410	1,421	1,474	1,530
Funded By											
Internal Loans	0	0	0	0	0	0	0	0	0	0	0
Reserves	52	155	120	90	85	62	47	32	11	(10)	(30)
General Rates	346	518	549	588	616	654	682	739	755	798	839
UAGC	447	258	273	291	310	324	334	347	359	372	387
Target Rate - Service &/or Retail Businesses	0	0	0	0	0	0	0	0	0	0	0
Targeted Rate - District Development	174	200	209	226	232	248	261	292	295	316	335
Total Funding	1,019	1,131	1,151	1,195	1,243	1,288	1,324	1,410	1,420	1,476	1,531

Regulation

Regulation	EAP 2014/15	LTP 2016	LTP 2017	LTP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025
Operating Income											
Regulation	363	411	422	433	445	458	472	488	504	522	542
Total Operating Income	363	411	422	433	445	458	472	488	504	522	542
Operating Expenditure											
Regulation	684	832	854	928	935	918	929	978	991	1,044	1,061
Total Operating Expenditure	684	832	854	928	935	918	929	978	991	1,044	1,061
Net Operating Cost/(Surplus)	321	421	432	495	490	460	457	490	487	522	519
Net Expenditure	321	421	432	495	490	460	457	490	487	522	519
Funded By											
Reserves	(117)	(30)	(11)	48	18	(23)	(24)	(25)	(26)	(27)	(28)
General Rates	398	374	365	367	391	398	392	424	419	452	447
UAGC	40	77	79	81	82	85	88	91	94	96	100
Total Funding	321	421	433	496	491	460	456	490	487	521	519

Solid Waste Management

Solid Waste Management	EAP 2014/15	LTP 2016	LTP 2017	LTP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025
Operating Income											
Collection	120	126	129	132	136	140	145	149	154	160	166
Management	970	869	873	895	901	927	934	964	986	1,021	1,059
Total Operating Income	1,090	995	1,002	1,027	1,037	1,067	1,079	1,113	1,140	1,181	1,225
Operating Expenditure											
Collection	315	321	330	338	347	357	368	381	394	407	422
Management	1,478	1,635	1,658	1,705	1,723	1,753	1,870	1,983	1,997	2,030	2,040
Total Operating Expenditure	1,793	1,956	1,988	2,043	2,070	2,110	2,238	2,364	2,391	2,437	2,462
Net Operating Cost/(Surplus)	703	961	986	1,016	1,033	1,043	1,159	1,251	1,251	1,256	1,237
Capital Expenditure											
Collection	0	0	0	0	0	0	0	0	0	0	0
Management	901	0	30	33	0	843	890	37	0	8	0
Total Capital Expenditure	901	0	30	33	0	843	890	37	0	8	0
Net Expenditure	1,604	961	1,016	1,049	1,033	1,886	2,049	1,288	1,251	1,264	1,237
Funded By											
Internal Loans	831	0	26	26	0	836	890	30	0	0	0
Reserves	66	206	175	109	(70)	(187)	(195)	(216)	(243)	(264)	(271)
General Rates	8	11	11	12	9	10	13	13	16	16	14
UAGC	4	11	11	12	9	10	13	13	16	16	14
Kerbside Collect Serv Charge - Mokau	38	38	39	40	42	43	44	46	47	49	51
Kerbside Collect Serv Charge - Piopio	25	25	25	26	27	28	28	29	30	31	32
Kerbside Collect Serv Charge - Te Kuiti	92	95	98	100	103	106	109	113	117	121	125
Kerbside Collect Serv Charge - Waitomo	35	37	38	39	40	41	42	43	45	46	48
Target Rate - Solid Waste Management	505	537	591	685	875	1,002	1,105	1,216	1,223	1,249	1,224
Total Funding	1,604	960	1,014	1,049	1,035	1,889	2,049	1,287	1,251	1,264	1,237

Stormwater

Stormwater	EAP 2014/15	LTP 2016	LTP 2017	LTP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025
Operating Expenditure											
Urban	362	374	392	422	420	437	448	496	496	512	488
Rural	37	47	48	50	51	53	56	58	60	62	65
Total Operating Expenditure	399	421	440	472	471	490	504	554	556	574	553
Net Operating Cost/(Surplus)	399	421	440	472	471	490	504	554	556	574	553
Capital Expenditure											
Urban	349	345	245	253	210	203	213	286	325	338	262
Rural	5	5	5	5	6	6	6	6	6	7	7
Total Capital Expenditure	354	350	250	258	216	209	219	292	331	345	269
Net Expenditure	753	771	690	730	687	699	723	846	887	919	822
Funded By											
Internal Loans	0	25	42	43	45	37	39	40	42	44	46
Reserves	364	334	222	229	185	185	193	265	261	269	236
Targeted Rate - Stormwater (Urban)	343	360	372	402	401	416	429	476	518	536	467
Targeted Rate - Stormwater (Rural)	46	53	55	57	58	60	63	65	67	69	72
Total Funding	753	772	691	731	689	698	724	846	888	918	821

Resource Management

Resource Management	EAP 2014/15	LTP 2016	LTP 2017	LTP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025
Operating Income											
District Plan Administration	80	80	82	84	87	89	92	95	98	102	105
Total Operating Income	80	80	82	84	87	89	92	95	98	102	105
Operating Expenditure											
District Plan Administration	177	179	187	204	209	196	202	208	216	223	231
Total Operating Expenditure	177	179	187	204	209	196	202	208	216	223	231
Net Operating Cost/(Surplus)	97	99	105	120	122	107	110	113	118	121	126
Net Expenditure	97	99	105	120	122	107	110	113	118	121	126
Funded By											
Reserves	(10)	(15)	(9)	2	8	(5)	(5)	(4)	(13)	(13)	(2)
General Rates	70	57	57	58	57	56	57	59	65	67	64
UAGC	36	57	57	58	57	56	57	59	65	67	64
Total Funding	96	99	105	118	122	107	109	114	117	121	126

Sewerage

Sewerage	EAP 2014/15	LTP 2016	LTP 2017	LTP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025
Operating Income											
Te Kuiti	825	826	862	891	922	955	992	1,032	1,075	1,120	1,171
Te Waitere	0	0	0	0	0	0	0	0	0	0	0
Benneydale	2	1	1	1	1	1	1	1	1	1	1
Piopio	1	1	1	1	1	1	1	1	1	1	1
Total Operating Income	828	828	864	893	924	957	994	1,034	1,077	1,122	1,173
Operating Expenditure											
Te Kuiti	2,926	2,769	2,798	2,896	2,985	3,047	3,080	3,126	3,132	3,176	3,267
Te Waitere	49	43	43	47	47	55	54	58	58	62	61
Benneydale	159	162	168	171	176	181	185	191	199	206	214
Piopio	265	269	278	287	291	293	298	302	305	308	312
Total Operating Expenditure	3,399	3,243	3,287	3,401	3,499	3,576	3,617	3,677	3,694	3,752	3,854
Net Operating Cost/(Surplus)	2,571	2,415	2,423	2,508	2,575	2,619	2,623	2,643	2,617	2,630	2,681
Capital Expenditure											
Te Kuiti	515	428	537	423	381	505	394	401	426	428	502
Te Waitere	5	14	16	0	56	0	0	0	0	0	0
Benneydale	65	35	38	40	42	42	44	49	47	51	49
Piopio	0	53	3	3	3	3	4	4	4	4	4
Total Capital Expenditure	585	530	594	466	482	550	442	454	477	483	555
Net Expenditure	3,156	2,945	3,017	2,974	3,057	3,169	3,065	3,097	3,094	3,113	3,236
Funded By											
Internal Loans	515	14	16	0	56	0	0	49	47	51	49
Reserves	456	702	723	611	522	579	413	374	397	398	470
TK Sewerage Service Charge	1,614	1,644	1,661	1,696	1,793	1,879	1,903	1,907	1,868	1,865	1,900
TK Sewerage Targeted Rate - Trade Waste Contribution	176	166	168	174	179	183	185	188	188	191	196
TW Sewerage Service Charge	42	43	43	47	47	56	55	57	58	63	61
BD Sewerage Service Charge	139	149	166	195	201	207	214	221	230	240	250
PP Sewerage Service Charge	215	226	239	253	260	267	296	301	304	306	309
Total Funding	3,157	2,944	3,016	2,976	3,058	3,171	3,066	3,097	3,092	3,114	3,235

Water Supply

Water Supply	EAP 2014/15	LTP 2016	LTP 2017	LTP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025
Operating Income											
Te Kuiti	1,407	1,389	638	659	682	706	733	763	794	828	855
Mokau	30	54	56	58	60	62	64	67	70	73	76
Piopio	26	33	35	36	37	39	40	42	43	45	47
Benneydale	23	22	23	24	25	26	27	28	29	30	32
Total Operating Income	1,486	1,498	752	777	804	833	864	900	936	976	1,010
Operating Expenditure											
Te Kuiti	1,784	1,538	2,021	2,196	2,249	2,266	2,320	2,332	2,373	2,411	2,442
Mokau	306	355	367	386	391	401	412	418	426	436	449
Piopio	316	357	364	394	389	417	417	445	454	464	456
Benneydale	181	174	179	184	187	195	202	205	212	217	224
Total Operating Expenditure	2,587	2,424	2,931	3,160	3,216	3,279	3,351	3,400	3,465	3,528	3,571
Net Operating Cost/(Surplus)	1,101	926	2,179	2,383	2,412	2,446	2,487	2,500	2,529	2,552	2,561
Capital Expenditure											
Te Kuiti	1,540	5,225	1,445	170	184	166	172	154	191	194	208
Mokau	80	168	45	58	56	64	70	67	80	83	92
Piopio	65	34	128	107	174	130	75	85	88	89	94
Benneydale	3	3	8	3	3	3	4	4	4	4	4
Total Capital Expenditure	1,688	5,430	1,626	338	417	363	321	310	363	370	398
Net Expenditure	2,789	6,356	3,805	2,721	2,829	2,809	2,808	2,810	2,892	2,922	2,959
Funded By											
Internal Loans	905	4,418	1,339	74	162	122	70	67	80	83	92
Reserves	353	279	746	775	661	529	435	370	365	339	351
TK Water Supply Service Charge	901	939	948	1,031	1,114	1,234	1,361	1,401	1,453	1,486	1,499
MK Water Supply Service Charge	258	282	315	328	334	343	353	358	362	370	378
PP Water Supply Service Charge	213	276	292	343	387	402	403	427	437	448	439
BD Water Supply Service Charge	159	161	165	170	172	179	185	187	193	196	201
Total Funding	2,789	6,355	3,805	2,721	2,830	2,809	2,807	2,810	2,890	2,922	2,960

Roads and Footpaths

Roads and Footpaths	EAP 2014/15	LTP 2016	LTP 2017	LTP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025
Operating Income											
Subsidised Roads	5,911	6,839	7,052	7,335	7,624	7,945	8,299	8,661	9,061	9,501	9,950
Non Subsidised Roads	74	74	75	77	79	81	83	85	88	91	94
Total Operating Income	5,985	6,913	7,127	7,412	7,703	8,026	8,382	8,746	9,149	9,592	10,044
Operating Expenditure											
Subsidised Roads	8,995	9,273	9,332	9,571	9,876	10,166	10,438	10,738	10,994	11,341	11,604
Non Subsidised Roads	306	329	343	359	384	406	429	452	470	486	500
Total Operating Expenditure	9,301	9,602	9,675	9,930	10,260	10,572	10,867	11,190	11,464	11,827	12,104
Net Operating Cost/(Surplus)	3,316	2,689	2,548	2,518	2,557	2,546	2,485	2,444	2,315	2,235	2,060
Capital Expenditure											
Subsidised Roads	4,923	5,500	5,577	5,704	5,841	5,990	6,155	6,331	6,523	6,732	6,952
Non Subsidised Roads	340	315	320	327	335	344	353	363	374	386	399
Total Capital Expenditure	5,263	5,815	5,897	6,031	6,176	6,334	6,508	6,694	6,897	7,118	7,351
Net Expenditure	8,579	8,504	8,445	8,549	8,733	8,880	8,993	9,138	9,212	9,353	9,411
Funded By											
Internal Loans	371	188	357	364	372	381	390	400	411	423	435
Reserves	2,390	2,432	2,072	2,016	2,089	2,081	2,046	2,041	1,925	1,953	1,949
UAGC	186	83	85	87	88	90	91	93	95	97	97
Targeted Services Rate - Rural	26	27	29	30	33	35	37	39	41	42	43
Targeted Services Rate - Urban	206	228	240	252	272	291	309	327	341	354	364
Target Rate - Roads and Footpaths	5,399	5,547	5,663	5,800	5,880	6,004	6,120	6,237	6,398	6,485	6,523
Total Funding	8,578	8,505	8,446	8,549	8,734	8,882	8,993	9,137	9,211	9,354	9,411

Summary of Estimated Revenue and Expenses Statement for Whole of Council

Whole of Council	EAP 2014/15	LTP 2016	LTP 2017	LTP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025
Operating Income											
Governance	556	547	534	548	779	802	826	853	882	913	946
Community Services	804	484	452	488	503	516	532	549	566	585	606
Community Development	78	57	62	63	65	67	68	71	73	78	80
Regulation	363	411	422	433	445	458	472	488	504	522	542
Solid Waste Management	1,090	995	1,002	1,027	1,037	1,067	1,079	1,113	1,140	1,181	1,225
Stormwater	0	0	0	0	0	0	0	0	0	0	0
Resource Management	80	80	82	84	87	89	92	95	98	102	105
Sewerage	828	828	864	893	924	957	994	1,034	1,077	1,122	1,173
Water Supply	1,486	1,498	752	777	804	833	864	900	936	976	1,010
Roads and Footpaths	5,985	6,913	7,127	7,412	7,703	8,026	8,382	8,746	9,149	9,592	10,044
Total Operating Income	11,270	11,813	11,297	11,725	12,347	12,815	13,309	13,849	14,425	15,071	15,731
Operating Expenditure											
Governance	2,873	2,778	2,838	3,028	2,824	2,893	3,077	3,014	3,092	3,294	3,224
Community Services	3,728	3,964	3,981	3,940	4,053	4,141	4,210	4,359	4,443	4,522	4,649
Community Development	1,098	1,183	1,215	1,259	1,307	1,356	1,395	1,479	1,494	1,552	1,607
Regulation	684	832	854	928	935	918	929	978	991	1,044	1,061
Solid Waste Management	1,793	1,956	1,988	2,043	2,070	2,110	2,238	2,364	2,391	2,437	2,462
Stormwater	399	421	440	472	471	490	504	554	556	574	553
Resource Management	177	179	187	204	209	196	202	208	216	223	231
Sewerage	3,399	3,243	3,287	3,401	3,499	3,576	3,617	3,677	3,694	3,752	3,854
Water Supply	2,587	2,424	2,931	3,160	3,216	3,279	3,351	3,400	3,465	3,528	3,571
Roads and Footpaths	9,301	9,602	9,675	9,930	10,260	10,572	10,867	11,190	11,464	11,827	12,104
Total Operating Expenditure	26,039	26,582	27,396	28,365	28,844	29,531	30,390	31,223	31,806	32,753	33,316
Net Operating Cost/(Surplus)	14,769	14,769	16,099	16,640	16,497	16,716	17,081	17,374	17,381	17,682	17,585
Capital Expenditure											
Governance	683	461	505	481	391	431	634	520	578	644	594
Community Services	1,364	1,064	971	469	331	260	295	254	270	269	323
Community Development	0	7	0	0	2	0	0	2	0	0	3
Regulation	0	0	0	0	0	0	0	0	0	0	0
Solid Waste Management	901	0	30	33	0	843	890	37	0	8	0
Stormwater	354	350	250	258	216	209	219	292	331	345	269
Resource Management	0	0	0	0	0	0	0	0	0	0	0
Sewerage	585	530	594	466	482	550	442	454	477	483	555
Water Supply	1,688	5,430	1,626	338	417	363	321	310	363	370	398
Roads and Footpaths	5,263	5,815	5,897	6,031	6,176	6,334	6,508	6,694	6,897	7,118	7,351
Total Capital Expenditure	10,838	13,657	9,873	8,076	8,015	8,990	9,309	8,563	8,916	9,237	9,493

Net Expenditure	25,607	28,426	25,972	24,716	24,512	25,706	26,390	25,937	26,297	26,919	27,078
Funded By											
External Loan Repayments	0	0	0	0	0	0	0	0	0	0	0
Internal Loans	3,451	5,373	2,477	901	779	1,502	1,567	720	736	744	812
Reserves	4,820	5,199	5,080	4,728	3,914	3,605	3,486	3,104	2,853	3,063	2,893
General Rates	3,371	3,412	3,520	3,588	3,705	3,811	3,935	4,133	4,269	4,373	4,471
UAGC	3,115	3,146	3,255	3,297	3,387	3,474	3,597	3,734	3,888	3,944	4,037
Targeted Rates & Service Charges	10,850	11,295	11,636	12,208	12,737	13,317	13,802	14,248	14,541	14,800	14,864
Total Funding	25,607	28,425	25,968	24,722	24,522	25,709	26,387	25,939	26,287	26,924	27,077

Summary of Estimated Revenue and Expenses Statement for Community and Cultural Sustainability

Summary of Estimated Revenue and Expenses Statement for Community and Cultural Sustainability	EAP 2014/15	LTP 2016	LTP 2017	LTP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025
Operating Income											
Leadership	556	547	534	548	779	802	826	853	882	913	946
Community Services	804	484	452	488	503	516	532	549	566	585	606
Community Development	78	57	62	63	65	67	68	71	73	78	80
Regulation	363	411	422	433	445	458	472	488	504	522	542
Total Operating Income	1,801	1,499	1,470	1,532	1,792	1,843	1,898	1,961	2,025	2,098	2,174
Operating Expenditure											
Leadership	2,873	2,778	2,838	3,028	2,824	2,893	3,077	3,014	3,092	3,294	3,224
Community Services	3,728	3,964	3,981	3,940	4,053	4,141	4,210	4,359	4,443	4,522	4,649
Community Development	1,098	1,183	1,215	1,259	1,307	1,356	1,395	1,479	1,494	1,552	1,607
Regulation	684	832	854	928	935	918	929	978	991	1,044	1,061
Total Operating Expenditure	8,383	8,757	8,888	9,155	9,119	9,308	9,611	9,830	10,020	10,412	10,541
Net Operating Cost/(Surplus)	6,582	7,258	7,418	7,623	7,327	7,465	7,713	7,869	7,995	8,314	8,367
Capital Expenditure											
Leadership	683	461	505	481	391	431	634	520	578	644	594
Community Services	1,364	1,064	971	469	331	260	295	254	270	269	323
Community Development	0	7	0	0	2	0	0	2	0	0	3
Regulation	(2)	0	0	0	0	0	0	0	0	0	0
Total Capital Expenditure	2,045	1,532	1,476	950	724	691	929	776	848	913	920
Net Expenditure	8,627	8,790	8,894	8,573	8,051	8,156	8,642	8,645	8,843	9,227	9,287
Funded By											
External Loans	0	0	0	0	0	0	0	0	0	0	0
Internal Loans	829	728	697	394	144	126	178	134	156	143	190
Reserves	1,201	1,261	1,151	986	519	423	599	274	161	381	160
General Rates	3,293	3,344	3,452	3,518	3,639	3,745	3,865	4,061	4,188	4,290	4,393
UAGC	2,889	2,995	3,102	3,140	3,233	3,318	3,436	3,569	3,712	3,764	3,862
Target Rate	418	462	489	540	519	541	561	610	621	653	682
Total Funding	8,630	8,790	8,891	8,578	8,054	8,153	8,639	8,648	8,838	9,231	9,287

Summary of Estimated Revenue and Expenses Statement for Environmental Sustainability

Summary of Estimated Revenue and Expenses Statement for Environmental Sustainability	EAP 2014/15	LTP 2016	LTP 2017	LTP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025
Operating Income											
Solid Waste Management	1,090	995	1,002	1,027	1,037	1,067	1,079	1,113	1,140	1,181	1,225
Stormwater	0	2	3	4	5	6	7	8	9	10	11
Resource Management	80	80	82	84	87	89	92	95	98	102	105
Sewerage	828	828	864	893	924	957	994	1,034	1,077	1,122	1,173
Total Operating Income	1,998	1,905	1,951	2,008	2,053	2,119	2,172	2,250	2,324	2,415	2,514
Operating Expenditure											
Solid Waste Management	1,793	1,956	1,988	2,043	2,070	2,110	2,238	2,364	2,391	2,437	2,462
Stormwater	399	421	440	472	471	490	504	554	556	574	553
Resource Management	177	179	187	204	209	196	202	208	216	223	231
Sewerage	3,399	3,243	3,287	3,401	3,499	3,576	3,617	3,677	3,694	3,752	3,854
Total Operating Expenditure	5,768	5,799	5,902	6,120	6,249	6,372	6,561	6,803	6,857	6,986	7,100
Net Operating Cost/(Surplus)	3,770	3,894	3,951	4,112	4,196	4,253	4,389	4,553	4,533	4,571	4,586
Capital Expenditure											
Solid Waste Management	901	0	30	33	0	843	890	37	0	8	0
Stormwater	354	350	250	258	216	209	219	292	331	345	269
Resource Management	0	2	3	4	5	6	7	8	9	10	11
Sewerage	585	530	594	466	482	550	442	454	477	483	555
Total Capital Expenditure	1,840	882	877	761	703	1,608	1,558	791	817	846	835
Net Expenditure	5,610	4,776	4,828	4,873	4,899	5,861	5,947	5,344	5,350	5,417	5,421
Funded By											
External Loans	0	0	0	0	0	0	0	0	0	0	0
Internal Loans	1,346	39	84	69	101	873	929	119	89	95	95
Reserves	876	1,227	1,111	951	645	572	406	419	402	390	433
General Rates	78	68	68	70	66	66	70	72	81	83	78
UAGC	40	68	68	70	66	66	70	72	81	83	78
Target Rate	3,270	3,373	3,495	3,714	4,026	4,288	4,473	4,662	4,695	4,766	4,735
Total Funding	5,610	4,775	4,826	4,874	4,904	5,865	5,948	5,344	5,348	5,417	5,419

Summary of Estimated Revenue and Expenses Statement for Economic Sustainability

Summary of Estimated Revenue and Expenses Statement for Economic Sustainability	EAP 2014/15	LTP 2016	LTP 2017	LTP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025
Operating Income											
Water Supply	1,486	1,498	752	777	804	833	864	900	936	976	1,010
Roads and Footpaths	5,985	6,913	7,127	7,412	7,703	8,026	8,382	8,746	9,149	9,592	10,044
Total Operating Income	7,471	8,411	7,879	8,189	8,507	8,859	9,246	9,646	10,085	10,568	11,054
Operating Expenditure											
Water Supply	2,587	2,424	2,931	3,160	3,216	3,279	3,351	3,400	3,465	3,528	3,571
Roads and Footpaths	9,301	9,602	9,675	9,930	10,260	10,572	10,867	11,190	11,464	11,827	12,104
Total Operating Expenditure	11,888	12,026	12,606	13,090	13,476	13,851	14,218	14,590	14,929	15,355	15,675
Net Operating Cost/(Surplus)	4,417	3,615	4,727	4,901	4,969	4,992	4,972	4,944	4,844	4,787	4,621
Capital Expenditure											
Water Supply	1,688	5,430	1,626	338	417	363	321	310	363	370	398
Roads and Footpaths	5,263	5,815	5,897	6,031	6,176	6,334	6,508	6,694	6,897	7,118	7,351
Total Capital Expenditure	6,951	11,245	7,523	6,369	6,593	6,697	6,829	7,004	7,260	7,488	7,749
Net Expenditure	11,368	14,860	12,250	11,270	11,562	11,689	11,801	11,948	12,104	12,275	12,370
Funded By											
External Loans	0	0	0	0	0	0	0	0	0	0	0
Internal Loans	1,276	4,606	1,696	438	534	503	460	467	491	506	527
Reserves	2,743	2,711	2,818	2,791	2,750	2,610	2,481	2,411	2,290	2,292	2,300
General Rates	0	0	0	0	0	0	0	0	0	0	0
UAGC	186	83	85	87	88	90	91	93	95	97	97
Target Rate	7,162	7,460	7,652	7,954	8,192	8,488	8,768	8,976	9,225	9,381	9,447
Total Funding	11,367	14,860	12,251	11,270	11,564	11,691	11,800	11,947	12,101	12,276	12,371

Prospective Balance Sheet as at 30 June

Prospective Balance Sheet as at 30 June (\$1,000's)	EAP 2014/15	LTP 2016	LTP 2017	LTP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025
Equity											
Retained Earnings	204,380	207,506	210,708	213,866	217,137	220,464	223,917	227,223	230,762	234,356	237,946
Council Created Reserves	3,656	4,465	3,577	2,866	2,920	3,478	4,280	5,713	7,501	9,336	11,535
Available for Sale Reserves	4	2,604	2,604	2,604	2,604	2,604	2,604	2,604	2,604	2,604	2,604
Hedging Reserves	(150)	233	233	233	233	233	233	233	233	233	233
Revaluation Reserve	68,383	70,465	73,776	78,507	78,507	96,064	103,853	103,853	129,860	144,443	144,443
	276,273	285,273	290,898	298,075	301,401	322,843	334,886	339,626	370,960	390,972	396,760
Current Assets											
Cash	171	100	100	100	100	100	100	100	100	100	100
Other Financial Assets	2	2	2	2	2	2	2	2	2	2	2
Inventory	44	34	35	36	37	38	39	40	41	43	45
Debtors (Exchange)	280	280	287	295	303	311	321	331	342	354	367
Debtors (Non exchange)	5,481	4,978	5,102	5,237	5,381	5,536	5,700	5,879	6,073	6,287	6,516
Assets Held for Sale	0	67	67	67	67	67	67	67	67	67	67
	5,978	5,461	5,593	5,736	5,890	6,054	6,228	6,419	6,625	6,853	7,096
Current Liabilities											
Creditors (Exchange)	3,594	3,490	3,577	3,671	3,773	3,881	3,996	4,122	4,258	4,408	4,568
Current Borrowings	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200
Provisions	15	17	17	17	17	17	17	17	17	17	17
Employee Entitlements	475	505	518	531	546	562	578	596	616	638	661
Derivative Financial Instruments	274	171	171	171	171	171	171	171	171	171	171
	9,558	9,383	9,483	9,591	9,707	9,830	9,962	10,106	10,262	10,434	10,617
Net Working Capital	(3,580)	(3,922)	(3,890)	(3,855)	(3,817)	(3,777)	(3,734)	(3,687)	(3,637)	(3,581)	(3,521)
Non Current Assets											
Property, plant & equipment	327,633	332,384	339,497	346,252	347,891	367,861	378,187	379,616	407,197	423,376	425,039
Intangible Assets	76	88	88	88	88	88	88	88	88	88	88
Forestry Assets	44	44	44	44	44	44	44	44	44	44	44
Investment property	669	635	635	635	635	635	635	635	635	635	635
Assets Held for Sale	909	753	685	617	549	481	413	345	277	209	141
Other Financial Assets	787	2,635	2,633	2,631	2,629	2,627	2,625	2,623	2,621	2,619	2,617
Derivative Financial Instruments	239	409	409	409	409	409	409	409	409	409	409
	330,357	336,948	343,991	350,676	352,245	372,145	382,401	383,760	411,271	427,380	428,973
Non Current Liabilities											
Creditors (Exchange)	790	371	247	124	0	0	0	0	0	0	0
Borrowings	48,795	46,491	48,037	47,677	46,055	44,526	42,755	39,393	35,594	31,720	27,555
Employee Entitlements	62	61	63	64	66	68	70	72	74	77	80
Provisions	741	831	856	881	906	931	956	981	1,006	1,031	1,056
Derivative Financial Instruments	116	0	0	0	0	0	0	0	0	0	0
	50,504	47,754	49,203	48,746	47,027	45,525	43,781	40,446	36,675	32,828	28,691
Net Assets	276,273	285,273	290,898	298,075	301,401	322,843	334,886	339,626	370,960	390,972	396,760

Prospective Comprehensive Income Statement for years ending 30 June

Prospective Comprehensive Income Statement for years ending 30 June (\$1,000's)	EAP 2014/15	LTP 2016	LTP 2017	LTP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025
Revenue											
Subsidies	6,865	7,459	6,890	7,169	7,454	7,771	8,120	8,478	8,872	9,306	9,748
Investment Revenue	53	37	10	10	227	233	240	247	255	264	274
Rates & Rates Penalties	17,749	18,265	18,832	19,521	20,274	21,059	21,805	22,598	23,203	23,635	23,914
Water by Meter Rates	685	714	744	769	796	825	856	890	927	967	1,010
Fees & Charges	3,248	3,185	3,221	3,336	3,416	3,521	3,613	3,737	3,859	4,002	4,147
Gains/Losses on Investment Properties	8	8	8	8	9	9	9	9	10	10	11
	28,607	29,668	29,706	30,814	32,175	33,418	34,644	35,960	37,127	38,185	39,104
Expenditure											
Employee Benefits	4,968	5,461	5,550	5,684	5,828	5,991	6,166	6,355	6,560	6,783	7,018
Depreciation & Amortisation	6,105	5,641	5,908	5,864	6,141	6,340	6,531	6,884	7,105	7,396	7,617
Finance Costs	3,102	2,986	3,231	3,456	3,426	3,313	3,242	3,123	2,901	2,649	2,397
Other Expenditure	11,864	12,495	12,703	13,363	13,455	13,888	14,451	14,858	15,235	15,928	16,283
	26,039	26,583	27,392	28,367	28,849	29,533	30,390	31,220	31,800	32,755	33,315
Surplus/Deficit before Tax	2,568	3,085	2,314	2,447	3,326	3,885	4,254	4,740	5,326	5,429	5,789
Other Comprehensive Income											
Gains/(Losses) on Revaluation of Property, plant and equipment	0	0	3,311	4,731	0	17,557	7,789	0	26,007	14,582	0
Total Comprehensive Income for the Year	2,568	3,085	5,626	7,177	3,326	21,442	12,043	4,740	31,334	20,012	5,789

Prospective Statement of Public Debt for the Years ending 30 June

Prospective Statement of Public Debt for the Years ending 30 June	EAP 2014/15	LTP 2016	LTP 2017	LTP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025
Opening Balance	52,010	47,692	51,691	53,237	52,877	51,255	49,726	47,955	44,593	40,794	36,920
Loans Raised	7,185	9,199	6,746	4,840	3,578	3,671	3,429	1,838	1,401	1,325	1,036
Loans Repaid	(5,200)	(5,200)	(5,200)	(5,200)	(5,200)	(5,200)	(5,200)	(5,200)	(5,200)	(5,200)	(5,200)
Closing Balance	53,995	51,691	53,237	52,877	51,255	49,726	47,955	44,593	40,794	36,920	32,755

Prospective Summary Statement of Reserve Fund Movements for the Years ending 30 June

Prospective Summary Statement of Reserve Fund Movements for the Years ending 30 June	EAP 2014/15	LTP 2016	LTP 2017	LTP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025
Opening Balance	4,669	5,590	4,465	3,577	2,866	2,920	3,478	4,280	5,713	7,501	9,336
Transfers to/from Reserve	(1,013)	(1,126)	(888)	(711)	54	558	802	1,434	1,787	1,835	2,199
Closing Balance	3,656	4,465	3,577	2,866	2,920	3,478	4,280	5,713	7,501	9,336	11,535
Net Movement in Council Created Reserves over Ten years											5,944

Statement of Reserve Funds

The Council maintains reserves as a sub-part of its equity. Schedule 10(16) Local Government Act 2002 requires certain information on Reserve Funds to be included in the Council's Annual Plan. The following represents a summary of Reserve Funds over the period of the plan and provides information on:

- the purpose of the Reserve Fund
- the activity to which the fund relates
- the amount expected to be in the fund at:
 - the commencement of the year; and
 - the end of the year; and
- the amount expected to be deposited in the fund during the year; and
- the amount expected to be withdrawn from the fund during the year.

1. OPERATIONAL RESERVES

Operational Reserves are created to hold short-term funding surpluses (or deficits) arising from the various activities of Council.

This occurs when:

- Operating expenditure exceeds budget;
- Operating income is less than budget; or
- A combination of both.

A balance held in an operational reserve forms part of the Council's funding considerations for a particular activity in each subsequent year's budget.

For example, the balance in an operational reserve will determine whether more or less income is required in the subsequent year's budget to clear that balance. Council ensures that rates collected for a particular activity from an identified group of ratepayers are used only for that activity and for the benefit of that identified ratepayer group.

2. DEPRECIATION RESERVES

The Council sets aside accumulated funds from rates in specific Depreciation Reserves to fund repayments on loans raised for capital expenditure and to maintain the service capacity and integrity of assets throughout their useful lives. Each major activity e.g. water, roading, wastewater, stormwater, solid waste, etc. has its own Depreciation Reserve so that the funds from each can be applied to the appropriate activity.

Council ensures that funds accumulated for a particular activity from an identified group of ratepayers can only be used for that activity and for the benefit of that identified ratepayer group. The purpose of accumulating specific Depreciation Reserves is to ensure that Council's ability to provide services to the District's communities is maintained.

3. INVESTMENT REVALUATION RESERVES

Council's investment activities include its subsidiary companies (Inframax Construction Ltd and Independent Roadmarkers Taranaki Ltd), Parkside Subdivision, 22 quarries throughout the District, Housing and Other Property and a small forestry holding at the Rangitoto Landfill site. Council is obliged to periodically review the value of its investment in each of these activities. Investment revaluation reserves are therefore created when the value of Council's investment either increases or decreases as a result of that revaluation. Revaluations of investments do not form part of the Revaluation Reserve shown in the Public Equity section of the Statement of Financial Position.

The balances held in an investment revaluation reserve are not utilised in any way other than to recognise movements in the value of Council's investments. They would only be realised as a component of the surplus or deficit should Council ever resolve to dispose of a particular investment.

4. SPECIAL PURPOSE RESERVES

There are two special purpose reserves;

- District Development Special Purpose Reserve: Funds were received from the Development King Country Trust in April 2012 with the intention of setting up a Waitomo District Economic Development Board (or similar entity) to assist with a more integrated strategic focus on sustainable delivery of economic development initiatives within the District.
- Waste Minimisation Special Purpose Reserve: Funds received from the Ministry for the Environment under Section 31 of the Waste Minimisation Act 2008 can only be spent on activities that promote or achieve waste minimisation and in accordance with Council's waste management and minimisation plan. This special purpose reserve is a net accumulation of levy monies received and expenditure on waste minimisation activities that meet the aforementioned purpose and Council approval.

Statement of Reserve Funds (\$1,000's)	Opening Balance 30 June 2015	Forecast Reserve Deposits	Forecast Reserve Withdrawals	Closing Balance 30 June 2025
<u>Operational Reserves (1)</u>				
Governance: Leadership and Investments				
Leadership	(229)	(754)	862	(121)
Investments	3,298	(289)	351	3,360
	3,069	(1,043)	1,213	3,239
Community Services				
Parks & Reserves	(159)	(128)	185	(102)
Housing & Other Property	154	(124)	0	30
District Libraries	235	(115)	0	120
Swimming Pool	124	(59)	0	65
Arts, Culture and Heritage	(139)	(55)	55	(139)
Aerodrome	(99)	0	0	(99)
Public Amenities	(185)	(181)	181	(185)
Emergency Management	(127)	(80)	72	(135)
	(196)	(742)	493	(445)
Community Development				
Community Support	(435)	(43)	592	114
	(435)	(43)	592	114
Regulation				
Regulation	264	(195)	66	135
	264	(195)	66	135
Solid Waste Management				
Kerbside Collection	(60)	0	0	(60)
Transfer Stations	(258)	(495)	916	163
Waste Minimisation	(75)	(10)	10	(75)
	(393)	(505)	926	28
Stormwater				
Te Kuiti Stormwater	26	0	0	26
Rural Stormwater	(136)	0	0	(136)
	(110)	0	0	(110)
Resource Management				
District Plan Administration	11	(65)	10	(44)
	11	(65)	10	(44)
Sewerage				
Te Kuiti Sewerage	(1,141)	0	496	(645)
Te Waitere Sewerage	(50)	0	0	(50)
Benneydale Sewerage	227	(241)	12	(2)
Piopio Sewerage	(317)	0	0	(317)
	(1,281)	(241)	508	(1,014)
Water Supply				
Te Kuiti Water	561	(269)	883	1,175
Mokau Water	423	(204)	0	219
Piopio Water	574	(302)	48	320
Benneydale Water	73	(100)	0	(27)
	1,631	(875)	931	1,687
Roads and Footpaths				
Subsidised Roads	2,478	0	0	2,478
Non Subsidised Roads	(455)	0	0	(455)
	2,023	0	0	2,023

Statement of Reserve Funds (Continued) (\$1,000's)	Opening Balance 30 June 2015	Forecast Reserve Deposits	Forecast Reserve Withdrawals	Closing Balance 30 June 2025
Corporate Support				
Gratuities	(83)	0	0	(83)
Long Service Leave	(35)	0	0	(35)
Natural Disaster	(426)	0	0	(426)
	(544)	0	0	(544)
Total Operational Reserves	4,039	(3,709)	4,739	5,069
<u>Depreciation Reserves (2)</u>				
Community Services				
Parks & Reserves	156	(568)	391	(21)
Elder Persons Housing	(198)	(230)	148	(280)
Community Halls	(749)	(16)	16	(749)
Other Land and Buildings	(375)	(840)	410	(805)
Railway Building	(1)	(500)	155	(346)
District Libraries	(459)	(599)	625	(433)
Swimming Pool	85	(384)	174	(125)
Arts, Culture and Heritage	114	(1,087)	469	(504)
Aerodrome	(4)	(126)	76	(54)
Public Amenities	(91)	(1,074)	1,014	(151)
	(1,522)	(5,424)	3,478	(3,468)
Community Development				
Visitor Information Centre	(32)	(59)	39	(52)
	(32)	(59)	39	(52)
Regulation				
Animal and Dog Control	24	(19)	31	36
	24	(19)	31	36
Solid Waste Management				
Landfill and Transfer Stations	253	(2,715)	2,715	253
	253	(2,715)	2,715	253
Stormwater				
Te Kuiti Stormwater	(667)	(1,720)	2,344	(43)
Rural Stormwater	(18)	(45)	0	(63)
	(685)	(1,765)	2,344	(106)
Sewerage				
Te Kuiti Sewerage	(932)	(6,851)	7,769	(14)
Te Waitere Sewerage	4	(92)	9	(79)
Benneydale Sewerage	(108)	(375)	365	(118)
Piopio Sewerage	(70)	(685)	501	(254)
	(1,106)	(8,003)	8,644	(465)
Water Supply				
Te Kuiti Water	(522)	(3,480)	3,480	(522)
Mokau Water	3	(541)	554	16
Piopio Water	(272)	(835)	1,079	(28)
Benneydale Water	(133)	(346)	175	(304)
	(924)	(5,202)	5,288	(838)

Statement of Reserve Funds (Continued) (\$1,000's)	Opening Balance 30 June 2015	Forecast Reserve Deposits	Forecast Reserve Withdrawals	Closing Balance 30 June 2025
Roads and Footpaths				
Subsidised Roads	(5,054)	(32,935)	27,818	(10,171)
Non Subsidised Roads	109	(1,192)	500	(583)
	(4,945)	(34,127)	28,318	(10,754)
Corporate Support				
Corporate Support	(142)	(3,586)	3,365	(363)
Plant	(349)	(1,888)	1,875	(362)
	(491)	(5,474)	5,240	(725)
Total Depreciation Reserves	(9,428)	(62,788)	56,097	(16,119)
<u>Investment Revaluation Reserves (3)</u>				
Governance: Leadership and Investments				
Forestry - Rangitoto Landfill Revaluation	32	0	0	32
Community Services				
Land and Buildings	(265)	0	0	(265)
Total Investment Revaluation Reserves	(265)	0	0	(265)
<u>Special Purpose Reserves (4)</u>				
Community Development				
Economic Development	(16)	0	0	(16)
Solid Waste Management				
Waste Minimisation	50	(282)	0	(232)
Total Special Purpose Reserves	34	(282)	0	(248)
Total Reserves	(5,620)	(66,779)	60,836	(11,563)
Net Movement in All Council Created Reserves			(5,943)	

Funding Impact Statement

Introduction

Council is required under clause 20 of Schedule 10 of the Local Government Act 2002 (LGA) to adopt a Funding Impact Statement. Pages **61-79** of this Plan show Council's Funding Impact Statement.

The Funding Impact Statement provides a summary of Council's funding sources, and how the funds are to be applied as well as the detailed rate requirement, for the 2015/16 financial year.

The Funding Impact Statement represents the fiscal outcome from the Revenue and Financing Policy. ***The Revenue and Financing Policy is available on Council's website - www.waitomo.govt.nz***

Rates Remissions and Postponements

Remissions

Council has developed a rates remissions policy as per LGA (section 102 (3)(a) and 109) and LGRA (Section 85). Remissions categories include Properties Used Jointly as a Single Unit, Community Organisations, Financial Hardship, Organisations Providing Care for the Elderly, Clubs and Societies, New Subdivisions, Council Properties, Maori Freehold Land and Piopio Schools Sewerage. The value of these remissions is \$205,000 for the 2015/16 year.

Postponements

Under the Policy on Remission of Rates, Council will not offer any permanent postponements of rates.

Separately Used or Inhabited Part of a Rating Unit (SUIP)

The Council has resolved that the basis of calculating liability for the Uniform Annual General Charge (UAGC) and for certain targeted fixed rates (TFRs), will be the number of 'separately used or inhabited parts' (SUIPs) of rating units. Council sets TFRs in all rating areas of the District on a SUIP basis for provision of:

- Water Supplies
- Sewerage Systems
- Solid Waste Management
- Solid Waste Collection
- Non-subsidised Roothing
- Te Kuiti Swimming Pool
- Marokopa Community Centre
- Rural Stormwater

Definition of SUIP

For these purposes a SUIP is defined as including any part of a rating unit used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of tenancy, lease or other agreement. At a minimum, the land or premises forming the SUIP must be capable of actual habitation, or actual separate use. For the avoidance of doubt, a rating unit that has only one use (i.e. does not have separate parts or is vacant land) is treated as being one SUIP.

STATEMENT OF FUNDING SOURCES

The table on the following page provides a summary of the funding sources for 2015/16. Council's Revenue and Financing Policy and work programmes form the basis for the funding forecast. The table is produced on a GST exclusive basis.

FUNDING CAP FOR UNIFORM CHARGES

Section 21 of the Local Government (Rating) Act 2002 requires that revenue from certain rates must not exceed 30% of total rates revenue. Those rates include Uniform Annual General Charges and Targeted Rates that are set on a uniform basis.

Council is not in breach of the Funding Cap over the life of the LTP. The uniform charges for 2015/16 are 20.6% of the total rates revenue. For the remaining 9 years of the LTP the funding cap does not exceed 22.5% and is not less than 20.6%

Statement of Funding Sources

Statement of Funding Sources (\$1,000's)	EAP 2014/15	LTP 2016	LTP 2017	LTP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025
Targeted Rates and Service Charges											
Sewerage	2,185	2,228	2,277	2,364	2,480	2,592	2,653	2,674	2,648	2,664	2,717
Water	1,531	1,658	1,719	1,872	2,007	2,158	2,301	2,373	2,445	2,499	2,517
Targeted Services	472	514	545	593	589	615	643	680	704	729	751
District Development Rate	159	185	194	210	216	231	244	274	277	297	315
Piopia Retirement Village Contribution	15	15	15	16	16	17	17	18	18	19	20
Roads and Footpaths	5,399	5,547	5,663	5,800	5,880	6,004	6,120	6,237	6,398	6,485	6,523
Solid Waste Management	505	537	591	685	875	1,002	1,105	1,216	1,223	1,249	1,224
Solid Waste Collection	191	195	200	205	211	217	224	231	239	247	256
Stormwater	389	413	427	459	459	477	491	541	585	606	539
Marokopa Community Centre	4	4	4	4	4	4	4	4	4	4	4
Total Targeted Rates and Service Charges	10,850	11,296	11,635	12,208	12,737	13,317	13,802	14,248	14,541	14,799	14,866
UAGC	3,117	3,147	3,255	3,294	3,388	3,474	3,598	3,733	3,888	3,943	4,036
General Rates	3,372	3,411	3,520	3,588	3,706	3,811	3,935	4,132	4,270	4,372	4,471
Total Rates	17,339	17,854	18,410	19,090	19,831	20,602	21,335	22,113	22,699	23,114	23,373
<i>Percentage Rate Increase</i>		<i>2.97%</i>	<i>3.11%</i>	<i>3.69%</i>	<i>3.88%</i>	<i>3.89%</i>	<i>3.56%</i>	<i>3.65%</i>	<i>2.65%</i>	<i>1.83%</i>	<i>1.12%</i>
Other Revenue Sources											
Subsidies	6,865	7,459	6,890	7,169	7,454	7,771	8,120	8,478	8,872	9,306	9,748
Interest Revenue	53	37	10	10	10	10	10	10	10	10	10
Rates Penalties Revenue	410	410	421	432	444	457	471	487	503	521	540
Fees and Charges	3,940	3,907	3,974	4,114	4,437	4,578	4,709	4,874	5,041	5,233	5,432
Total Other Revenue	11,268	11,813	11,295	11,725	12,345	12,816	13,310	13,849	14,426	15,070	15,730
Other Funding Sources											
Internal Loans Raised	3,450	5,373	2,476	902	778	1,502	1,567	719	736	744	812
Total Other Funding	3,450	5,373	2,476	902	778	1,502	1,567	719	736	744	812
Total Funding Sources	32,057	35,040	32,181	31,717	32,954	34,920	36,212	36,681	37,861	38,928	39,915
Operating Expenditure	26,039	26,583	27,392	28,367	28,849	29,533	30,390	31,220	31,800	32,755	33,315
Capital Expenditure (Including Corporate Support)	10,838	13,657	9,871	8,076	8,016	8,990	9,308	8,562	8,916	9,236	9,494
Loan Repayments	1,506	1,567	1,715	1,848	2,175	2,179	2,243	2,347	2,464	2,497	2,524
Reserve Transfers	-6,326	-6,766	-6,795	-6,576	-6,087	-5,782	-5,729	-5,450	-5,317	-5,560	-5,418

Total Funding Used

32,057

35,041

32,183

31,715

32,953

34,920

36,212

36,679

37,863

38,928

39,915

GENERAL RATE

Description and Use

The General Rate is assessed as a rate per \$100 of capital value across the District. The General Rate is not set differentially. The rationale for assessing the General Rate using Capital Value is contained in the Revenue and Financing Policy.

The General Rate will contribute to the funding of:

- Governance: Leadership and Investments
- Leased Reserves
- Other Land and Buildings
- District Libraries
- District Swimming Pool
- Arts Culture and Heritage
- Aerodrome
- Public Amenities
- Parks & Reserves
- Elderly Persons Housing
- Community Halls
- Cemeteries
- Community Support
- District Development
- Emergency Management
- Regulation
- Waste Minimisation
- Resource Management

Requirement in 2015/16 (incl. GST)

General Rate	Rate per \$100 capital value	Total Revenue Requirement (\$000)
All rating units in the District	0.13703	3,923

UNIFORM ANNUAL GENERAL CHARGE

Description and Use

Council will set a Uniform Annual General Charge (UAGC) per separately used or inhabited part of a rating unit under Section 15(1)(b) of the LGRA, across the District. The rationale for use of the UAGC is contained in the Revenue and Financing Policy.

The UAGC will contribute to the funding of:

- Governance: Leadership and Investments
- Parks and Reserves
- District Libraries
- District Swimming Pool
- Arts, Culture and Heritage
- Other Land and Buildings
- Public Amenities
- Leased Reserves
- Elder Persons Housing
- Community Halls
- Cemeteries
- Community Support
- Automobile Association
- Emergency Management
- Regulation

- Resource Management
- Waste Minimisation
- Subsidised Roothing

Requirement in 2015/16 (incl. GST)

Uniform Annual General Charge	Charge per SUIP	Total Revenue Requirement (\$000)
All rating units in the district.	\$654	3,619

TARGETED RATES

Description and Use

Targeted Rates are set on categories of land defined by some factor, such as geographic location or provision of service. The titles of 'Targeted Rate' ('TR') and Targeted Fixed Rate (TFR) are used by this Council. Targeted Fixed Rates are based on a uniform amount set per separately used or inhabited part of a rating unit (SUIP) or set per rating unit. Targeted Rates are assessed based on capital value.

1.1 Targeted Rates Based on Location

Council will use location (Schedule 2(6) LGRA) to define the land liable for the Targeted Services TFR, Piopio Sewerage TFR, Piopio Retirement Village Contribution TFR, Rural Stormwater TFR, Te Kuiti Urban Stormwater TFR and targeted rate, and the Marokopa Community Centre TFR.

The following location definitions for the respective rating areas will apply:

Te Kuiti Urban Rating Area	All rating units situated within the Te Kuiti Urban Ward as defined by the Basis of Election for the 2010 Triennial Elections. <i>(Refer Revenue and Financing Policy)*</i>
Te Kuiti Urban and Periphery Rating Area	All rating units situated within a 5km radius, all around, from the Information Centre (deemed to be the centre of town), in Te Kuiti. <i>(Refer Revenue and Financing Policy)*</i>
Rural Rating Area	All rating units situated within the Rural Ward as defined by the Basis of Election for the 2010 Triennial Elections. <i>(Refer Revenue and Financing Policy)*</i>
Piopio Wider Benefit Rating Area	All rating units situated in the rural areas around Piopio Township <i>(excluding Rating units situated within Piopio Township)</i> that are deemed to indirectly benefit from the Piopio Sewerage reticulation network. <i>(Refer Revenue and Financing Policy)*</i>

** The Revenue and Financing Policy is available on WDC's website www.waitomo.govt.nz/publications/policy/*

Targeted Services TFR - Te Kuiti Urban and Rural Rating Area

Description and Use

Council will set a Targeted Services TFR per separately used or inhabited part of a rating unit in the District, differentiated by rating areas, to part fund the Non-subsidised Roothing Activity and part fund the Swimming Pool Activity. The Rating Areas for the purpose of assessing the Targeted Services TFR will be the Te Kuiti Urban and Periphery Rating Area and Rating Units in the District, not including Rating units in the Te Kuiti Urban and Periphery Rating area).

Requirement in 2015/16 (incl. GST)

Targeted Services TFR	Charge per SUIP	Total Revenue Requirement (\$000)
Te Kuiti Urban and Periphery Rating Area	\$201	470
Rating Units in the District not in the Te Kuiti Urban and Periphery Rating Area	\$38	121

Piopio Sewerage TFR - Piopio Wider Benefit Rating Areas

Council will set a Targeted Services TFR on every rating unit situated within the Piopio Wider Benefit Rating Area to assist the funding of the sewerage reticulation networks in Piopio. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Requirement in 2015/16 (incl. GST)

Targeted Services TFR	Charge Per Rating Unit	Total Revenue Requirement (\$000)
Piopio Wider Benefit Rating Area	\$34	19

Piopio Retirement Village TFR, Piopio Township and Piopio Wider Benefit Rating Area

Council will set a Targeted Services TFR per rating unit situated within the Piopio Township and the Piopio Wider Benefit Rating Area to fund the support of the continued delivery of elderly housing accommodation services provided by the Piopio Retirement Trust Inc. through the remission of service charges. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Requirement in 2015/16 (incl. GST)

Targeted Services TFR	Charge Per Rating Unit	Total Revenue Requirement (\$000)
Piopio Wider Benefit Rating Area and Piopio Township	\$23	17

*Rural Stormwater TFR - Rural Rating Area
Description and Use*

Council will set a TFR per separately used or inhabited part of a rating unit in the Rural Rating Area of the District to fund the Rural Stormwater Activity.

Requirement in 2015/16 (incl. GST)

Rural Stormwater TFR	Charge per SUIP	Total Revenue Requirement (\$000)
Rural Rating Area	\$17	61

*Te Kuiti Urban Stormwater TFR and Targeted Rate
Description and Use*

- (i) Council will set a TFR per rating unit in the Te Kuiti Urban Rating Area to partly fund the Urban Stormwater Activity.
- (ii) Council will set a Targeted Rate to partly fund the Urban Stormwater Activity, to be assessed as a rate per \$100 of Capital value on every rating unit in the Te Kuiti Urban Rating Area excluding those in respect of which there is a current resource consent to discharge stormwater into the Mangaokewa Stream, and so are not using any part of the urban reticulated stormwater or drainage network.

Requirement in 2015/16 (incl. GST)

Urban Stormwater TFR	Charge per rating unit	Total Revenue Requirement (\$000)
Te Kuiti Urban Rating Area	\$150	267

Urban Stormwater Targeted Rate	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
Te Kuiti Urban Rating Area (excluding rating units not using network)	0.04965	147

Marokopa Community Centre TUAC

Council will set a TFR assessed per separately used or inhabited part of a rating unit within the defined Marokopa Community Centre Rating Area.

(Refer Appendix 3 of Revenue and Financing Policy)

Requirement in 2015/16 (incl. GST)

Marokopa Community Centre TFR	Charge per SUIP	Total Revenue Requirement (\$000)
Marokopa Community Centre Rating Area	\$22	4

1.2 Targeted Rates Based on Service Provision
Description and Use

Council will use provision or availability to the land of a service (Schedule 2(5) LGRA) to define the land liable for Water Supply and Sewerage charges. For these purposes, the service is available (and the rating unit is 'serviceable') if:

Water	The rating unit is within 100m of water main and practicably serviceable in the opinion of Council.
Sewerage	The rating unit is within 30m of sewer reticulation and practicably serviceable in the opinion of Council.

1.3 Water Rates
Description and Use

Council will set a TFR for Water Supply differentiated on the basis of supply area.

The TFR is set per separately used or inhabited part of a rating unit within the relevant community, with liability calculated based on whether the SUIP is connected, or merely serviceable.

Requirement in 2015/16 (incl. GST)

Water Supply (TFR)	Charge		Total Revenue Requirement (\$000)
	Per connected SUIP	Per serviceable SUIP	
Te Kuiti	\$521	\$261	1,079
Piopio	\$1283	\$641	318
Benneydale	\$1,400	\$700	162
Mokau	\$1,400	\$700	302

Any rating unit situated in Te Kuiti, Piopio, Benneydale or Mokau that has been fitted with a water meter and / or is defined as having an extraordinary supply (in accordance with Council's Water Service's Bylaw) will be charged a targeted fixed rate per cubic metre of water consumed over and above an annual consumption of 292m³ per SUIP.

Requirement in 2015/16 (incl. GST)

Water Supply Rate	2015/16 Charge per cubic metre (including GST) above 292m³
Te Kuiti	\$1.90
Piopio	\$4.20
Benneydale	\$7.40
Mokau	\$9.30

1.4 Subsidy Rate for Benneydale Water Supply
Description and Use

Council will set a TFR on every rating unit within the District. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Subsidy for Benneydale Water Supply	Charge	Total Revenue Requirement (\$000)
All Rating Units in the District	\$5	24

1.5 Subsidy Rate for Mokau Water Supply
Description and Use

Council will set a TFR on every rating unit within the District. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Subsidy for Mokau Water Supply	Charge	Total Revenue Requirement (\$000)
All Rating Units in the District	\$5	23

1.6 Sewerage Rates
Description and Use

Council will set a TFR to provide for the collection and disposal of sewage, differentiated on the basis of community supply area. The TFR is set per separately used or inhabited part of a rating unit within the community, with liability calculated based on whether the SUIP is connected to the sewerage network, or merely serviceable.

Requirement in 2015/16

Sewerage TFR	Charge		Total Revenue Requirement (\$000)
	Per connected SUIP	Per serviceable SUIP	
Benneydale	\$1,100	\$550	119
Te Waitere	\$1,100	\$550	16
Te Kuiti	\$956	\$478	1,620
Piopio	\$1,100	\$550	241

A Trade Waste Contribution TFR will also be set per rating unit in the District in recognition of the contribution made to the social and economic well-being of the District by the large industrial users of the Te Kuiti Wastewater Network. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Trade Waste Contribution	Charge	Total Revenue Requirement (\$000)
	Per rating unit	
All Rating Units in the District	\$41	191

Te Kuiti

In Te Kuiti for all residential properties, Council will set a TFR per separately used or inhabited part of a rating unit that is connected or has the ability to connect to the Council sewerage reticulation network.

All non-residential properties will be charged one base charge for up to four pans and per pan for every pan over and above this threshold. The base charge and per pan charge will be categorised using the following land use categories:

- Businesses
- Education & Community Childcare
- Places of Worship
- Marae
- Clubs and Societies
- Emergency Services
- Government Departments
- Rest Home
- Hospital

All non residential properties will fall within one of the above land use categories.

For the purposes of this rate:

- All Businesses will be called Category 1.
- SUIPs with the following land uses will be grouped together into Category 2: Education & Community Childcare, Places of Worship, Marae, Clubs and Societies and Emergency Services. This category consists of organisations that are generally deemed 'not for profit'. For avoidance of doubt, Category 2 only covers properties with uses listed within this category and no others.
- SUIPs with the following land uses will be grouped together into Category 3: Government Departments, Rest Homes and Hospitals.

The rationale for the use of this rate is contained in the Revenue and Financing Policy

Non-Residential Targeted Rate	Base Charge per SUIP (up to 4 pans)	Total Revenue Requirement (\$000)
Category 1	\$478	93
Category 2	\$478	16
Category 3	\$956	17

Non-Residential Targeted Rate	Number of pans	Charge per pan	Total Revenue Requirement (\$000)
Category 1	5 pans and over	\$669	78
Category 2	5-10 Pans	\$287	2
	11 pans and over	\$191	24
Category 3	5 pans and over	\$669	40

1.7 Subsidy Rate for Te Waitere Sewerage
Description and Use

Council will set a TFR on every rating unit within the District. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Subsidy for Te Waitere Sewerage	Charge	Total Revenue Requirement (\$000)
All rating units in the District	\$7	33

1.8 Subsidy Rate for Benneydale Sewerage
Description and Use

Council will set a TFR on every rating unit within the District. The rationale for use of this rate is contained in the Revenue and Financing Policy.

Subsidy for Benneydale Sewerage	Charge	Total Revenue Requirement (\$000)
All rating units in the District	\$11	52

2.0 Roads and Footpaths Rate Description and Use

Council will set a Roads and Footpaths Rate as a rate per \$100 of capital value across the District to part fund Subsidised Roading (part of Roads and Footpaths Activity). Rationale for use of the rate is contained in the Revenue and Financing Policy.

Requirement in 2015/16 (incl. GST)

District Roads and Footpaths Rate	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
All rating units in the District	0.22285	6,380

3.0 Solid Waste Collection Description and Use

Council will set a TFR per separately used or inhabited part of a rating unit to which Council provides a kerbside collection and recycling service to fund the cost of the services. Council operates kerbside collection and kerbside recycling in Te Kuiti, Piopio, Mokau and Waitomo (part of) townships.

Requirement in 2015/16 (incl. GST)

Solid Waste Collection (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Te Kuiti	\$55	110
Waitomo	\$75	42
Piopio	\$124	28
Mokau	\$159	44

4.0 Solid Waste Management Description and Use

Council will set a TFR to part fund the activity of Solid Waste Management. This TFR will be set per separately used or inhabited part of a rating unit District wide.

Requirement in 2015/16 (incl. GST)

Solid Waste Management (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
All rating units in the District	\$112	618

5.0 District Development Rate
Description and Use

Council will set a District Development Rate as a rate per \$100 of capital value, differentiated between Commercial and Industrial Businesses, and Rural Businesses, to part fund Economic Development, Visitor Information Centre, District and Regional Promotion and Event Co-ordination. Refer to the Revenue and Financing Policy for details.

Requirement in 2015/16 (incl. GST)

District Development Rate	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
Commercial and Industrial Businesses	0.03583	106
Rural Businesses	0.00552	106

6.0 Rates Payments

Pursuant to Section 24 of the Local Government (Rating) Act 2002, rates for the financial year commencing 1 July 2015 will be payable in four equal instalments with the due dates for payment being:

1st Instalment	31 August 2015 (Monday)
2nd Instalment	30 November 2015 (Monday)
3rd Instalment	29 February 2016 (Monday)
4th instalment	31 May 2016 (Tuesday)

Note

The due date for payment of each instalment is the last working day in each of the months specified above. Rates payments will be allocated to the oldest debt first.

7.0 Penalties

Pursuant to sections 57 and 58 of the Local Government (Rating) Act 2002, Council may apply penalties as follows:

- (a) A penalty charge of 10 percent (10%) on any part of an instalment that has been assessed for the financial year commencing 1 July 2015 and which remains unpaid after 5pm on the due date for payment of that instalment, to be added on the penalty dates below:

Instalment 1	2 September 2015
Instalment 2	2 December 2015
Instalment 3	2 March 2016
Instalment 4	2 June 2016

- (b) A further penalty charge of 10 percent (10%) on any part of any rates assessed before 1 July 2015 that remains unpaid on 1 July 2015, to be added on 6 July 2015.

Rates Examples 2014/15

GST included

	Te Kuiti Residential	Te Kuiti Commercial	Te Kuiti Wider Rating Area	Waitomo Commercial	Benneydale Residential	Piopio Residential	Piopio Wider Rating Area	Mokau Residential	Drystock Rural	Dairy Farm Rural
Capital Value \$ as at Sep 2012	170,000	275,000	630,000	1,100,000	44,000	127,000	385,000	270,000	3,075,000	5,550,000
	2014/15	2014/15	2014/15	2014/15	2014/15	2014/15	2014/15	2014/15	2014/15	2014/15
				(Three parts)			2014/15			(Two Parts)
Uniform Annual General Charge (UAGC)	650	650	650	1,950	650	650	650	650	650	1,300
General Rate	231	374	856	1,495	60	173	523	367	4,179	7,542
District Wide Rooding Rate	370	598	1,371	2,393	96	276	838	587	6,690	12,075
Targeted Services Rate (Urban)	185	185	185	0	0	0	0	0	0	0
Targeted Services Rate (Rural)	0	0	0	105	35	35	35	35	35	70
District Development Rate - Commercial	0	85	0	339	0	0	0	0	0	0
District Development Rate - Rural Business	0	0	0	0	0	0	0	0	146	264
Subsidy Rate for Te Waitere Sewerage	7	7	7	7	7	7	7	7	7	7
Subsidy Rate for Benneydale Sewerage	9	9	9	9	9	9	9	9	9	9
Subsidy Rate for Benneydale Water	4	4	4	4	4	4	4	4	4	4
Stormwater Urban Fixed Charge	150	150	0	0	0	0	0	0	0	0
Stormwater Urban Capital Value	73	119	0	0	0	0	0	0	0	0
Stormwater (Rural)	0	0	15	45	15	15	15	15	15	30
Water Supply	501	501	0	0	1,400	995	0	1,400	0	0
Sewerage	946	341	0	0	1,100	1,100	0	0	0	0
Piopio Wider Rating Area - Sewerage	0	0	0	0	0	0	10	0	10	0
Piopio Retirement Village Contribution	0	0	0	0	0	23	23	0	23	0
Te Kuiti Trade Waste Contribution	44	44	44	44	44	44	44	44	44	44
Solid Waste Management - District	104	104	104	312	104	104	104	104	104	208
Solid Waste Collection & Recycling	54	54	74	0	0	125	0	156	0	148
Total Rates 2014/15	3,328	3,225	3,319	6,703	3,524	3,560	2,262	3,378	11,916	21,701

Rates Examples 2015/16

GST included

	Te Kuiti Residential	Te Kuiti Commercial	Te Kuiti Wider Rating Area	Waitomo Commercial	Benneydale Residential	Piopio Residential	Piopio Wider Rating Area	Mokau Residential	Drystock Rural	Dairy Farm Rural
Capital Value \$ as at Sep 2012	170,000	275,000	630,000	1,100,000	44,000	127,000	385,000	270,000	3,075,000	5,550,000
	2015/16	2015/16	2015/16	2015/16 (Three parts)	2015/16	2015/16	2015/16	2015/16	2015/16	2015/16
		3 pans								(Two Parts)
Uniform Annual General Charge (UAGC)	654	654	654	1,962	654	654	654	654	654	1,308
General Rate	233	377	863	1,507	60	174	528	370	4,214	7,605
District Wide Roding Rate	379	613	1,404	2,451	98	283	858	602	6,853	12,368
Targeted Services Rate (Urban)	201	201	201	0	0	0	0	0	0	0
Targeted Services Rate (Rural)	0	0	0	114	38	38	38	38	38	76
District Development Rate - Commercial	0	99	0	394	0	0	0	0	0	0
District Development Rate - Rural Business	0	0	0	0	0	0	0	0	170	306
Subsidy Rate for Te Waitere Sewerage	7	7	7	7	7	7	7	7	7	7
Subsidy Rate for Benneydale Sewerage	11	11	11	11	11	11	11	11	11	11
Subsidy Rate for Benneydale Water	5	5	5	5	5	5	5	5	5	5
Subsidy Rate for Mokau Water	5	5	5	5	5	5	5	5	5	5
Stormwater Urban Fixed Charge	150	150	0	0	0	0	0	0	0	0
Stormwater Urban Capital Value	84	137	0	0	0	0	0	0	0	0
Stormwater (Rural)	0	0	17	51	17	17	17	17	17	34
Water Supply	521	521	0	0	1,400	1,283	0	1,400	0	0
Sewerage	956	478	0	0	1,100	1,100	0	0	0	0
Piopio Wider Rating Area - Sewerage	0	0	0	0	0	0	34	0	34	0
Piopio Retirement Village Contribution	0	0	0	0	0	23	23	0	23	0
Te Kuiti Trade Waste Contribution	41	41	41	41	41	41	41	41	41	41
Solid Waste Management - District	112	112	112	336	112	112	112	112	112	224
Solid Waste Collection & Recycling	55	55	75	0	0	124	0	159	0	150
Proposed Total Rates 2015/16	3,414	3,465	3,395	6,885	3,549	3,877	2,333	3,421	12,183	22,141
Total Rates (Actual) 2014/15	3,328	3,225	3,319	6,703	3,524	3,560	2,262	3,378	11,916	21,701
Change (%)	2.6%	7.5%	2.3%	2.7%	0.7%	8.9%	3.1%	1.3%	2.2%	2.0%

Accounting Policies

Statement of Responsibility

The draft Long Term Plan 2015-2025 was adopted by Council on <add date> 2015 for consultation.

The purpose of the Plan is to provide a roadmap to the Council and community on the planned activities and expenditure of Council over the next ten years. The use of this information for purposes other than for which it is prepared may not be appropriate.

The Council is responsible for the prospective financial statements presented, including the appropriateness of the underlying assumptions and related disclosures. The prospective financial statements have been prepared in compliance with PBE FRS 42 Prospective Financial Statements.

The Council, who are authorised to do so, believe the assumptions underlying the Prospective Financial Statements are appropriate and as such, adopted the draft Long Term Plan for consultation.

No actual financial results have been incorporated within the prospective financial statements.

Significant Accounting Policies

Reporting Entity

Waitomo District Council is a territorial local authority governed by the Local Government Act 2002.

The primary objective of the Council is to provide goods or services for the community for social benefit rather than for making a financial return. Accordingly, for the purposes of financial reporting, Waitomo District Council is a public benefit entity.

The financial information contained within the Annual Plan may not be appropriate for purposes other than those described.

Basis of Preparation

The prospective financial statements are for Waitomo District Council (the Council) as a separate legal entity. Consolidated prospective financial statements comprising the Council and its controlled entities and associates have not been prepared.

Statement of Compliance

The prospective financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The prospective financial statements have been prepared to comply with Public Benefit Entity Standards (PBE Standards) for a Tier 2 entity and disclosure concessions have been applied. The criteria under which an entity is eligible to report in accordance with Tier 2 PBE Standards are:

- Medium sizes entities (expenses between \$2m and \$30m) and that are not publicly accountable.

The reporting periods covered for these prospective financial statements are the years ending 30 June 2016 to 30 June 2026. The prospective financial statements are presented in New Zealand dollars, rounded to the nearest thousand (\$000), unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

Measurement Basis

The measurement basis applied is historical cost, modified by the revaluation of land and buildings, certain infrastructural assets and financial instruments, investment property and forestry assets. The accrual basis of accounting has been used unless otherwise stated.

For the assets and liabilities recorded at fair value, fair value is defined as the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's-length transaction. For investment property, non-current assets classified as held for sale and items of property, plant and equipment which are revalued, the fair value is determined by reference to market value. The market value of a property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction.

Revenue

Revenue comprises rates, revenue from operating activities, investment revenue, gains, finance and other revenue and is measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions. These are defined as:

- Exchange transactions

Exchange transactions are transactions where the Council receives assets (primarily cash) or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange.

- Non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange.

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Specific accounting policies for major categories of revenue are outlined below:

Rates

Rates are set annually by resolution from the Council and relate to a particular financial year. All ratepayers are invoiced within the financial year for which the rates have been set. Rates revenue is recognised when rates are levied. Rates revenue is classified as non-exchange except for metered water rates which are classed as exchange revenue.

Operating revenue

The following categories (except where noted) are generally classified as transfers of non-exchange revenue.

Grants, subsidies and reimbursements

Grants and subsidies are initially recognised at their fair value where there is reasonable assurance that the payment will be received and all attaching conditions will be complied with. Grants and subsidies received in relation to the provision of services are recognised on a percentage of completion basis. Council receives government grants from NZTA which subsidises part of the Council's cost of maintaining local roading. These grants are recognised upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

In 2016 Council is proposing to apply for grant funding:

- revitalisation and restoration of the Railway Buildings in Te Kuiti
- for upgrade of security cameras in Te Kuiti
- for the upgrade of Te Kuiti Water Treatment Plant.

Rendering of services

Revenue from the rendering of services (eg building consent fees) is recognised by reference to the stage of completion for the transaction, based on the actual service provided as a percentage of the total services to be provided. Under this method, revenue is recognised in the accounting periods in which the services are provided. Within rendering of services most activities are at least partially funded by rates and therefore classified as non-exchange.

Fines and penalties

Revenue from fines and penalties (eg traffic and parking infringements, library overdue book fines, rates penalties) is recognised when infringement notices are issued or when the fines/penalties are otherwise imposed.

Sale of goods

The sale of goods is classified as exchange revenue. Sale of goods is recognised when products are sold to the customer and all risks and rewards of ownership have transferred to the customer.

Investment revenue

Investment revenue is classified as:

- *Dividends*

Dividends are classified as exchange revenue and are recognised when the Council's right to receive a payment has been established.

- *Investment property lease rentals*

Lease rentals (net of any incentives given) are recognised on a straight line basis over the term of the lease.

Other revenue

Specific accounting policies for major categories of other revenue are outlined below:

- *Donated, subsidised or vested assets*

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as non-exchange revenue when the control of the asset is transferred to the Council.

Finance revenue

Interest revenue

Interest revenue is exchange revenue and recognised using the effective interest rate method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument.

Expenditure

Expenditure is recognised when the Council has been supplied with the service or has control of the goods supplied.

Grants and sponsorships

Expenditure is classified as a grant or sponsorship if it results in a transfer of resources (eg cash or physical assets) to another entity in return for compliance with certain conditions relating to the operating activities of that entity. It includes any expenditure arising from a funding arrangement with another entity that has been entered into to achieve the objectives of the Council. Grants and sponsorships are distinct from donations which are discretionary or charitable gifts. Where grants and sponsorships are discretionary until payment, the expense is recognised when the payment is made. Otherwise, the expense is recognised when the specified criteria have been fulfilled.

Interest Expense

Interest expense is recognised using the effective interest rate method. All borrowing costs are expensed in the period in which they are incurred.

Depreciation and Amortisation

Depreciation of property, plant and equipment and amortisation of intangible assets are charged on a straight-line basis over the estimated useful life of the associated assets.

Income Tax

Income tax expense on the surplus or deficit for the period comprises current tax expense and deferred tax. Income tax expense is recognised in the surplus or deficit except to the extent that it relates to items recognised in other comprehensive revenue and expenses or directly to equity, in which case it is recognised in other comprehensive revenue and expenses or directly to equity. Current tax is the amount of income tax payable based on the taxable profit for the current year plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantially enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that it is probable that the taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, except where the Council can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The amount of deferred tax provided is based on the tax rates which are expected to apply in the period the liability is settled or asset realised using tax rates enacted or substantially enacted at the balance sheet date.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Council intends to settle its current tax assets and liabilities on a net basis.

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within Borrowings in Current Liabilities on the face of the prospective Statement of Financial Position.

Inventories

Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the FIFO method.

The amount of any write down from the loss of service potential or from cost to net realisable value is recognised in surplus or deficit.

Financial Assets

The Council classifies its financial assets into the following four categories: financial assets at fair value through surplus or deficit, held-to-maturity investments, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of investments are recognised on trade-date, the date on which Council commits to purchase or sell the asset. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks or rewards of ownership.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The four categories of financial assets are:

- Financial Assets at Fair Value Through Surplus or deficit

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified

as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the surplus or deficit.

Derivative financial instrument assets are included in this class.

- Loans and Receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus or deficit. Loans and receivables are classified as Debtors and Other Receivables in the Statement of Financial Position.

Loans made by the Council at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the surplus or deficit.

A provision for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

- Held to Maturity Investments

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that the Council has the positive intention and ability to hold to maturity.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus or deficit.

The Council does not hold any financial assets in this category.

- Available for Sale

Available for sale financial assets are those that are not classified in any of the other categories above.

This category encompasses:

Investments that the Council intends to hold long-term but which may be realised before maturity; and Shareholdings that the Council holds for strategic purposes. The Council's investment in Inframax Construction Limited is included in this category. After initial recognition these investments are measured at their fair value.

Gains and losses arising from changes in fair value are recognised in other comprehensive revenue and expenses and accumulated as a separate component of equity in the available-for-sale revaluation reserve with the exception of impairment losses, interest calculated using the effective interest rate and foreign exchange gains and losses on monetary assets, which are recognised directly in surplus or deficit. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is reclassified from equity to the surplus or deficit (as a reclassification adjustment).

Impairment of Financial Assets

At each balance sheet date the Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

Derivative Financial Instruments

Derivative financial instruments are used to manage exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

The associated gains or losses of derivatives that are not hedge accounted are recognised in the surplus or deficit.

The Council designates certain derivatives as either hedges of highly probable forecast transactions (cash flow hedge) or derivatives that do not qualify for hedge accounting.

The Council documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Council also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedge transactions are highly effective in offsetting changes in fair values or cash flows of hedges items.

The full fair value of a hedge accounted derivative is classified as non-current if the remaining maturity of the hedged item is more than 12 months, and as current if the remaining maturity of the hedges items is less than 12 months.

Cash flow hedge

The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised in other comprehensive revenue and expenses, and the ineffective portion of the gain or loss on the hedging instrument is recognised in the surplus or deficit as part of finance costs.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive revenue and expenses are classified into the surplus or deficit in the same period or periods during which the asset acquired or liability assumed affects the surplus or deficit. However, if it is expected that all or a portion of a loss recognised in other comprehensive revenue and expenses will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified to the surplus or deficit.

If a hedging instrument expires or is sold, terminated, exercised, or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expenses from the period when the hedge was effective will remain separately recognised in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expenses from the period when the hedge was effective is reclassified from equity to the surplus or deficit.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are immediately in surplus or deficit.

Payables under exchange transactions

Payables under exchange transactions are recognised when the Council becomes obligated to make future payments resulting from the purchase of goods or services.

Borrowings

All loans and borrowings are initially recognised at their fair value net of transaction costs.

After initial recognition, all borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Good and Service Tax (GST)

All items in the Statement of Comprehensive Revenue and Expenses and Statement of Financial Position are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The Cash Flow Statement is stated inclusive of GST where applicable.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position. The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Provisions

The Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires Council to make specified payments to reimburse the contract holder for a loss it incurs because a specified debtor fails to make payment when due. Financial guarantee contracts are disclosed as contingent liabilities.

The amount of these contingent liabilities is equal to the loan balances guaranteed.

Landfill Post Closure Costs

The Council has a legal obligation under the resource consents for open and closed landfills to provide ongoing maintenance and monitoring services at the sites after closure. A provision for post closure costs is recognised as a liability when the obligation for post closure arises.

The provision is a measure based on the present value of future cash flows expected to be incurred, taking into account future events including legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure.

Amounts provided for landfill post closure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalised landfill asset are depreciated over their useful lives.

The discount rate of 6% is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to Council.

Employee Benefits

Employee Benefits are classified as:

- Short-Term Benefits

Employee benefits that the Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at the rate expected to apply at the time of settlement.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

The Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that the Council anticipates it will be used by staff to cover those future absences.

- Long-Term Benefits

Retirement Gratuities

Entitlements that are payable beyond twelve months, such as retirement gratuities have been calculated on an actuarial basis. The calculations are based on the likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information, and the present value of estimated future cash flows. A discount rate of 6% and an inflation rate of 2% were used. The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities.

The inflation factor is based on the expected long-term increase in remuneration for employees.

Leases

Finance Leases

A finance lease is a lease that transfers to the Council (as lessee) substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, the Council recognises finance leases as assets and liabilities in the Statement of Financial Position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases as lessee

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised within surplus or deficit.

Operating leases as lessor

The Council lease investment properties and other land and buildings. Rental revenue is recognised on a straight-line basis over the lease term.

Property, Plant and Equipment

Property, Plant and Equipment consists of operational assets, restricted assets, and infrastructural assets.

Operational assets are tangible assets, able to be dealt with as part of the operating strategy and include land, buildings, furniture and fittings, computer hardware, plant and equipment, library books and motor vehicles.

Infrastructural assets are the fixed utility systems providing an ongoing service to the community, but are not generally regarded as tradable. They include roads, water reticulation systems, refuse transfer stations, sewerage reticulation systems, stormwater systems, and land under roads.

Restricted assets cannot be disposed of because of legal and other restrictions but provide a benefit or service to the community. These are mainly assets associated with reserves vested under the Reserves Act, endowments and other property held in Trust for specific purposes.

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

Measurement

Property, plant and equipment is recognised initially at cost, unless acquired for nil or nominal cost (eg vested assets), in which case the asset is recognised at fair value at the date of transfer. The initial cost of property, plant and equipment includes the purchase consideration (or the fair value in the case of vested assets), and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential is capitalised.

Borrowing costs incurred during the construction of property, plant and equipment are not capitalised.

After initial recognition, certain classes of property, plant and equipment are revalued to fair value. Where there is no active market for an asset, fair value is determined by optimised depreciated replacement cost.

Specific measurement policies for categories of property, plant and equipment are shown below:

Operational Assets

Land and Buildings

An independent valuation of the Council's land and buildings was performed by Darroch Valuations, independent registered valuers, to determine the fair market value of the land and buildings at 30 June 2012.

Land is valued on a fair value basis determined from market based evidence and conditions that prevailed as at 30 June 2012.

All buildings have been valued on either a fair value or depreciated replacement cost basis.

The Total Value for the Waitomo District Council Operational and Restricted Property Portfolio as at 30 June 2012 is reported at:

Improvements Value (30 June 2012) \$9,473,900
Land Value (30 June 2012) \$11,120,400
Total Fair Value (30 June 2012) \$20,594,300

Subsequent additions are at cost less accumulated depreciation.

Library Books

A valuation of the Council's library books was carried out as at 1 July 2004 by North Langley and Associates, independent registered valuers, to determine the 'Existing Use' value of the library books.

The value of the library books at 1 July 2004, subject to them having a good and marketable title, free from encumbrances, was determined as \$492,800 (excl GST).

Library books are no longer revalued.

Subsequent additions are at cost less accumulated depreciation.

Other operational assets

Plant and equipment, motor vehicles, furniture and fittings, computers and finance leases are measured at depreciated historical cost and not revalued.

Infrastructural Assets

Roads

An independent valuation of the Council's roading infrastructure was performed as at 30 June 2014 by AECOM NZ Ltd, independent consulting engineers who have the appropriate qualifications and experience in the valuation of land transport infrastructural assets to determine the depreciated replacement cost of those assets. The valuation, which conforms to New Zealand Equivalent to International Accounting Standard (NZ IAS) 16 'Property, Plant & Equipment' was determined using the optimised depreciated replacement costs (ODRC) method as described in the NZ Infrastructure Asset Valuation and Depreciation Guidelines – Version 2, 2006.

The total value of Council's roading infrastructure at 30 June 2014 was reported at \$229,807,000

Subsequent additions are at cost less accumulated depreciation.

Sewerage, Water and Stormwater and Solid Waste

A valuation of the Council's water utilities (water, wastewater, stormwater) was performed by AECOM NZ Ltd, independent consulting engineers who have the appropriate qualifications and experience in valuing community infrastructure, as at 30 June 2012 to determine the depreciated replacement cost of those assets. The valuation, was determined using the optimised depreciated replacement costs (ODRC) method.

The total value of Council's water utilities as at 30 June 2012 is reported at:

Asset Class	Optimised Depreciated Replacement Cost @ 30 June 2012

Waste Water Network	\$16,412,332
Water Supply Network	\$13,216,842
Storm Water Network	\$9,449,986

Solid Waste

A valuation of the Council's solid waste infrastructure was performed by AECOM NZ Ltd, independent consulting engineers who have the appropriate qualifications and experience in valuing community infrastructure, as at 30 June 2014 to determine the depreciated replacement cost of those assets.

The valuation, which conforms to New Zealand Equivalent to International Accounting Standard (NZ IAS) 16 'Property, Plant & Equipment' was determined using the optimised depreciated replacement costs (ODRC) method as described in the NZ Infrastructure Asset Valuation and Depreciation Guidelines – Version 2, 2006.

The total value of Council's solid waste infrastructure as at 30 June 2014 was reported at:

Asset Class	Optimised Depreciated Replacement Cost At 30 June 2014
Solid Waste Assets	\$3,253,000

Subsequent additions are at cost less accumulated depreciation.

Infrastructure Land

An independent valuation of the Council's infrastructural land was performed by Darroch Valuations, independent registered valuers, to determine the fair market value of the land at 30 June 2012.

The Total Value for the Waitomo District Council Operational Property Portfolio (Infrastructural Land) as at 30 June 2012 is reported at:

Land Value (30 June 2012)	Total Fair Value (30 June 2012)
\$1,254,500	\$1,254,500

Restricted Assets

Restricted assets cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community. They are principally reserves vested under the Reserves Act. Darroch Valuations (independent Registered Valuers) valued restricted assets on 30 June 2012 at fair value based on market based evidence.

Accounting for Revaluations

The Council accounts for revaluations of property, plant and equipment on a class of asset basis. Any revaluation surpluses and deficits are recognised in the Other Comprehensive Revenue and Expenses and accumulated as a separate equity in the Revaluation Reserve for that class of asset. Where a revaluation of a class of assets results in a revaluation deficit, and the amount of the deficit is greater than an existing revaluation reserve, the revaluation deficit is recognised in the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value. If there is a material difference, then off-cycle asset classes are revalued.

Accumulated depreciation at the revaluation date is eliminated so that the carrying amount after revaluation equals the revalued amount.

While assumptions are used in all revaluations, the most significant of these are in infrastructure. For example where stormwater, wastewater and water supply pipes are underground, the physical deterioration and condition of assets are not visible and must therefore be estimated. Any revaluation risk is minimised by performing a combination of physical inspections and condition modelling assessments.

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

Disposals

Gains and losses arising from the disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are recognised within surplus or deficit in the period the transaction occurs. When revalued assets are disposed, the amounts included in the asset revaluation reserves in respect of those assets are transferred to accumulated comprehensive revenue and expenses.

Impairment

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is an indication of impairment. Where an asset's, or class of asset's recoverable amount is less than its carrying amount it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported within surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expenses.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land and land under roads and work in progress. Depreciation is calculated on a straight line basis, to allocate the cost or value of the asset (less any assessed residual value) over its estimated life. The estimated useful lives of the major classes of property, plant and equipment are as follows:

Operational Assets

Operational assets are depreciated on a straight line basis. The estimated useful lives are as follows:

Buildings	5-100 years
Plant and Equipment	2-15 years
Motor Vehicles	5-15 years
Furniture and Fittings	2-5 years
Computers	2-5 years
Library books	3-7 years
Archive books	Not depreciated

Infrastructural Assets

Infrastructural assets are depreciated on a straight line basis. The estimated useful lives are as follows:

Roads

Top surface	2-20 years
Base course	25-120 years
Sub base	25-115 years
	Or not depreciated
Formation and running course	Not depreciated
Culverts – timber and other	40-100 years
Signs	15-30 years
Street Lights and poles	15-60 years
Bridges	70-120 years
Footpath surface and base	18-80 years

Water Reticulation

Pipes, hydrant, valves	30-120 years
Pump station, reservoirs	25-100 years

Sewerage Reticulation

Pipes and manholes	50-120 years
Pump station	15-100 years
Treatment plant	10-80 years

Stormwater Systems

Pipes, cesspits	40-120 years
Flood Control Systems	10-80 years

Refuse Systems

Retaining walls	70-90 years
Drainage	70-75 years
Signs	30 years
Kerb and channelling	30-75 years
Truck wash and weighbridge	28 years

The landfill aftercare asset is depreciated over the life of the landfill based on the capacity of the landfill.

The depreciation rates are applied at a component level and are dependent on the remaining useful life of each component. Variation in the range of lives is due to these assets being managed and depreciated by individual component rather than as a whole asset.

Restricted Assets

Restricted assets are depreciated on a straight line basis as follows:

Buildings	5-100 years
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Capital Work in Progress

Capital work in progress is not depreciated. The cost of projects within work in progress is transferred to the relevant asset class when the project is completed and then depreciated.

Intangible Assets

Software

Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. The costs associated with maintaining computer software are recognised as an expense as incurred. The costs associated with the development and maintenance of the Council's website are recognised as an expense as incurred.

Software is recorded at cost less any subsequent amortisation or impairment losses.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is de-recognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates for software have been estimated as follows:

Computer software 2 to 5 years 20% to 50%

Forestry Assets

An independent valuation of Council's forestry assets was performed by North Langley and Associates, independent registered valuers, to determine the fair value less estimated point of sale costs at 30 June 2013.

Non-current Assets Held For Sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. This condition is regarded as met only when the sale is highly probable and the assets (or disposal group) is available for immediate sale in its present condition and the sale of the asset (or disposal group) is expected to be completed within one year from the date of classification.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit. Any increases in fair value less costs to sell are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

An independent valuation of the Assets held for sale was performed by QV Asset and Advisory, independent registered valuers, to determine the fair market value of the investment properties. QV Asset and Advisory are members of the Property Institute of New Zealand and have the appropriate qualifications and recent experience in the valuation of properties within the Waitomo district.

The valuation was prepared with reference to the Property Institute of New Zealand Professional Practice Standard 2009, and in particular New Zealand Valuation Guidance Note 1 (effective from 1 October 2009), International Valuation Standards effective from July 2011 (including June 2013 amendments) to IVS 300 Valuations for Financial Reporting (including changes that became effective 1 January 2012).

Under IVS 300, all valuations must be assessed as at the date of inspection of the property, except where the valuation instructions are to assess the value at a retrospective date. Accordingly, the valuation date is the date of inspection. The valuers considered the use of the valuation for financial reporting at 30 June 2014.

The fair value less costs to sell at 30 June 2014 was \$956,000.

Investment in Unlisted Shares

Council has an interest (1.6%) in a Council Controlled Organisation (CCO), Local Authority Shared Services Limited. Council has no significant influences on operational or financial policies.

As this investment is not traded on an active market, and quoted market prices of similar financial assets are not available, the fair value cannot be measured reliably. The investment is therefore measured at cost.

Council has an interest (0.04%) in New Zealand National Mutual Riskpool. Council has no significant influences on operational or financial policies.

As this investment is not traded on an active market, and quoted market prices of similar financial assets are not available, the fair value cannot be measured reliably. The investment is therefore measured at cost.

Investment Property

Investment property consists of miscellaneous housing properties. Investment properties are held primarily for capital growth, rental or similar revenue. Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property exclude those properties held for strategic purposes or to provide a social service. This includes properties which generate cash inflows as the rental revenue is incidental to the purpose for holding the property. Such properties include the Council's social housing assets, which are held within operational assets in property, plant and equipment. Borrowing costs incurred during the construction or upgrade of investment property are not capitalised.

Investment property is measured initially at its cost, including transaction costs and subsequently measured at fair value, determined annually by an independent valuer. Any gains or losses are recognised within surplus or deficit. Investment property is not depreciated.

The Total Value for the Waitomo District Council Investment Property as at 30 June 2014 is reported at:

Improvements Value (30 June 2014)	\$340,000
Land Value (30 June 2014)	\$295,000
Total Fair Value (30 June 2014)	\$635,000

Cost Allocation

The Council has derived the cost of service for each significant activity. Direct costs are expensed directly to the activity. Indirect costs relate to the overall costs of running the organisation and include staff time, office space and information technology costs. These costs are allocated to Council activities using appropriate cost drivers such as resource use, staff numbers and floor area.

Related Parties

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include key management personnel. Key management personnel include the Mayor and Councillors as directors, the Chief Executive and all members of the Executive Leadership Team as key advisors.

The Mayor and Councillors are considered directors as they occupy the position of a member of the governing body of the Council reporting entity. Directors' remuneration comprises any money, consideration or benefit received or receivable or otherwise made available, directly or indirectly, to a director during the reporting period. Directors' remuneration does not include reimbursement of authorised work expenses or the provision of work-related equipment such as cellphones and laptops.

Impairment of Non-Financial Assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or where there is an indication that the asset is impaired. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace it's remaining future economic benefits or service potential.

The value in use for cash-generating assets is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the surplus or deficit.

Net assets/ equity

Net assets or equity is the community's interest in the Council, and is measured as the difference between total assets and total liabilities. Net assets or equity is dis-aggregated and classified into a number of components to enable clearer identification of the specified uses of equity within Council.

The components net assets or equity are:

- Accumulated comprehensive revenue and expenses,
- other reserves and
- asset revaluation reserves

Accumulated comprehensive revenue and expenses

Accumulated comprehensive revenue and expenses does not represent cash available to offset future rate increases, but rather represent the community's investment in publicly owned assets resulting from past surpluses.

Other Reserves

Restricted reserves are a component of net assets or equity generally representing a particular use to which various parts of net assets or equity have been assigned. Reserves may be legally restricted or created by the Council. Restricted reserves are those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. Also included in restricted reserves are reserves restricted by Council decision. Transfers to and from these reserves are at the discretion of the Council.

Council created reserves are a combination of depreciation reserves and transfers of Surplus or Deficit from operations. The purpose of the reserves is to maintain balances of funded depreciation for future renewal of assets and to hold revenue streams in separate balances as required by Council.

Available for sale reserves consists of valuation gains associated with Council's investments.

Hedging reserves comprise the effective portion of the cumulative net change in the fair value of derivatives designated as cash flow hedges.

Asset Revaluation Reserves

Asset revaluation reserves relates to the revaluation of property, plant and equipment to fair value.

Prospective Statement of Cash Flows

The Cash Flow Statement is prepared inclusive of GST. For the purpose of the Cash Flow Statement cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Council invests as part of its day-to-day cash management net of bank overdrafts.

Operating activities include cash received from all revenue sources of the Council and record the cash payments made for the supply of goods and services. Investing activities are those activities relating to the acquisition and disposal of non-current investments. Financing activities comprise activities that change the equity and debt capital structure of the Council.

Emissions Trading Scheme (ETS)

The regulations for landfill methane emissions under the New Zealand Emissions Trading Scheme (NZ ETS) require waste disposal facility operators to surrender New Zealand Units (NZU's) by 31 May of each year to match the remission from 1 January to 31 December of the preceding calendar year. The cost of meeting ETS obligations is mandatory and Council is required to surrender NZU's for the landfill methane emissions associated with Rangitoto Landfill. NZU's that are purchased to meet these liabilities are recognised at cost and subsequently recognised at cost subject to impairment. Where there is an obligation to return units the expense and liability are recognised and are measured at the carrying value of units on hand plus the fair value of any additional units required.

Judgements and Estimation

The preparation of prospective financial statements using PBE standards requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided in the relevant accounting policy. The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates. Further information around assumptions used in the Long Term Plan can be found under the Planning Assumptions section in Part **?????**

The estimates and assumptions are reviewed on an ongoing basis and adjustments are made where necessary.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- Landfill Aftercare Provision

Note 20 of Council's 2013/14 Annual Report discloses an analysis of the exposure of the Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

- Infrastructural Assets

There are a number of assumptions and estimates used when performing discounted replacement cost valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by the Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and;
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit.

To minimise this risk the Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience.

Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives the Council further assurance over its useful life estimates.

Infrastructural assets are revalued on a 3 yearly basis by an independent valuer. It has been assumed that any change in valuation will be in line with the assumed rates of inflation.

- Property, plant and equipment useful lives and residual values

At each balance date the Council reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Council to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by the Council, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the surplus or deficit, and carrying amount of the asset in the Statement of Financial Position. The Council minimises the risk of this estimation uncertainty by

- physical inspection of assets;
- asset replacement programs;
- review of second hand market prices for similar assets; and
- analysis of prior asset sales.

Council has not made significant changes to past assumptions concerning useful lives and residual values.

- Valuation of Investment in Inframax Construction Limited

The investment of Inframax Construction Ltd was revalued at 30 June 2014 resulting in a gain in valuation of \$2,600,000. The valuation report indicated a value between \$2.6 million and \$3.8 million for the investment. Council have conservatively recognised the investment at \$2.6 million. It has been assumed that there has been no change in the value of the investment in Inframax Construction Ltd over the life of the plan.

Comparatives

To ensure consistency with the current year, certain comparative information has been reclassified where appropriate. This has occurred:

- where classifications have changed between periods;
- where the Council has made additional disclosure in the current year, and where a greater degree of disaggregation of prior year amounts and balances is therefore required; and
- where there has been a change of accounting policy.

Public Benefit Entity Financial Reporting Standard 42 Prospective Financial Statements (PBE FRS 42)

The Council has complied with PBE FRS 42 in the preparation of these prospective financial statements. In accordance with PBE FRS 42, the following information is provided:

(i) Description of the nature of the entity's current operation and its principal activities

The Council is a territorial local authority, as defined in the Local Government Act 2002. The Council's principal activities are outlined within this Annual Plan.

(ii) Purpose for which the prospective financial statements are prepared

It is a requirement of the Local Government Act 2002 to present prospective financial statements that span 1 year and include them within the Annual Plan. This provides an opportunity for ratepayers and residents to review the

projected financial results and position of the Council. Prospective financial statements are revised annually to reflect updated assumptions and costs.

(iii) Bases for assumptions, risks and uncertainties

The financial information has been prepared on the basis of best estimate assumptions as the future events which the Council expects to take place. The Council has considered factors that may lead to a material difference between information in the prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined within this Long Term Plan.

(iv) Cautionary Note

The financial information is prospective. Actual results are likely to vary from the information presented, and the variations may be material.

(v) Other Disclosures

The prospective financial statements were authorised for issue on **< add date >** Waitomo District Council. The Council is responsible for the prospective financial statements presented, including the assumptions underlying prospective financial statements and all other disclosures. The Long Term Plan is prospective and as such contains no actual operating results.