



The Shearer Statue

Section D: Financial Information

This section provides the Financial Strategy, details on the financial implications of the Plan, including estimated expenditure, revenue and public debt over the ten year term, and the Funding Impact Statements.

Creating a better future with vibrant communities and thriving business.

Financial Strategy

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1.0 PURPOSE

The purpose of the Financial Strategy is to set out Council's strategic financial direction over the 2015-25 period and how it plans to manage its financial performance over the next ten years. In essence the financial strategy establishes a financial endpoint or destination for Council to work towards and provides some defined parameters to guide the Council in its journey.

The financial strategy is an essential element of the 2015-25 Long Term Plan. Council must be financially sustainable to continue delivering quality services while keeping rates affordable, ensuring equity between current and future generations and sharing the costs of services across users in a fair and equitable manner.

This financial strategy is designed to provide an understanding of the Council's current financial position, the main factors that influence the cost and demand for Council services, the financial challenges Council is likely to face and Council's proposed financial direction.

1.1 Guiding Principles

The Financial Strategy needs to consider financial health and robustness as well as the needs of the community. Both these considerations are important from a sustainability perspective.

The guiding principles underpinning the Financial Strategy are that Council will strive to:

- a) Provide amenities, facilities and services to the District community that contribute to and align with Council's vision
- b) Undertake good asset stewardship and management to ensure all community and infrastructure assets are fit for purpose and available for future generations
- c) Maintain affordable rates increases to deliver the services and facilities required by the community
- d) Ensure financial sustainability - by ensuring that our revenue is sufficient to cover an efficient operating expense base, all funding sources are being used optimally and financial management is prudent.

2.0 STRATEGIC OBJECTIVES

2.1 Population and land use changes

Planning Assumptions for the 2015-2025 LTP show that the annualised population of Waitomo District as a whole will decline by 0.5% per year over the 2013 – 2031 period. Projections are that the district population will decrease by 557 persons, to a population of 8,743, over the life of the 2015-2025 LTP. This represents a 5.9% decrease over 10 years (medium projection and median stochastic).

The primary cause of the declining population is net migration loss. However, not all of the census areas within the Waitomo district showed a decline in previous years. Between the 2001 and 2006 census 5 out of 8 census units showed an increase or no change. However, this dropped off between 2006 and 2013, when only 2 areas, Taharoa and Waipa Valley, showed an increase in population.

It is also projected that the current pattern of limited subdivision and building development will continue over the 10 year period placing little additional demand on Council provided services.

Population and development projections are important in the context of rating and rates affordability. Whilst a static or declining population does not necessarily translate to a reduction in the number of rateable properties (the number of rateable properties in the Waitomo District has increased in spite of a declining population) it can impact on a community's ability to pay and could exacerbate affordability concerns which Council will need to carefully manage.

2.2 Affordability and the provision of Public Services

Council has been careful to invest in infrastructure upgrades where essential to give effect to minimum public health and environmental standards. Recent investment has been focused on meeting minimum standards for compliance reasons. Whilst a projected decline in population is of concern in terms of affordability, there is little or perhaps no scope to scale back Council's involvement in the provision of core infrastructure. The Water Supply and Sewerage Networks have been designed to what can be termed the minimal standards required for a municipal supply in New Zealand under current legislation and regulation.

A planned by-product of Council's investment in its core infrastructure over the past few years is that there is currently enough capacity in the network infrastructure for nominal growth in areas where it should occur.

Asset renewals are the only areas that Council can respond to in relation to the projected decline in population and static growth forecasts. With the exception of the Piopio wastewater scheme and the Benneydale water supply scheme, the remaining networks are characterised by ageing reticulation infrastructure. It is important in that context that long term asset renewal strategies take account of actual asset condition, optimising lifecycle costs, and ratepayer affordability without compromising public health and environmental outcomes.

The sealed and unsealed road network is currently in reasonable condition as a result of current investment in maintenance, rehabilitation and reseals. Again, current levels of service are considered to be a minimum in terms of an effective, efficient and safe local roading network.

Many of the other public services provided by Council (particularly in the areas of Regulation and Safety, Resource Management and Solid Waste) are also governed by legislation, Regulation and Industry Standards and as a result there are limited options for changes to scale and scope in response to changes in population and development.

The provision of community services such as Parks and Reserves, Recreation and Culture, Community Development and other Public Amenities are the very services that make communities desirable in terms of a place to work, live and play. In this 10 year period, Council aims to focus on community and economic development in order to attract more residents and visitors to the District. In short, a retraction or reduction in scope of desirable public services would work against the Council's vision of 'Creating a better future with vibrant communities and thriving business'.

2.3 External Influencers

It is important to note that the projected population forecasts provided by the National Institute of Demographic and Economic Analysis (NIDEA) project a 'medium case' scenario drawing on past fertility, mortality and migration trends. The projections provide one of a number of planning assumptions which attempt to gain an understanding of what the Waitomo Community might look like during the planning horizon of the 2015-25 LTP.

The projected decline in population does not take into account other factors that may well influence the future look and feel of the Waitomo Community (like Central Government policy, global and national trends) and the effective delivery of Councils own strategies can and will influence the make-up of the Waitomo Community over time.

Factors such as housing affordability in metropolitan areas, an improved national state highway network, public transport, Central Government strategies around regional development and Local Government's efforts in the provision of public services and community development could well see the smaller regions being more desirable places to live and work, in the future.

All other factors detailed in the Planning Assumptions for the 2015-25 LTP have been taken into account in the development of this Financial Strategy.

2.4 The Past

When considering the future it is helpful to look back and see where we have come from. Reviewing past plans and understanding what has actually occurred provides context for understanding Council's intentions for the future, both in a financial and non-financial sense.

Council's direction has been relatively consistent over the past seven years. This direction has been about the consolidation of service delivery on a financially sustainably basis. It has also been about improving the condition of its assets, where this has been essential in order to support public health outcomes and to meet its

Resource Consent and other legislative requirements. In the period since 2007-08, WDC has invested approximately \$68 million in its capital works programme. Some key works completed during this period are:

Infrastructure

- Construction of raw water storage dams at Mokau
- Disinfection upgrades completed for Mokau and Benneydale water supplies
- Te Kuiti Water Treatment Plant upgrade (underway)
- Te Kuiti Wastewater Treatment Plant upgrade
- Piopio sewerage system build
- Critical Stormwater renewal work in Ngati Street, George Street and Duke Street
- 4000 metres (linear) of Stormwater reticulation system cleaned and surveyed
- Construction of the Transfer Station located at Waitomo District Landfill
- Development of an additional cell at Landfill site
- Structural metal placed on 42 kms of unsealed roads.

Community Services

- Replacement of playground equipment
- Te Kuiti Railway Buildings (underway)
- Upgrades to the Waitomo Arts and Cultural Centre
- Toilet block upgrades
- Renewal and upgrade work for elderly persons housing in Te Kuiti

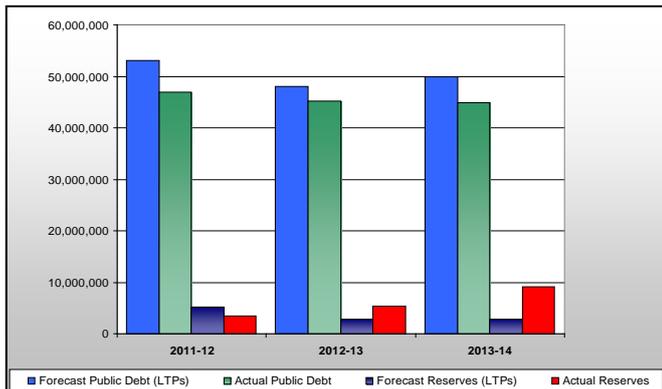
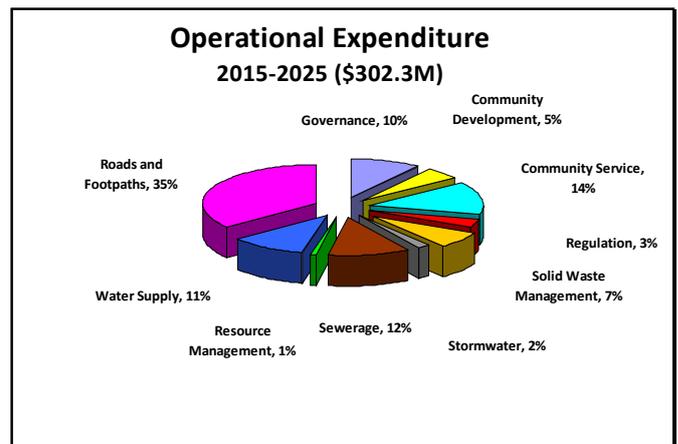
All this has been completed within prudent financial management parameters. The following extract from Council's Summary Annual Report for the year ended 30 June 2014 demonstrates how dedicated and prudent financial management over time has resulted in Council being in a stronger financial position.

Summary Statement of Financial Position as at 30 June 2014			
	ACTUAL 2014 (\$000'S)	BUDGET 2014 (\$000'S)	ACTUAL 2013 (\$000'S)
CURRENT ASSETS	6,316	6,831	5,878
CURRENT LIABILITIES	4,563	10,023	18,091
NET WORKING CAPITAL	1,753	(3,192)	(12,213)
NON-CURRENT ASSETS	323,803	321,936	315,776
NON-CURRENT LIABILITIES	45,945	45,814	33,038
EQUITY	279,611	272,930	270,525

The public debt has been reducing over the last three years and actual debt requirements have been considerably lower than forecast. This is despite a significant investment programme (\$32 million) having been completed over the same period. Council has been able to fund that investment programme through subsidies and available cash whilst reducing its public debt levels at the same time.

	30 JUNE		
PUBLIC DEBT	2012	2013	2014
FORECAST PUBLIC DEBT (LTP'S)	53,123,000	48,086,000	49,890,000
ACTUAL PUBLIC DEBT	47,005,000	45,182,000	44,865,000
\$ DIFFERENCE FROM FORECAST	(6,118,000)	(2,904,000)	(5,025,000)
% REDUCTION (SINCE 2012)		-3.9%	- 4.6%

The following graph shows Council's forecast levels of operating expenditure over the 2015 - 2025 period.



3.2 Capital Expenditure

The inflated 10 year Capital Plan for 2015-25 period includes \$95.1 million of capital works most of which is related to renewals. Some improvements mostly related to risk mitigation and for environmental reasons have also been planned over the 10 years.

3.0 COUNCIL'S PLANNED FINANCIAL FUTURE

As above Council has been on a journey towards financial sustainability and in the recent past has focused on restoring the Council organisation to better financial health whilst focusing on ensuring core infrastructure is in good shape to meet environmental and public health standards into the future.

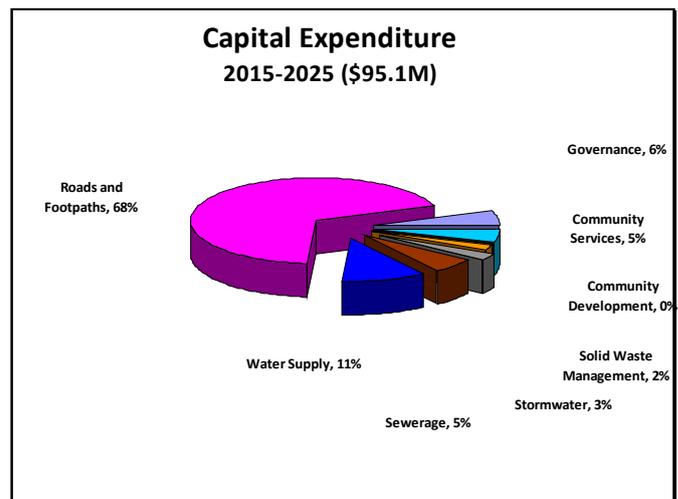
The hard work of Council and the community over the last few years are now starting to pay some dividends. With a solid infrastructure platform in place, a strengthening balance sheet and income levels restored to appropriate levels Council is now in a position to turn its attention to other important needs of the District. It has been the intention of Council for some time to turn its attention to community well-being aspects once a stable and sustainable core infrastructure and financial platform was in place.

This realignment does not mean a substantial overall increase in investment in financial terms, it represents the next step in Council's journey and Council intends to make incremental gains.

3.1 Maintaining and Delivering Services (Operating Expenditure)

As above the key focus for the plan is to ensure services delivered are affordable and that these meet the current and future needs of the District and its population whilst investing in community development and growth opportunities.

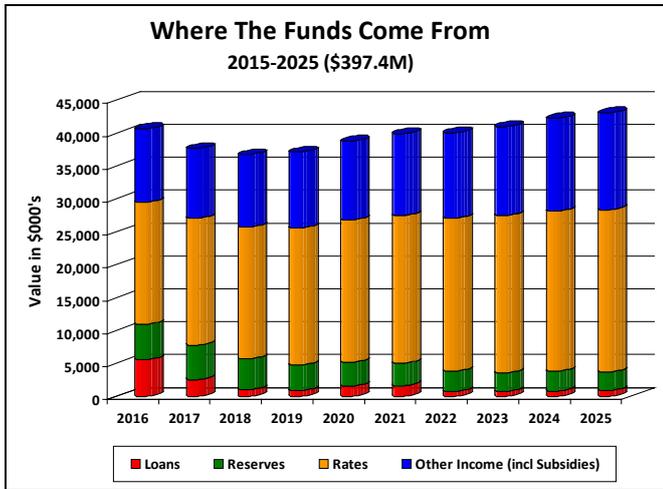
Service levels for core services are not expected to change in any significant way over the life of this Long Term Plan other than in response to changing public health and environmental standards. Other service level movements are generally in support of economic and community development.



As part of the development of the 2015-25 LTP, Council has developed an Infrastructure Strategy (IS) covering a planning period of 30 years (2015-45), which outlines how Council intends to manage its Water Supply, Wastewater, Stormwater and Roads and Footpath infrastructure assets. In essence, the Strategy asserts that asset maintenance and upgrades and essential elements of prudent asset management will continue to form a vital part of Council's future planning.

3.3 Revenue Streams

Sources of funding for the planned services and operations in the 2015-2025 period are shown in the graph below.



4.0 FINANCIAL PARAMETERS

4.1 Limit on Rates and Rates Increases

Council recognises the need to keep rates sustainable and increases affordable over time and will endeavour to keep the income required from rates steady as well as creating predictability in the level of rates required.

Council's strategies for achieving affordability of rates include:

- Limiting the level of rates income to a percentage of operating expenditure.
- Providing flexibility for individual local communities to pay more for additional projects and/or services.
- Managing costs through efficiency gains and increasing other revenue sources e.g. user fees and charges, subsidies.

Council has set the following limits on rates revenue and rates increases for the 2015-25 period.

- Total rates revenue will be limited to an average of 75% of total operating expenditure
- Total rate increases will be limited to a 'cap' of LGCI + 2% (4.71% based on LGCI average over 10 years)

The limit on annual rate increases (both by type and overall) will not apply where there is an increase in the existing level(s) of service (LoS) of any activity in consultation with the community. This exclusion includes unforeseen events that may occur during the period of the plan.

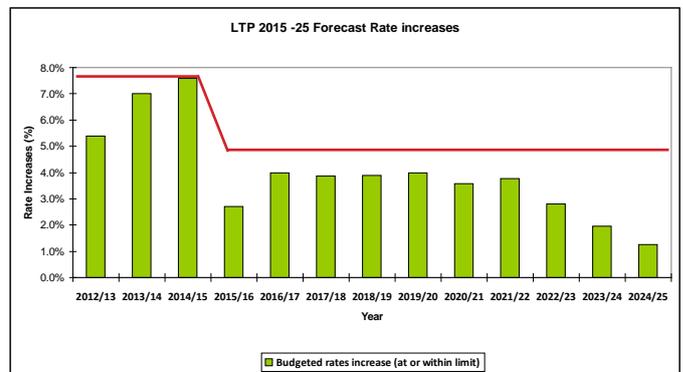
Over the life of the LTP, Council's objective is to set total operating income at a level to meet total operating expenditure. This is to ensure that there is access to enough funding to enable the services to continue to be provided long term.

However, there are activities where this approach may not be practical or prudent on a year-by-year basis due to the activity's long term nature, e.g. wastewater, roads and footpaths, water supplies. Over the next ten years Council intends to:

- Smooth rate increases by running activity deficits/surpluses or repaying activity deficits.
- Use operational reserves and/or activity balances to fund some specific operational expenditure where appropriate.

Council considers this to be a 'prudent' approach to financial management in that it provides for assets to be maintained and renewed, debt levels kept reasonably conservative, and rate increases limited to an affordable level now and in future.

The graph below shows the proposed rate levels over the 2015-25 period and tests them against the self-imposed cap of 4.71%. The Graph shows that Council's forecast rate increases are substantially lower than previous forecasts. The limit on rates increases has also been reduced for the future forecast period from the 7.7% limit established in the 2012-22 LTP.



4.2 Limits on Borrowing

External borrowing (Public debt) is used by Council to fund assets or services that will provide benefit well into the future. This is in accordance with the principle of intergenerational equity. However, the use of borrowing has to be prudent and sustainable and limited to the ability to service and repay the debt. Council approves borrowing by resolution through the Annual Plan or the Long Term Plan (LTP) process.

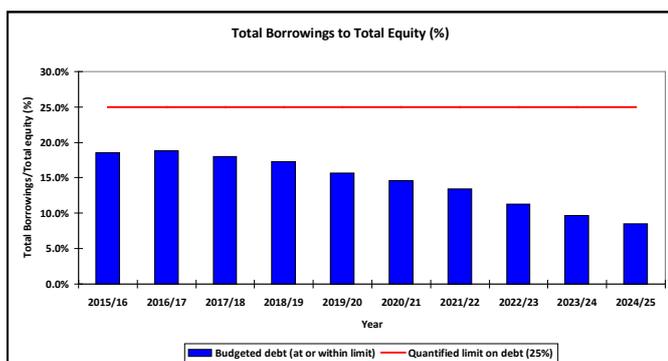
Council recognizes the need to manage its finances in a sustainable and affordable manner and has therefore established borrowing parameters to ensure that investment priorities are carefully managed and within the reach of the Waitomo Community. Council has set the following borrowing limits in its Treasury Policy:

- Total interest expense will not exceed 15% of total revenue.
- Total borrowings will not exceed 25% of total equity
- Total borrowings must not exceed 20% of total assets
- Net debt will not exceed 170% of total [cash] revenue
- Net interest will not exceed 20% of annual rates

Council is forecast to be well within these limits in the 2015-25 period.

Total Rates as a % of Total Opex (Limited to an average of 75%)

\$000's	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Total OPEX	26,793	27,642	28,563	29,021	29,747	30,575	31,421	32,021	32,977	33,549
Forecast Rates	18,528	19,268	20,015	20,796	21,623	22,396	23,237	23,890	24,356	24,665
Forecast Rates as % of OPEX	69.2%	69.7%	70.1%	71.7%	72.7%	73.2%	74.0%	74.6%	73.9%	73.5%



4.3 Debt Reduction

Reducing external debt is a key consideration of this Financial Strategy and Council is committed to this endeavour over the 2015-25 period in order to reduce the debt servicing burden on the District community and to enable deployment of resources for the development of the District and the facilities available.

In the 2012-22 LTP, Council agreed to levy an additional and separate rate uniformly across all properties, starting in 2015, the revenue from which would be used for the repayment of debt.

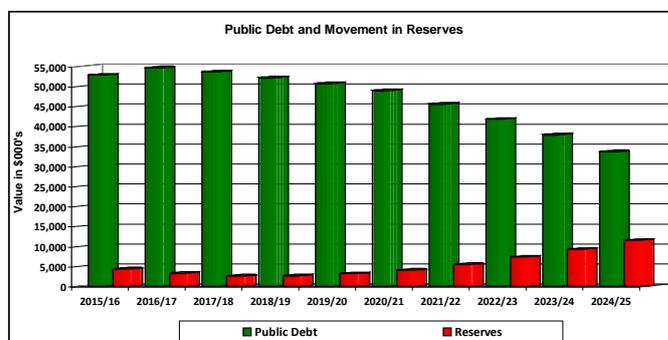
Since that time (in the last 3 years), Council's financial performance has progressed significantly. Retained earnings have increased from \$192 million in 2011/12 to \$200 million in 2013/14. Debt has been reducing over the same period despite a significant investment programme of \$32 million (since 2011) having been undertaken. This has been the result of Council's multi-pronged approach of improving its Reserves balance, efficiency in spending, reducing cost of finance and a focus on increasing operating income where possible.

Council's forecast for the 2015-25 period is to borrow minimally for essential capital works and to develop over time a strong capacity to self-fund the cost of asset renewal wherever practicable. The forecast is to grow Reserves balances over the planning period and Council will utilise these to reduce external debt requirements and to pay down debt. This is forecast to start in Year 3 of the planning period (trend analysis shows that this is already underway).

Given the trend analysis and the forecasts, Council considers that appropriate and required funding of reserves, and their redeployment is an effective Debt Reduction Strategy and that the use of a new separate debt repayment rate over and above the current liability management approach is not required and would only alter the forecast overall debt position by a minimal amount.

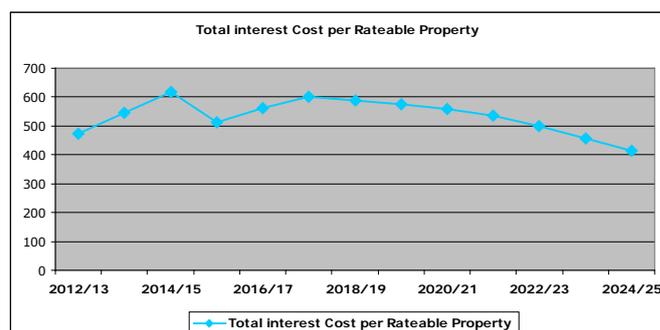
All dividend and/or subvention income from its subsidiary company (Inframax Construction Ltd) will be used to repay debt and not used to offset rates required in any year of the 2015-2025 LTP.

Another important consideration in the first three years of the planning period will be an assessment of the existing Investment Portfolio to better accommodate risk potential and how to optimise a return on investments for the District community.



Council's plans for reducing external borrowing as set out in this strategy by growing and optimising utilisation of Reserves balances shows forecast public debt to decrease \$21.0 million over the 2015-25 period to \$33.7 million in year 10.

The borrowings costs per rateable property are forecast to reduce by 19% over this period.



4.4 Council's policies on giving Securities on its Borrowing

Council borrowings are secured over annual rates on every rateable property within the Waitomo District. Under the Debenture Trust Deed, the Council offers deemed rates as security for general borrowing programmes.

From time to time, security may be offered over specific assets with Council approval or infrastructural assets where special rating provisions apply.

Council will not borrow, underwrite or guarantee loans on behalf of any other person, association or organisation.

The 2008 amendment of the Securities Act 1978 (s.5A-5D) enabled Council to issue debt securities to raise funds for Capital Investment. Any issue of debt securities must be approved by Council and will be in compliance with the Securities Act 1978.

Securities are not provided for Councils own internal borrowing.

4.5 Financial Investments & Equity Securities

Council is a risk adverse entity and therefore takes a prudent approach to managing its investments. Council seeks to achieve an acceptable rate of return on all its investments but recognises that as a responsible local authority any investments that it does hold will be low risk and that generally lower risk means lower returns. Council seeks to maintain diversity in its investment portfolio to spread and minimise risk.

Prior to making new strategic or equity investments Council will, on a case-by-case basis, take into consideration:

- a. The expected financial return.
- b. How the investment will contribute in furthering the Waitomo District's Community Outcomes as documented in the Long Term Plan.
- c. The existing investment portfolio and how the proposed investment 'fits' in terms of Council's preference to spread and minimise risk.
- d. Any other consideration Council deems appropriate.

The Council may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA), and may borrow to fund that investment.

The Council's objective in making any such investment will be to:

- Obtain a return on investment; and
- Ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for Council.

Details on how Council manages its investments and liabilities are set out in Council's Treasury Policy which is publicly available.

4.6 Funding of Depreciation

Depreciation cost is a substantial part of the total rates requirement over the 10 year planning period. In keeping with its focus on prudent financial management and ensuring that rates are affordable and sustainable, Council proposes the following with regard to funding of depreciation:

1. To fund depreciation for Community Halls and Housing for Elderly Fund only to the extent required for minor renewals. This is because Council considers that future renewals would be from community sources and/or grants and subsidies. These facilities are community occupied, have a life in excess of 50 years and renewals would be dependent on future choices.
2. To defer depreciation on some newly built assets for the first 4-5 years of the asset life and fully recovering that unfunded depreciation in the following years. Council has primarily considered this from an affordability perspective for the current ratepayers. Council considers this fair and equitable since the current ratepayers are carrying the debt servicing costs anyway.
3. Fund depreciation on some brand new assets only to the level required to meet annual loan repayments because Council does not intend to build up surplus depreciation reserves in the initial three years on brand new assets with extended lives and low risk of failure.

In making these proposals (pursuant to section 100 (2) LGA 2002), Council has considered the overall impact of its financial management policies, levels of service and ensured the cash flow is positive over the life of the plan (excluding major projects). Council considers that the above approach to depreciation is not likely to lead to a deferred burden on future rates caused by deferred depreciation funding as is evident from the forecast rates increase over the 10 year period (which is consistent).

Summary of Estimated Revenue and Expenses Statement

	EAP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
\$'000's	2014-2015	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Operating Income											
Community and Cultural Sustainability	1,799	1,566	1,518	1,553	1,791	1,844	1,898	1,962	2,026	2,098	2,172
Environmental Sustainability	1,998	1,903	1,948	2,004	2,048	2,113	2,165	2,242	2,315	2,405	2,503
Economic Sustainability	6,772	7,697	7,134	7,420	7,711	8,034	8,390	8,755	9,158	9,601	10,054
Total Operating Income	10,569	11,166	10,600	10,977	11,550	11,991	12,453	12,959	13,499	14,104	14,729
Operating Expenditure											
Community and Cultural Sustainability	8,387	8,906	9,122	9,295	9,249	9,449	9,742	9,968	10,169	10,554	10,691
Environmental Sustainability	5,769	5,861	5,904	6,140	6,263	6,393	6,570	6,811	6,861	6,995	7,106
Economic Sustainability	11,887	12,026	12,616	13,128	13,509	13,905	14,263	14,642	14,991	15,428	15,752
Total Operating Expenditure	26,043	26,793	27,642	28,563	29,021	29,747	30,575	31,421	32,021	32,977	33,549
Net Operating Cost/ (Surplus)	15,474	15,627	17,042	17,586	17,471	17,756	18,122	18,462	18,522	18,873	18,820
Capital Expenditure											
Community and Cultural Sustainability	2,047	1,692	1,571	992	769	691	928	774	847	913	922
Environmental Sustainability	1,840	880	874	757	698	1,602	1,551	783	808	836	824
Economic Sustainability	6,951	11,329	7,589	6,448	6,671	6,770	6,881	7,059	7,317	7,546	7,810
Total Capital Expenditure	10,838	13,901	10,034	8,197	8,138	9,063	9,360	8,616	8,972	9,295	9,556
Net Expenditure	26,312	29,528	27,076	25,783	25,609	26,819	27,482	27,078	27,494	28,168	28,376
Funded By											
External Loans	0	0	0	0	0	0	0	0	0	0	0
Internal Loans	3,451	5,591	2,587	1,023	892	1,575	1,619	773	793	803	873
Reserves	4,823	5,409	5,221	4,745	3,921	3,621	3,467	3,068	2,811	3,009	2,838
General Rates	3,373	3,434	3,624	3,684	3,810	3,924	4,054	4,263	4,412	4,514	4,617
UAGC	3,116	3,158	3,257	3,314	3,421	3,516	3,632	3,777	3,935	3,988	4,087
Targeted Rates	11,549	11,936	12,387	13,017	13,565	14,183	14,710	15,197	15,543	15,854	15,961
Total Funding	26,312	29,528	27,076	25,783	25,609	26,819	27,482	27,078	27,494	28,168	28,376
Depreciation and Amortisation	6,105	5,641	5,913	5,874	6,154	6,357	6,551	6,907	7,131	7,425	7,649

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

	EAP 2014- 2015	YEAR 1 2015-16	YEAR 2 2016-17	YEAR 3 2017-18	YEAR 4 2018-19	YEAR 5 2019-20	YEAR 6 2020-21	YEAR 7 2021-22	YEAR 8 2022-23	YEAR 9 2023-24	YEAR 10 2024-25
\$000's											
Operating Income											
Leadership	554	569	582	569	778	803	826	854	883	913	944
Community Service	804	509	452	488	503	516	532	549	566	585	606
Community Development	78	57	62	63	65	67	68	71	73	78	80
Regulation	363	431	422	433	445	458	472	488	504	522	542
Total Operating Income	1,799	1,566	1,518	1,553	1,791	1,844	1,898	1,962	2,026	2,098	2,172
Operating Expenditure											
Leadership	2,875	2,804	2,935	3,071	2,855	2,927	3,097	3,039	3,129	3,320	3,258
Community Service	3,731	3,988	4,015	3,981	4,091	4,181	4,253	4,402	4,483	4,563	4,689
Community Development	1,097	1,247	1,318	1,315	1,368	1,423	1,464	1,550	1,566	1,627	1,683
Regulation	684	867	854	928	935	918	928	977	991	1,044	1,061
Total Operating Expenditure	8,387	8,906	9,122	9,295	9,249	9,449	9,742	9,968	10,169	10,554	10,691
Net Operating Cost/(Surplus)	6,588	7,340	7,604	7,742	7,458	7,605	7,844	8,006	8,143	8,456	8,519
Capital Expenditure											
Leadership	683	461	503	481	393	431	633	518	577	644	596
Community Service	1,364	1,184	1,027	469	331	260	295	254	270	269	323
Community Development	0	47	41	42	45	0	0	2	0	0	3
Regulation	0	0	0	0	0	0	0	0	0	0	0
Total Capital Expenditure	2,047	1,692	1,571	992	769	691	928	774	847	913	922
Net Expenditure	8,635	9,032	9,175	8,734	8,227	8,296	8,772	8,780	8,990	9,369	9,441
Funded By											
External Loans	0	0	0	0	0	0	0	0	0	0	0
Internal Loans	829	862	794	437	187	126	178	133	156	143	190
Reserves	1,204	1,329	1,230	1,003	523	403	570	226	116	326	110
General Rates	3,295	3,366	3,551	3,604	3,734	3,858	3,984	4,191	4,331	4,431	4,539
UAGC	2,890	3,007	3,099	3,147	3,257	3,360	3,471	3,612	3,758	3,808	3,912
Targeted Rate	417	468	501	543	526	549	569	618	629	661	690
Total Funding	8,635	9,032	9,175	8,734	8,227	8,296	8,772	8,780	8,990	9,369	9,441
Depreciation and Amortisation	1,098	1,154	1,217	1,052	1,104	1,103	1,084	1,178	1,240	1,302	1,367

Summary of Estimated Revenue and Expenses Statement for Environmental Sustainability

	EAP 2014- 2015	YEAR 1 2015-16	YEAR 2 2016-17	YEAR 3 2017-18	YEAR 4 2018-19	YEAR 5 2019-20	YEAR 6 2020-21	YEAR 7 2021-22	YEAR 8 2022-23	YEAR 9 2023-24	YEAR 10 2024-25
\$000's											
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	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
Total Operating Income	1,998	1,903	1,948	2,004	2,048	2,113	2,165	2,242	2,315	2,405	2,503
Operating Expenditure											
Solid Waste Management	1,793	1,956	1,987	2,049	2,074	2,117	2,239	2,366	2,392	2,440	2,464
Stormwater	400	422	441	472	474	490	506	554	556	574	552
Resource Management	176	239	188	204	209	196	202	209	216	223	231
Sewerage	3,400	3,244	3,288	3,415	3,506	3,590	3,623	3,682	3,697	3,758	3,859
Total Operating Expenditure	5,769	5,861	5,904	6,140	6,263	6,393	6,570	6,811	6,861	6,995	7,106
Net Operating Cost/(Surplus)	3,771	3,958	3,956	4,136	4,215	4,280	4,405	4,569	4,546	4,590	4,603
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	0	0	0	0	0	0	0	0	0	0
Sewerage	585	530	594	466	482	550	442	454	477	483	555
Total Capital Expenditure	1,840	880	874	757	698	1,602	1,551	783	808	836	824
Net Expenditure	5,611	4,838	4,830	4,893	4,913	5,882	5,956	5,352	5,354	5,426	5,427
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	1,290	1,102	934	628	572	407	419	401	391	433
General Rates	78	68	73	80	76	66	70	72	81	83	78
UAGC	40	68	73	80	76	66	70	72	81	83	78
Targeted Rates	3,271	3,373	3,498	3,730	4,032	4,305	4,480	4,670	4,702	4,774	4,743
Total Funding	5,611	4,838	4,830	4,893	4,913	5,882	5,956	5,352	5,354	5,426	5,427
Depreciation and Amortisation	1,270	1,059	1,077	1,090	1,109	1,121	1,188	1,250	1,263	1,275	1,288

Summary of Estimated Revenue and Expenses Statement for Economic Sustainability

	EAP 2014- 2015	YEAR 1 2015-16	YEAR 2 2016-17	YEAR 3 2017-18	YEAR 4 2018-19	YEAR 5 2019-20	YEAR 6 2020-21	YEAR 7 2021-22	YEAR 8 2022-23	YEAR 9 2023-24	YEAR 10 2024-25
\$'000's											
Operating Income											
Water Supply	787	784	7	8	8	8	8	9	9	9	10
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	6,772	7,697	7,134	7,420	7,711	8,034	8,390	8,755	9,158	9,601	10,054
Operating Expenditure											
Water Supply	2,587	2,423	2,939	3,179	3,239	3,311	3,389	3,445	3,518	3,591	3,639
Roads and Footpaths	9,300	9,603	9,677	9,949	10,270	10,594	10,874	11,197	11,473	11,837	12,113
Total Operating Expenditure	11,887	12,026	12,616	13,128	13,509	13,905	14,263	14,642	14,991	15,428	15,752
Net Operating Cost/(Surplus)	5,115	4,329	5,482	5,708	5,798	5,871	5,873	5,887	5,833	5,827	5,698
Capital Expenditure											
Water Supply	1,688	5,514	1,692	417	495	436	373	365	420	428	459
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	11,329	7,589	6,448	6,671	6,770	6,881	7,059	7,317	7,546	7,810
Net Expenditure	12,066	15,658	13,071	12,156	12,469	12,641	12,754	12,946	13,150	13,373	13,508
Funded By											
External Loans	0	0	0	0	0	0	0	0	0	0	0
Internal Loans	1,276	4,690	1,709	517	604	576	512	521	548	565	588
Reserves	2,743	2,790	2,889	2,808	2,770	2,646	2,490	2,423	2,294	2,292	2,295
General Rates	0	0	0	0	0	0	0	0	0	0	0
UAGC	186	83	85	87	88	90	91	93	96	97	97
Targeted Rates	7,861	8,095	8,388	8,744	9,007	9,329	9,661	9,909	10,212	10,419	10,528
Total Funding	12,066	15,658	13,071	12,156	12,469	12,641	12,754	12,946	13,150	13,373	13,508
Depreciation and Amortisation	3,737	3,428	3,619	3,732	3,941	4,133	4,279	4,479	4,628	4,848	4,994

Prospective Statement of Financial Position as at 30 June

\$000's	EAP 2014- 2015	YEAR 1 2015-16	YEAR 2 2016-17	YEAR 3 2017-18	YEAR 4 2018-19	YEAR 5 2019-20	YEAR 6 2020-21	YEAR 7 2021-22	YEAR 8 2022-23	YEAR 9 2023-24	YEAR 10 2024-25
Equity											
Retained Earnings	204,380	207,531	210,783	213,934	217,205	220,523	223,965	227,258	230,782	234,358	237,928
Council Created Reserves	3,656	4,290	3,264	2,542	2,596	3,145	3,977	5,459	7,303	9,210	11,485
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	144,442	144,442
	276,273	285,123	290,660	297,820	301,145	322,569	334,632	339,407	370,782	390,847	396,692
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	5,737	5,890	6,054	6,229	6,419	6,625	6,853	7,097
Current Liabilities											
Creditors (Exchange)	3,594	3,490	3,575	3,673	3,774	3,883	4,000	4,127	4,263	4,411	4,572
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	9,481	9,592	9,708	9,833	9,966	10,111	10,267	10,437	10,621
Net Working Capital	(3,580)	(3,922)	(3,888)	(3,855)	(3,818)	(3,779)	(3,737)	(3,692)	(3,642)	(3,584)	(3,524)
Non Current Assets											
Property, plant & equipment	327,633	332,628	339,898	346,765	348,512	368,539	378,897	380,357	407,969	424,176	425,866
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	765	763	11	9	7	5	3	1	0	0
Other Financial Assets - Shares in CCO's + NZLGIC	0	2,620	2,620	2,620	2,620	2,620	2,620	2,620	2,620	2,620	2,620
Derivative Financial Instruments	239	409	409	409	409	409	409	409	409	409	409
	330,357	337,942	345,142	351,189	352,866	372,823	383,111	384,501	412,043	428,181	429,803
Non Current Liabilities											
Creditors (Exchange)	790	371	247	124	0	0	0	0	0	0	0
Borrowings	48,795	47,634	49,428	48,445	46,931	45,476	43,716	40,349	36,539	32,642	28,451
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	48,897	50,594	49,514	47,903	46,475	44,742	41,402	37,619	33,750	29,587
Net Assets	276,273	285,123	290,660	297,820	301,145	322,569	334,632	339,407	370,782	390,847	396,692

Prospective Statement of Comprehensive Revenue and Expenses

\$000's	EAP 2014- 2015	YEAR 1 2015-16	YEAR 2 2016-17	YEAR 3 2017-18	YEAR 4 2018-19	YEAR 5 2019-20	YEAR 6 2020-21	YEAR 7 2021-22	YEAR 8 2022-23	YEAR 9 2023-24	YEAR 10 2024-25
Revenue											
Subsidies	6,865	7,484	6,890	7,169	7,454	7,771	8,120	8,478	8,872	9,306	9,748
Investment Revenue	53	60	60	31	227	233	240	247	255	264	274
Rates & Rates Penalties	17,749	18,305	19,026	19,767	20,535	21,348	22,108	22,935	23,569	24,017	24,308
Metered Water Rates	699	634	661	682	706	732	760	790	823	858	897
Fees & Charges	3,233	3,203	3,223	3,335	3,415	3,521	3,612	3,737	3,860	4,005	4,156
Gains/Losses on Investment Properties	8	8	8	8	9	9	9	9	10	10	11
Total Revenue	28,607	29,694	29,868	30,992	32,346	33,614	34,849	36,196	37,389	38,460	39,394
Expenditure											
Employee Benefits	4,117	4,575	4,671	4,767	4,868	4,973	5,088	5,212	5,344	5,487	5,633
Depreciation & Amortisation	6,105	5,641	5,913	5,874	6,154	6,357	6,551	6,907	7,131	7,425	7,649
Finance Costs	3,102	3,009	3,301	3,544	3,480	3,396	3,300	3,187	2,969	2,724	2,472
Other Expenditure	12,717	13,568	13,757	14,378	14,519	15,021	15,636	16,115	16,577	17,341	17,795
Total Expenditure	26,041	26,793	27,642	28,563	29,021	29,747	30,575	31,421	32,021	32,977	33,549
Surplus/(Deficit) before Tax	2,566	2,901	2,226	2,429	3,325	3,867	4,274	4,775	5,368	5,483	5,845
Other Comprehensive Revenue and Expense											
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 Revenue and Expense for the Year	2,566	2,901	5,537	7,160	3,325	21,424	12,063	4,775	31,375	20,065	5,845

Prospective Statement of Changes in Net Assets/Equity

\$000's	EAP 2014- 2015	YEAR 1 2015-16	YEAR 2 2016-17	YEAR 3 2017-18	YEAR 4 2018-19	YEAR 5 2019-20	YEAR 6 2020-21	YEAR 7 2021-22	YEAR 8 2022-23	YEAR 9 2023-24	YEAR 10 2024-25
Opening Balance	273,707	282,222	285,123	290,660	297,820	301,145	322,569	334,632	339,407	370,782	390,847
Revaluation of Property, plant and equipment	0	0	3,311	4,731	0	17,557	7,789	0	26,007	14,582	0
Net income Recognised Directly in Equity	0	0	3,311	4,731	0	17,557	7,789	0	26,007	14,582	0
Net Surplus/(Deficit) for the Year	2,566	2,901	2,226	2,429	3,325	3,867	4,274	4,775	5,368	5,483	5,845
Total Recognised Income for the years ended 30 June	2,566	2,901	5,537	7,160	3,325	21,424	12,063	4,775	31,375	20,065	5,845
Closing Balance	276,273	285,123	290,660	297,820	301,145	322,569	334,632	339,407	370,782	390,847	396,692

Prospective Cashflow Statement for the years ending 30 June

	EAP 2014- 2015	YEAR 1 2015-16	YEAR 2 2016-17	YEAR 3 2017-18	YEAR 4 2018-19	YEAR 5 2019-20	YEAR 6 2020-21	YEAR 7 2021-22	YEAR 8 2022-23	YEAR 9 2023-24	YEAR 10 2024-25
\$000's											
Operating Activities											
Rates & Rates Penalties	20,880	21,718	22,453	23,318	24,217	25,169	26,063	27,032	27,781	28,314	28,675
Subsidies & Grants	7,894	8,607	7,923	8,245	8,573	8,937	9,338	9,749	10,203	10,702	11,211
Property Rentals	406	467	486	504	518	532	548	566	584	604	626
Petrol Tax	120	120	122	124	127	131	134	138	142	147	152
Interest	53	60	60	31	10	10	10	10	10	10	10
Other Revenue	3,219	3,081	3,072	3,182	3,256	3,358	3,443	3,563	3,679	3,817	3,968
Dividends & Subvention Payments	0	0	0	0	217	223	230	237	245	254	264
	32,572	34,053	34,116	35,404	36,918	38,360	39,766	41,295	42,644	43,848	44,906
Payments to Suppliers & Employees	18,030	19,747	19,999	20,784	20,966	21,498	22,322	22,955	23,598	24,611	25,282
Elected Members	260	252	266	255	269	284	273	288	307	295	313
Interest on Borrowings	3,102	3,009	3,301	3,544	3,480	3,396	3,300	3,187	2,969	2,724	2,472
GST Received/Paid	780	325	895	1,251	1,420	1,395	1,438	1,680	1,733	1,724	1,751
	22,172	23,333	24,461	25,834	26,135	26,573	27,333	28,110	28,607	29,354	29,818
Net Operating Cash Flows	10,400	10,720	9,655	9,570	10,783	11,787	12,433	13,185	14,037	14,494	15,088
Investing Activities											
Purchase of PPE	12,464	15,986	11,539	9,427	9,359	10,422	10,764	9,909	10,318	10,689	10,989
	12,464	15,986	11,539	9,427	9,359	10,422	10,764	9,909	10,318	10,689	10,989
Sales of Assets Held for Sale	77	87	88	88	88	88	89	89	89	90	90
Repayment of Advance to Community Groups + CCO	2	2	2	752	2	2	2	2	2	2	2
	79	89	90	840	90	90	91	91	91	92	92
Net Investing Cash Flows	12,385	15,897	11,449	8,587	9,269	10,332	10,673	9,818	10,227	10,597	10,897
Financing Activities											
Proceeds from Borrowings	7,185	10,377	6,994	4,217	3,686	3,745	3,440	1,833	1,390	1,303	1,009
	7,185	10,377	6,994	4,217	3,686	3,745	3,440	1,833	1,390	1,303	1,009
Repayment of Borrowings	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200
	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200
Net Financing Activities	1,985	5,177	1,794	(983)	(1,514)	(1,455)	(1,760)	(3,367)	(3,810)	(3,897)	(4,191)
Net Change in Cash	0	0	0	0	0	0	0	0	0	0	0
Cash at Start of Period	171	100	100	100	100	100	100	100	100	100	100
Cash at End of Period	171	100									

Prospective Statement of Reserve Fund Movements for the years ending 30 June

\$000's	EAP 2014- 2015	YEAR 1 2015-16	YEAR 2 2016-17	YEAR 3 2017-18	YEAR 4 2018-19	YEAR 5 2019-20	YEAR 6 2020-21	YEAR 7 2021-22	YEAR 8 2022-23	YEAR 9 2023-24	YEAR 10 2024-25
Opening Balance	4,669	5,625	4,290	3,264	2,542	2,596	3,145	3,977	5,459	7,303	9,210
Transfers to/from Reserve	(1,013)	(1,335)	(1,026)	(722)	54	549	832	1,482	1,844	1,907	2,275
Closing Balance	3,656	4,290	3,264	2,542	2,596	3,145	3,977	5,459	7,303	9,210	11,485
Net Movement in Council Created Reserves over Ten years											5,860

Prospective Statement of Public Debt for the years ending 30 June

\$000's	EAP 2014- 2015	YEAR 1 2015-16	YEAR 2 2016-17	YEAR 3 2017-18	YEAR 4 2018-19	YEAR 5 2019-20	YEAR 6 2020-21	YEAR 7 2021-22	YEAR 8 2022-23	YEAR 9 2023-24	YEAR 10 2024-25
Opening Balance	52,010	47,657	52,834	54,628	53,645	52,131	50,676	48,916	45,549	41,739	37,842
Loans Raised	7,185	10,377	6,994	4,217	3,686	3,745	3,440	1,833	1,390	1,303	1,009
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	52,834	54,628	53,645	52,131	50,676	48,916	45,549	41,739	37,842	33,651

Loans raised or repaid in the Public Debt, Cashflow and Balance Sheet Prospective Statements are based on budgeted cashflow requirements, which includes working capital considerations, and do not equate to either the internal loans drawn or the external loan repayments shown in the Funding Impact Statement or the Summary of Estimated Revenue and Expenses Statement.

Reconciliation of Summary Cost of Service Statement to Prospective Comprehensive Revenue and Expenses

\$000's	EAP 2014- 2015	YEAR 1 2015-16	YEAR 2 2016-17	YEAR 3 2017-18	YEAR 4 2018-19	YEAR 5 2019-20	YEAR 6 2020-21	YEAR 7 2021-22	YEAR 8 2022-23	YEAR 9 2023-24	YEAR 10 2024-25
Net Surplus from Prospective Statement of Comprehensive Revenue and Expenses	2,566	2,901	2,226	2,429	3,325	3,867	4,274	4,775	5,368	5,483	5,845
Net Operating Cost from Estimated Revenue and Expense Statement	15,472	15,627	17,042	17,586	17,471	17,756	18,122	18,462	18,522	18,873	18,820
Plus Rates Revenue											
General Rates	3,373	3,434	3,624	3,684	3,810	3,924	4,054	4,263	4,412	4,514	4,617
UAGC	3,116	3,158	3,257	3,314	3,421	3,516	3,632	3,777	3,935	3,988	4,087
Targeted Rate	11,549	11,936	12,387	13,017	13,565	14,183	14,710	15,197	15,543	15,854	15,961
Net (Surplus)/Deficit	(2,566)	(2,901)	(2,226)	(2,429)	(3,325)	(3,867)	(4,274)	(4,775)	(5,368)	(5,483)	(5,845)
Variance	0	0	0	0	0	0	0	0	0	0	0

Funding Impact Statement

Introduction

Council is required under clause 15 of Schedule 10 of the Local Government Act 2002 (LGA) to adopt a Funding Impact Statement in relation to each year covered by the plan. Pages 101 - 120 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 each 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. 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
- Unsubsidised Rooding
- Aquatic Centre
- 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.

1. STATEMENT OF FUNDING SOURCES

The table on the following page provides a summary of the funding sources for the long-term plan. Council's Revenue and Financing Policy and work programmes form the basis for the funding forecasts. The table is produced on a GST exclusive basis.

2. 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% of the total rates revenue. For the remaining 9 years of the long term plan the funding cap is an average of 21%.

STATEMENT OF FUNDING SOURCES

\$000's

Targeted Rates and Service Charges

	EAP 2014-2015	YEAR 1 2015-16	YEAR 2 2016-17	YEAR 3 2017-18	YEAR 4 2018-19	YEAR 5 2019-20	YEAR 6 2020-21	YEAR 7 2021-22	YEAR 8 2022-23	YEAR 9 2023-24	YEAR 10 2024-25
Sewerage	2,185	2,228	2,279	2,376	2,486	2,604	2,657	2,679	2,653	2,670	2,722
Water	1,531	1,658	1,792	1,961	2,105	2,247	2,427	2,508	2,600	2,668	2,692
Metered water rates ¹	699	634	661	682	706	732	760	790	823	858	897
Targeted Services	472	514	545	593	589	616	643	680	705	730	751
District Development Rate	159	191	206	212	221	239	252	282	285	305	323
Plopio Retirement Village Contribution	15	15	15	16	16	17	17	18	18	19	20
Roads and Footpaths	5,399	5,547	5,666	5,819	5,890	6,023	6,127	6,245	6,406	6,495	6,531
Solid Waste Management	505	537	592	690	878	1,007	1,107	1,219	1,225	1,252	1,226
Solid Waste Collection	191	195	200	205	211	217	224	231	239	247	256
Stormwater	389	413	427	459	459	477	492	541	585	606	539
Marokopa Community Centre	4	4	4	4	4	4	4	4	4	4	4
Total Targeted Rates and Service Charges	11,549	11,936	12,387	13,017	13,565	14,183	14,710	15,197	15,543	15,854	15,961
UAGC	3,116	3,158	3,257	3,314	3,421	3,516	3,632	3,778	3,936	3,988	4,087
General Rates	3,373	3,434	3,624	3,684	3,810	3,924	4,054	4,263	4,412	4,514	4,617
Total Rates	18,038	18,528	19,268	20,015	20,795	21,623	22,396	23,238	23,890	24,356	24,665
Percentage Rate Increase		2.72%	3.99%	3.88%	3.90%	3.98%	3.57%	3.76%	2.81%	1.95%	1.27%
Other Revenue Sources											
Subsidies	6,865	7,484	6,890	7,169	7,454	7,771	8,120	8,478	8,872	9,306	9,748
Interest Revenue	53	60	60	31	10	10	10	10	10	10	10
Rates Penalties Revenue	410	410	421	432	444	457	471	487	503	521	540
Fees and Charges	3,241	3,212	3,229	3,345	3,642	3,753	3,852	3,984	4,114	4,267	4,431
Total Other Revenue	10,569	11,166	10,600	10,977	11,550	11,991	12,453	12,959	13,499	14,104	14,729
Other Funding Sources											
Internal Loans Raised	3,451	5,591	2,587	1,023	892	1,575	1,619	773	793	802	873
Total Other Funding	3,451	5,591	2,587	1,023	892	1,575	1,619	773	793	802	873
Total Funding Sources	32,058	35,285	32,455	32,015	33,237	35,189	36,468	36,970	38,182	39,262	40,267
Operating Expenditure	26,033	26,793	27,642	28,563	29,021	29,747	30,575	31,421	32,021	32,977	33,549
Capital Expenditure (Including Corporate Support)	10,838	13,901	10,034	8,197	8,138	9,063	9,360	8,616	8,972	9,295	9,556
Loan Repayments	1,506	1,567	1,718	1,852	2,181	2,187	2,252	2,357	2,475	2,509	2,537
Reserve Transfers	-6,319	-6,976	-6,939	-6,597	-6,103	-5,808	-5,719	-5,424	-5,286	-5,519	-5,375
Total Funding Used	32,058	35,285	32,455	32,015	33,237	35,189	36,468	36,970	38,182	39,262	40,267

*Note 1: Metered water revenue is now included in Targeted rates instead of Other Revenue Sources' as it was previously and for accurate comparison EAP 2014-15 figures have been reclassified.

3.0 GENERAL RATE

Description and Use

The General Rate is assessed as a rate per \$100 of capital value of every rating unit 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
- Aquatic Centre
- Arts Culture and Heritage
- Aerodrome
- Public Amenities
- Parks & Reserves
- Elderly Persons Housing
- Community Halls
- Cemeteries
- Community Support
- District Development
- Emergency Management
- Rural Fire
- Regulation
- Waste Minimisation
- Resource Management

Requirement in 2015/16 (incl. GST)

	Rate per \$100 capital value	Total Revenue Requirement (\$000)
All rating units in the District	0.13793	3,949

4.0 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
- Aquatic Centre
- Arts, Culture and Heritage
- Other Land and Buildings
- Public Amenities
- Leased Reserves
- Elderly Persons Housing
- Community Halls
- Cemeteries
- Aerodrome
- Community Support
- Automobile Association
- Emergency Management
- Regulation
- Resource Management
- Waste Minimisation
- Subsidised Roading

Requirement in 2015/16 (incl. GST)

Uniform Annual General Charge	Charge per SUIP	Total Revenue Requirement (\$000)
All rating units in the district.	\$656	3,632

5.0 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.

5.1 Targeted Rates Differentiated 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. (Refer to Revenue and Financing Policy for further details)
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. (Refer to Revenue and Financing Policy for further details)
Rural Rating Area	All rating units situated within the Rural Ward as defined by the Basis of Election for the 2010 Triennial Elections. (Refer to Revenue and Financing Policy for further details)
Piopio Wider Benefit Rating Area	All rating units situated in the rural areas around Piopio Township (excluding Rating units/SUIPS connected to the Piopio Sewerage System) that are deemed to indirectly benefit from the Piopio Sewerage reticulation network. (Refer to Revenue and Financing Policy for further details)

(a) Targeted Services TFR

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 Unsubsidised Roading Activity and part fund the Aquatic Centre 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 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

(b) Piopio Sewerage TFR - Piopio Wider Benefit Rating Area

Council will set a 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)

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

(c) Piopio Retirement Village Contribution

Council will set a 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)

Piopio Retirement Village Contribution	Charge Per Rating Unit	Total Revenue Requirement (\$000)
Piopio Wider Benefit Rating Area and Piopio Township	\$23	17

(d) Rural Stormwater TFR

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

(e) 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

5.2 Marokopa Community Centre TFR

Description and Use

Council will set a TFR assessed per separately used or inhabited part of a rating unit within the defined Marokopa Community Centre Rating Area. (As contained in the 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	5

5.3 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 (Serviceable means the rating unit is within 100m of water main and practicably serviceable in the opinion of Council).

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	\$1,283	\$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 292m ³
Te Kuiti	\$1.90
Piopio	\$4.20
Benneydale	\$7.40
Mokau	\$9.30

5.4 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.

Requirement in 2015/16 (incl. GST)

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

5.5 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.

Requirement in 2015/16 (incl. GST)

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

5.6 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 (Serviceable means the rating unit is within 30m of sewer reticulation and practicably serviceable in the opinion of Council).

Requirement in 2015/16 (incl. GST)

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

5.7 Trade Waste Contribution

A Trade Waste Contribution TFR will 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

Sewerage rates for non-residential properties in Te Kuiti

For all non-residential properties, Council will assess a Targeted Fixed Rate per SUIP set on a differential basis based on the following Categories

- **Category 1** - All Businesses
- **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.
- **Category 3** - Government Department use, Rest Homes and Hospitals.

All non-residential SUIPs will be charged one base charge for up to four pans and per pan (Pan Charge) for every pan over and above this threshold on the following basis:

Base Charge:

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

Pan Charge:

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

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

5.8 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

5.9 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

5.10 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 Roothing (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

5.11 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 (part of) Waitomo 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

5.12 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

5.13 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	0.03699	110
Rural Businesses	0.00570	110

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.

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 Example 2014/15

(Including GST) Capital Value \$ as at September 2012	Te Kuiti Residential 170,000 2014/15	Te Kuiti Commercial 275,000 2014/15	Te Kuiti Wider Rating Area 630,000 2014/15	Waitomo Commercial 1,100,000 2014/15 (Three Parts)	Benneydale Residential 44,000 2014/15	Piopio Residential 127,000 2014/15	Piopio Wider Rating Area 385,000 2014/15	Mokau Residential 270,000 2014/15	Drystock Rural 3,075,000 2014/15	Dairy Farm Rural 5,550,000 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 Roading 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 Example 2015/16

(Including GST) Capital Value \$ as at September 2012	Te Kuiti Residential 170,000 2015/16	Te Kuiti Commercial 275,000 2015/16 (3 Pans)	Te Kuiti Wider Rating Area 630,000 2015/16	Waitomo Commercial 1,100,000 2015/16 (Three Parts)	Benneydale Residential 44,000 2015/16	Piopio Residential 127,000 2015/16	Piopio Wider Rating Area 385,000 2015/16	Mokau Residential 270,000 2015/16	Drystock Rural 3,075,000 2015/16	Dairy Farm Rural 5,550,000 2015/16 (Two Parts)
Uniform Annual General Charge (UAGC)	656	656	656	1,968	656	656	656	656	656	1,312
General Rate	234	379	869	1,517	61	175	531	372	4,241	7,655
District Wide Roading 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	102	0	407	0	0	0	0	0	0
District Development Rate - Rural Business	0	0	0	0	0	0	0	0	175	316
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	3,417	3,473	3,403	6,913	3,551	3,880	2,338	3,425	12,218	22,204
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 (%)	2.7%	7.7%	2.5%	3.1%	0.8%	9.0%	3.4%	1.4%	2.5%	2.3%

Funding Impact Statements (Local Government (Financial Reporting and Prudence) Regulations 2014

The following information is presented for compliance with the Local Government (Financial and Prudence Reporting) Regulations 2014 and should not be relied upon for any other purpose than compliance with the Regulations. It is incomplete (in particular, the information presented does not include depreciation and internal transactions such as overheads) and it is not prepared in compliance with generally accepted accounting practice.

Waitomo District Council Funding Impact Statement for 2015-25 - Leadership and Investments	EAP 2014/15 (000's)	LTP 2015/16 (000's)	LTP 2016/17 (000's)	LTP 2017/18 (000's)	LTP 2018/19 (000's)	LTP 2019/20 (000's)	LTP 2020/21 (000's)	LTP 2021/22 (000's)	LTP 2022/23 (000's)	LTP 2023/24 (000's)	LTP 2024/25 (000's)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	2,391	2,429	2,587	2,713	2,861	2,944	2,955	3,087	3,170	3,190	3,303
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and Charges	85	92	95	97	100	103	106	110	113	117	122
Internal Charges and overheads recovered	14,578	15,459	16,098	16,733	17,011	17,256	17,551	17,894	18,130	18,368	18,630
Local authorities fuel tax, fines, infringement fees and other receipts	53	60	60	31	227	233	240	247	255	264	274
Total operating funding (A)	17,107	18,040	18,840	19,574	20,199	20,536	20,852	21,338	21,668	21,939	22,329
Applications of operating funding											
Payments to staff and suppliers	7,341	7,626	7,898	8,216	8,117	8,292	8,626	8,717	8,982	9,372	9,509
Finance costs	3,049	2,964	3,256	3,499	3,435	3,351	3,255	3,142	2,924	2,679	2,427
Internal charges and overheads applied	6,697	7,287	7,473	7,665	7,839	8,040	8,238	8,465	8,691	8,930	9,182
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	17,087	17,877	18,627	19,380	19,391	19,683	20,119	20,324	20,597	20,981	21,118
Surplus (deficit) of operating funding (A-B)	20	163	213	194	808	853	733	1,014	1,071	958	1,211
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	230	130	133	137	0	0	0	0	0	0	0
Gross proceeds from sale of assets	100	76	76	76	77	77	77	77	78	78	79
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	330	206	209	213	77	77	77	77	78	78	79
Applications of capital funding											
Capital expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to improve the level of service	668	92	33	57	0	115	77	28	274	304	183
Capital expenditure - to replace existing assets	15	369	472	424	391	316	557	492	304	340	411
Increase (decrease) in reserves	(333)	(92)	(83)	(74)	494	499	176	571	571	392	696
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	350	369	422	407	885	930	810	1,091	1,149	1,036	1,290
Surplus (deficit) of capital funding (C-D)	(20)	(163)	(213)	(194)	(808)	(853)	(733)	(1,014)	(1,071)	(958)	(1,211)
Funding Balance ((A-B) + (C-D))	0										

Waitomo District Council Funding Impact Statement for 2015-25 - Community Service	EAP 2014/15 (000's)	LTP 2015/16 (000's)	LTP 2016/17 (000's)	LTP 2017/18 (000's)	LTP 2018/19 (000's)	LTP 2019/20 (000's)	LTP 2020/21 (000's)	LTP 2021/22 (000's)	LTP 2022/23 (000's)	LTP 2023/24 (000's)	LTP 2024/25 (000's)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	2,972	3,118	3,171	3,089	3,112	3,192	3,393	3,511	3,701	3,755	3,817
Targeted rates	244	262	280	315	288	294	301	318	326	338	347
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and Charges	702	401	449	486	500	514	529	546	564	583	604
Internal Charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	3,918	3,781	3,900	3,890	3,900	4,000	4,223	4,375	4,591	4,676	4,768
Applications of operating funding											
Payments to staff and suppliers	1,350	1,578	1,487	1,539	1,601	1,675	1,747	1,813	1,835	1,858	1,927
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	1,651	1,651	1,722	1,821	1,867	1,912	1,962	2,030	2,078	2,122	2,171
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	3,001	3,229	3,209	3,360	3,468	3,587	3,709	3,843	3,913	3,980	4,098
Surplus (deficit) of operating funding (A-B)	917	552	691	530	432	413	514	532	678	696	670
Sources of capital funding											
Subsidies and grants for capital expenditure	100	105	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	599	693	620	257	144	126	178	134	156	143	190
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	699	798	620	257	144	126	178	134	156	143	190
Applications of capital funding											
Capital expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to improve the level of service	897	330	287	154	30	40	32	42	34	45	36
Capital expenditure - to replace existing assets	467	854	740	315	302	220	262	211	237	223	287
Increase (decrease) in reserves	252	166	284	318	244	279	398	413	563	571	537
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	1,616	1,350	1,311	787	576	539	692	666	834	839	860
Surplus (deficit) of capital funding (C-D)	(917)	(552)	(691)	(530)	(432)	(413)	(514)	(532)	(678)	(696)	(670)
Funding Balance ((A-B) + (C-D))	0										

Waitomo District Council Funding Impact Statement for 2015-25 - Community Development Sources of operating funding	EAP 2014/15 (000's)	LTP 2015/16 (000's)	LTP 2016/17 (000's)	LTP 2017/18 (000's)	LTP 2018/19 (000's)	LTP 2019/20 (000's)	LTP 2020/21 (000's)	LTP 2021/22 (000's)	LTP 2022/23 (000's)	LTP 2023/24 (000's)	LTP 2024/25 (000's)
General rates, uniform annual general charges, rates penalties	793	815	861	926	989	1,056	1,097	1,178	1,208	1,267	1,325
Targeted rates	174	206	221	228	237	256	269	300	303	324	343
Subsidies and grants for operating purposes	5	2	2	2	2	2	2	2	2	3	3
Fees and charges	73	55	60	61	63	65	67	69	72	74	77
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	5	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	1,050	1,078	1,144	1,217	1,291	1,379	1,435	1,549	1,585	1,668	1,748
Applications of operating funding											
Payments to staff and suppliers	641	688	735	717	751	778	800	864	858	894	926
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	451	554	579	595	612	637	657	679	702	726	752
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	1,092	1,242	1,314	1,312	1,363	1,415	1,457	1,543	1,560	1,620	1,678
Surplus (deficit) of operating funding (A-B)	(42)	(164)	(170)	(95)	(72)	(36)	(22)	6	25	48	70
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	40	41	42	43	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0	40	41	42	43	0	0	0	0	0	0
Applications of capital funding											
Capital expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to improve the level of service	0	2	0	0	0	0	0	0	0	0	0
Capital expenditure - to replace existing assets	0	45	41	42	45	0	0	2	0	0	3
Increase (decrease) in reserves	(42)	(171)	(170)	(95)	(74)	(36)	(22)	4	25	48	67
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	(42)	(124)	(129)	(53)	(29)	(36)	(22)	6	25	48	70
Surplus (deficit) of capital funding (C-D)	42	164	170	95	72	36	22	(6)	(25)	(48)	(70)
Funding Balance ((A-B) + (C-D))	0										

Waitomo District Council Funding Impact Statement for 2015-25 - Regulation	EAP 2014/15 (000's)	LTP 2015/16 (000's)	LTP 2016/17 (000's)	LTP 2017/18 (000's)	LTP 2018/19 (000's)	LTP 2019/20 (000's)	LTP 2020/21 (000's)	LTP 2021/22 (000's)	LTP 2022/23 (000's)	LTP 2023/24 (000's)	LTP 2024/25 (000's)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	439	421	451	455	473	483	480	514	513	548	547
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and Charges	360	412	402	412	424	437	450	465	480	498	516
Internal Charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	3	19	20	20	21	22	22	23	24	25	26
Total operating funding (A)	802	852	873	887	918	942	952	1,002	1,017	1,071	1,089
Applications of operating funding											
Payments to staff and suppliers	104	182	135	154	142	163	151	174	161	186	173
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	578	684	717	772	791	753	775	801	828	855	885
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	682	866	852	926	933	916	926	975	989	1,041	1,058
Surplus (deficit) of operating funding (A-B)	120	(14)	21	(39)	(15)	26	26	27	28	30	31
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0										
Applications of capital funding											
Capital expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	120	(14)	21	(39)	(15)	26	26	27	28	30	31
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	120	(14)	21	(39)	(15)	26	26	27	28	30	31
Surplus (deficit) of capital funding (C-D)	(120)	14	(21)	39	15	(26)	(26)	(27)	(28)	(30)	(31)
Funding Balance ((A-B) + (C-D))	0										

Waitomo District Council Funding Impact Statement for 2015-25 - Solid Waste Management Sources of operating funding	EAP 2014/15 (000's)	LTP 2015/16 (000's)	LTP 2016/17 (000's)	LTP 2017/18 (000's)	LTP 2018/19 (000's)	LTP 2019/20 (000's)	LTP 2020/21 (000's)	LTP 2021/22 (000's)	LTP 2022/23 (000's)	LTP 2023/24 (000's)	LTP 2024/25 (000's)
General rates, uniform annual general charges, rates penalties	11	22	23	23	19	19	25	26	32	33	28
Targeted rates	696	732	792	896	1,089	1,224	1,331	1,450	1,464	1,499	1,482
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and Charges	1,090	995	1,002	1,028	1,037	1,067	1,079	1,114	1,140	1,181	1,224
Internal Charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	1,797	1,749	1,817	1,947	2,145	2,310	2,435	2,590	2,636	2,713	2,734
Applications of operating funding											
Payments to staff and suppliers	1,162	1,171	1,191	1,234	1,257	1,303	1,343	1,384	1,425	1,493	1,535
Finance costs	25	25	25	25	25	25	25	25	25	25	25
Internal charges and overheads applied	536	647	659	681	680	678	710	742	725	705	686
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	1,723	1,843	1,875	1,940	1,962	2,006	2,078	2,151	2,175	2,223	2,246
Surplus (deficit) of operating funding (A-B)	74	(94)	(58)	7	183	304	357	439	461	490	488
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	831	0	26	26	0	836	890	30	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	831	0	26	26	0	836	890	30	0	0	0
Applications of capital funding											
Capital expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to replace existing assets	901	0	30	33	0	843	890	37	0	8	0
Increase (decrease) in reserves	4	(94)	(62)	0	183	297	357	432	461	482	488
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	905	(94)	(32)	33	183	1,140	1,247	469	461	490	488
Surplus (deficit) of capital funding (C-D)	(74)	94	58	(7)	(183)	(304)	(357)	(439)	(461)	(490)	(488)
Funding Balance ((A-B) + (C-D))	0										

Waitomo District Council Funding Impact Statement for 2015-25 - Stormwater Drainage Sources of operating funding	EAP 2014/15 (000's)	LTP 2015/16 (000's)	LTP 2016/17 (000's)	LTP 2017/18 (000's)	LTP 2018/19 (000's)	LTP 2019/20 (000's)	LTP 2020/21 (000's)	LTP 2021/22 (000's)	LTP 2022/23 (000's)	LTP 2023/24 (000's)	LTP 2024/25 (000's)
General rates, uniform annual general charges, rates penalties											
Targeted rates	389	413	427	459	459	477	492	541	585	606	539
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and Charges	0	0	0	0	0	0	0	0	0	0	0
Internal Charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	389	413	427	459	459	477	492	541	585	606	539
Applications of operating funding											
Payments to staff and suppliers	120	132	142	166	159	168	175	217	211	219	187
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	100	109	113	118	122	128	132	137	142	147	153
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	220	241	255	284	281	296	307	354	353	366	340
Surplus (deficit) of operating funding (A-B)	169	172	172	175	178	181	185	187	232	240	199
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	25	42	43	45	37	39	40	42	44	46
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0	25	42	43	45	37	39	40	42	44	46
Applications of capital funding											
Capital expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to replace existing assets	354	350	250	258	216	209	219	292	332	345	269
Increase (decrease) in reserves	(185)	(153)	(36)	(40)	7	9	5	(65)	(58)	(61)	(24)
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	169	197	214	218	223	218	224	227	274	284	245
Surplus (deficit) of capital funding (C-D)	(169)	(172)	(172)	(175)	(178)	(181)	(185)	(187)	(232)	(240)	(199)
Funding Balance ((A-B) + (C-D))	0										

Waitomo District Council Funding Impact Statement for 2015-25 - Resource Management	EAP 2014/15 (000's)	LTP 2015/16 (000's)	LTP 2016/17 (000's)	LTP 2017/18 (000's)	LTP 2018/19 (000's)	LTP 2019/20 (000's)	LTP 2020/21 (000's)	LTP 2021/22 (000's)	LTP 2022/23 (000's)	LTP 2023/24 (000's)	LTP 2024/25 (000's)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	107	114	124	137	134	113	115	118	131	134	127
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and Charges	80	80	82	84	87	89	92	95	98	102	105
Internal Charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	187	194	206	221	221	202	207	213	229	236	232
Applications of operating funding											
Payments to staff and suppliers	86	116	57	59	61	62	64	66	69	71	74
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	91	123	130	145	148	134	138	142	147	152	157
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	177	239	187	204	209	196	202	208	216	223	231
Surplus (deficit) of operating funding (A-B)	10	(45)	19	17	12	6	5	5	13	13	1
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0										
Applications of capital funding											
Capital expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	10	(45)	19	17	12	6	5	5	13	13	1
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	10	(45)	19	17	12	6	5	5	13	13	1
Surplus (deficit) of capital funding (C-D)	(10)	45	(19)	(17)	(12)	(6)	(5)	(5)	(13)	(13)	(1)
Funding Balance ((A-B) + (C-D))	0										

Waitomo District Council Funding Impact Statement for 2015-25 - Sewerage	EAP 2014/15 (000's)	LTP 2015/16 (000's)	LTP 2016/17 (000's)	LTP 2017/18 (000's)	LTP 2018/19 (000's)	LTP 2019/20 (000's)	LTP 2020/21 (000's)	LTP 2021/22 (000's)	LTP 2022/23 (000's)	LTP 2023/24 (000's)	LTP 2024/25 (000's)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	2,185	2,228	2,279	2,376	2,486	2,604	2,657	2,679	2,653	2,670	2,722
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and Charges	827	828	864	893	924	958	994	1,034	1,077	1,123	1,173
Internal Charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	3,012	3,056	3,143	3,269	3,410	3,562	3,651	3,713	3,730	3,793	3,895
Applications of operating funding											
Payments to staff and suppliers	948	1,147	1,143	1,194	1,275	1,338	1,366	1,417	1,446	1,507	1,612
Finance costs											
Internal charges and overheads applied	1,429	1,332	1,366	1,427	1,424	1,437	1,426	1,429	1,409	1,401	1,390
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	2,377	2,479	2,509	2,621	2,699	2,775	2,792	2,846	2,855	2,908	3,002
Surplus (deficit) of operating funding (A-B)	635	577	634	648	711	787	859	867	875	885	893
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	515	14	16	0	56	0	0	49	47	51	49
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	515	14	16	0	56	0	0	49	47	51	49
Applications of capital funding											
Capital expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to improve the level of service	233	207	168	212	191	169	159	157	171	163	154
Capital expenditure - to replace existing assets	351	323	425	254	292	381	283	297	305	321	402
Increase (decrease) in reserves	566	61	57	182	284	237	417	462	446	452	386
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	1,150	591	650	648	767	787	859	916	922	936	942
Surplus (deficit) of capital funding (C-D)	(635)	(577)	(634)	(648)	(711)	(787)	(859)	(867)	(875)	(885)	(893)
Funding Balance ((A-B) + (C-D))	0										

Waitomo District Council Funding Impact Statement for 2015-25 - Water Supply	EAP 2014/15 (000's)	LTP 2015/16 (000's)	LTP 2016/17 (000's)	LTP 2017/18 (000's)	LTP 2018/19 (000's)	LTP 2019/20 (000's)	LTP 2020/21 (000's)	LTP 2021/22 (000's)	LTP 2022/23 (000's)	LTP 2023/24 (000's)	LTP 2024/25 (000's)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	2,230	2,293	2,453	2,644	2,811	2,979	3,187	3,298	3,423	3,526	3,588
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and Charges	7	4	7	8	8	8	8	9	9	9	10
Internal Charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	2,237	2,297	2,460	2,652	2,819	2,987	3,195	3,307	3,432	3,535	3,598
Applications of operating funding											
Payments to staff and suppliers	804	1,072	1,116	1,190	1,226	1,270	1,316	1,371	1,437	1,511	1,556
Finance costs											
Internal charges and overheads applied	1,213	874	1,115	1,223	1,242	1,260	1,281	1,274	1,273	1,260	1,257
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	2,017	1,946	2,231	2,413	2,468	2,530	2,597	2,645	2,710	2,771	2,813
Surplus (deficit) of operating funding (A-B)	220	351	229	239	351	457	598	662	722	764	785
Sources of capital funding											
Subsidies and grants for capital expenditure	780	780	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	905	4,502	1,352	153	232	195	122	121	137	142	153
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	1,685	5,282	1,352	153	232	195	122	121	137	142	153
Applications of capital funding											
Capital expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to improve the level of service	982	5,195	1,351	22	112	64	6	6	7	7	7
Capital expenditure - to replace existing assets	706	319	341	395	384	373	367	357	412	421	453
Increase (decrease) in reserves	217	119	(111)	(25)	87	215	347	420	440	478	478
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	1,905	5,633	1,581	392	583	652	720	783	859	906	938
Surplus (deficit) of capital funding (C-D)	(220)	(351)	(229)	(239)	(351)	(457)	(598)	(662)	(722)	(764)	(785)
Funding Balance ((A-B) + (C-D))	0										

Waitomo District Council Funding Impact Statement for 2015-25 - Roads and Footpaths	EAP 2014/15 (000's)	LTP 2015/16 (000's)	LTP 2016/17 (000's)	LTP 2017/18 (000's)	LTP 2018/19 (000's)	LTP 2019/20 (000's)	LTP 2020/21 (000's)	LTP 2021/22 (000's)	LTP 2022/23 (000's)	LTP 2023/24 (000's)	LTP 2024/25 (000's)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	186	83	85	87	88	90	91	93	96	97	97
Targeted rates	5,631	5,803	5,934	6,102	6,195	6,349	6,473	6,610	6,789	6,891	6,939
Subsidies and grants for operating purposes	2,857	3,267	3,374	3,517	3,656	3,816	3,995	4,171	4,369	4,591	4,810
Fees and Charges	86	116	117	120	123	126	129	133	137	141	146
Internal Charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	120	120	122	124	127	131	134	138	142	147	152
Total operating funding (A)	8,880	9,389	9,632	9,950	10,189	10,512	10,822	11,145	11,533	11,867	12,144
Applications of operating funding											
Payments to staff and suppliers	4,512	4,655	4,728	4,852	4,963	5,097	5,255	5,401	5,573	5,772	5,957
Finance costs											
Internal charges and overheads applied	1,622	1,997	2,040	2,131	2,140	2,145	2,131	2,116	2,079	2,034	1,989
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	6,134	6,652	6,768	6,983	7,103	7,242	7,386	7,517	7,652	7,806	7,946
Surplus (deficit) of operating funding (A-B)	2,746	2,737	2,864	2,967	3,086	3,270	3,436	3,628	3,881	4,061	4,198
Sources of capital funding											
Subsidies and grants for capital expenditure	2,922	3,410	3,514	3,650	3,797	3,953	4,124	4,305	4,501	4,712	4,936
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	371	188	357	364	372	381	390	400	411	423	435
Gross proceeds from sale of assets											
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	3,293	3,598	3,871	4,014	4,169	4,334	4,514	4,705	4,912	5,135	5,371
Applications of capital funding											
Capital expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to improve the level of service	425	200	203	207	212	218	224	230	237	245	253
Capital expenditure - to replace existing assets	4,838	5,615	5,694	5,823	5,964	6,115	6,284	6,463	6,660	6,873	7,098
Increase (decrease) in reserves	776	520	838	951	1,079	1,271	1,442	1,640	1,896	2,078	2,218
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	6,039	6,335	6,735	6,981	7,255	7,604	7,950	8,333	8,793	9,196	9,569
Surplus (deficit) of capital funding (C-D)	(2,746)	(2,737)	(2,864)	(2,967)	(3,086)	(3,270)	(3,436)	(3,628)	(3,881)	(4,061)	(4,198)
Funding Balance ((A-B)+(C-D))	0										

Waitomo District Council Funding Impact Statement for 2015-25 - Whole of Council	EAP 2014/15 (000's)	LTP 2015/16 (000's)	LTP 2016/17 (000's)	LTP 2017/18 (000's)	LTP 2018/19 (000's)	LTP 2019/20 (000's)	LTP 2020/21 (000's)	LTP 2021/22 (000's)	LTP 2022/23 (000's)	LTP 2023/24 (000's)	LTP 2024/25 (000's)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	6,899	7,002	7,302	7,430	7,676	7,897	8,156	8,527	8,851	9,024	9,244
Targeted rates	11,549	11,937	12,386	13,020	13,565	14,183	14,710	15,196	15,543	15,854	15,960
Subsidies and grants for operating purposes	2,857	3,269	3,376	3,519	3,658	3,818	3,997	4,173	4,371	4,594	4,813
Fees and Charges	3,310	2,983	3,078	3,189	3,266	3,367	3,454	3,575	3,690	3,828	3,977
Interest and Dividends from Investments	53	60	60	31	227	233	240	247	255	264	274
Local authorities fuel tax, fines, infringement fees and other receipts	129	139	142	144	148	153	156	161	166	172	178
Total operating funding (A)	24,797	25,390	26,344	27,333	28,540	29,651	30,713	31,879	32,876	33,736	34,446
Applications of operating funding											
Payments to staff and suppliers	17,068	18,367	18,632	19,321	19,552	20,146	20,843	21,424	21,997	22,883	23,456
Finance costs	3,074	2,989	3,281	3,524	3,460	3,376	3,280	3,167	2,949	2,704	2,452
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	20,142	21,356	21,913	22,845	23,012	23,522	24,123	24,591	24,946	25,587	25,908
Surplus (deficit) of operating funding (A-B)	4,655	4,034	4,431	4,488	5,528	6,129	6,590	7,288	7,930	8,149	8,538
Sources of capital funding											
Subsidies and grants for capital expenditure	3,802	4,190	3,514	3,650	3,797	3,953	4,124	4,305	4,501	4,712	4,936
Development and financial contributions	0	105	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	3,451	5,592	2,587	1,022	892	1,575	1,619	774	793	803	873
Gross proceeds from sale of assets	100	76	76	76	77	77	77	77	78	78	79
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	7,353	9,963	6,177	4,748	4,766	5,605	5,820	5,156	5,372	5,593	5,888
Applications of capital funding											
Capital expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to improve the level of service	3,633	6,026	2,042	652	545	606	498	463	723	764	633
Capital expenditure - to replace existing assets	6,996	7,875	7,993	7,544	7,594	8,457	8,862	8,151	8,250	8,531	8,923
Increase (decrease) in reserves	1,379	96	573	1,040	2,155	2,671	3,050	3,830	4,329	4,447	4,870
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	12,008	13,997	10,608	9,236	10,294	11,734	12,410	12,444	13,302	13,742	14,426
Surplus (deficit) of capital funding (C-D)	(4,655)	(4,034)	(4,431)	(4,488)	(5,528)	(6,129)	(6,590)	(7,288)	(7,930)	(8,149)	(8,538)
Funding Balance ((A-B) + (C-D))	0										

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 Long-Term 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 first year to which the Long Term Plan relates; and
 - ◊ the end of the last year to which the Long Term Plan relates; and
- the amount expected to be deposited in the fund in the period to which the Long Term Plan relates; and
- the amount expected to be withdrawn from the fund in the period to which the Long Term Plan relates.

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 (\$'000's)	Projected Reserve Balance 30 June 2015	Forecast Reserve Deposits	Forecast Reserve Withdrawals	Reserve Balance 30 June 2025
Operational Reserves (1)				
Governance: Leadership and Investments				
Leadership	(231)	(754)	842	(143)
Investments	3,298	(289)	351	3,360
	3,067	(1,043)	1,193	3,217
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)	(126)	612	51
	(435)	(126)	612	51
Regulation				
Regulation	229	(156)	58	131
	229	(156)	58	131
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 Drainage				
Te Kuiti Stormwater	26	0	0	26
Rural Stormwater	(136)	0	0	(136)
	(110)	0	0	(110)
Resource Management				
District Plan Administration	11	(15)	(30)	(34)
	11	(15)	(30)	(34)
Sewerage and Treatment and Disposal of Sewage				
Te Kuiti Sewerage	(1,141)	0	496	(645)
Te Waitere Sewerage	(50)	0	0	(50)
Benneydale Sewerage	227	(241)	12	(2)
Piopia Sewerage	(317)	0	0	(317)
	(1,281)	(241)	508	(1,014)
Water Supply				
Te Kuiti Water	561	(299)	927	1,189
Mokau Water	423	(247)	76	252
Piopia Water	574	(302)	52	324
Benneydale Water	73	3	0	76
	1,631	(845)	1,055	1,841
Provision of Roads and Footpaths				
Subsidised Roads	2,478	0	0	2,478
Unsubsidised Roads	(455)	0	0	(455)
	2,023	0	0	2,023
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	4,002	(3,673)	4,815	5,144

	Projected Reserve Balance 30 June 2015	Forecast Reserve Deposits	Forecast Reserve Withdrawals	Reserve Balance 30 June 2025
Depreciation Reserves (2)				
Community Service				
Parks & Reserves	156	(575)	396	(23)
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)	(1,093)	1,026	(158)
	(1,522)	(5,450)	3,495	(3,477)
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 Drainage				
Te Kuiti Stormwater	(667)	(1,720)	2,344	(43)
Rural Stormwater	(18)	(45)	0	(63)
	(685)	(1,765)	2,344	(106)
Sewerage and Treatment and Disposal of Sewage				
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)	(3,517)	3,517	(522)
Mokau Water	3	(549)	557	11
Piopio Water	(272)	(856)	1,079	(49)
Benneydale Water	(133)	(347)	183	(297)
	(924)	(5,269)	5,336	(857)
Provision of Roads and Footpaths				
Subsidised Roads	(5,054)	(32,935)	27,813	(10,176)
Unsubsidised Roads	109	(1,192)	500	(583)
	(4,945)	(34,127)	28,313	(10,759)
Corporate Support				
Corporate Support	(142)	(3,586)	3,369	(359)
Plant	(349)	(1,888)	1,875	(362)
	(491)	(5,474)	5,244	(721)
Total Depreciation Reserves	(9,428)	(62,881)	56,161	(16,148)

	Projected Reserve Balance 30 June 2015	Forecast Reserve Deposits	Forecast Reserve Withdrawals	Reserve Balance 30 June 2025
Investment Revaluation Reserves (3)				
Governance: Leadership and Investments				
Forestry - Rangitoto Landfill Revaluation	32	0	0	32
Community Services				
Land and Buildings Revaluation	(265)	0	0	(265)
Total Investment Revaluation Reserves	(233)	0	0	(233)
Special Purpose Reserves (4)				
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	(5,625)	(66,836)	60,976	(11,485)
Net Movement in All Council Created Reserves				5860

Activity	Estimated Cost of Service Statements					Statement of Reserve Funds		
	Total Movement (To)/From Reserves	Plus Depreciation Charged to Retained Earnings	Less Internal Loan Repayments	Transfer to Corporate Support Reserves	Total Net Movement	Opening Reserve Balance at 30 June 2015	Closing Reserve Balance at 30 June 2025	Total Net Movement in Reserves for Ten Years
Governance: Leadership and Investments	(3,003)	5,470	(2,387)	(230)	(150)	3,099	3,249	150
Community Services	(2,449)	6,252	(1,599)	0	2,204	(1,983)	(4,187)	(2,204)
Community Development	(483)	59	(42)	0	(466)	(483)	(17)	466
Regulation	99	20	(33)	0	86	253	167	(86)
Solid Waste Management	957	1,586	(2,682)	0	(139)	(90)	49	139
Stormwater Drainage	(2,380)	1,960	(159)	0	(579)	(795)	(216)	579
Resource Management	45	0	0	0	45	11	(34)	(45)
Sewerage and Treatment and Disposal of Sewage	(5,195)	8,174	(3,887)	0	(908)	(2,387)	(1,479)	908
Water Supply	(5,102)	7,543	(2,718)	0	(277)	707	984	277
Provision of Roads and Footpaths	(20,599)	34,538	(8,125)	0	5,814	(2,922)	(8,736)	(5,814)
Corporate Support [Reserves]	0	0	0	230	230	(1,035)	(1,265)	(230)
	(38,110)	65,602	(21,632)	0	5,860	(5,625)	(11,485)	(5,860)

Accounting Policies

Statement of Responsibility

The Long Term Plan 2015-25 was adopted by Council on 23 June 2015.

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 ten year plan on 23 June 2015.

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

Statement of 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 Long Term 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 2025. The prospective financial statement 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 and plant and equipment all of which are re-valued, 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.

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 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.

Other Financial Assets

The Council classifies its financial assets into the following three categories: financial assets at fair value through surplus or deficit, 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 three categories of financial assets are:

1. 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.

2. 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.

3. 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 through surplus or deficit.

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.

An impairment exists if one or more events that have occurred since the initial recognition of the asset has an impact on the estimated future cashflows of the financial asset or the group of financial assets that can be reliably measured.

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.

Cashflow 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 accumulated into the cashflow hedge reserve, 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% are 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 re-valued 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 valuation is compliant with PBE IPSAS 17.

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 valuation is compliant with PBE IPSAS 17.

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 Council's assets are defined as cash generating if the primary purpose of the asset is to provide a commercial return. Non cash generating assets are assets other than cash generating.

The carrying amounts of cash generating 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.

The carrying amounts of non-cash generating property, plant and equipment assets are reviewed at least annually to determine if there is any indication of impairment. Where an asset's, or class of asset's, recoverable service amount is less than its carrying amount it will be reported as its recoverable service amount and an impairment loss will be recognised. The recoverable service amount is the higher of an item's fair value less costs to sell and value in use. A non-cash generating asset's value in use is the present value of the asset's remaining service potential. 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 the other comprehensive revenue and expense.

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%
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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 excludes 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.

Related parties also include Council's subsidiary Inframax Construction Ltd and Inframax's subsidiary Independent Roadmarkers Taranaki Ltd, Council's investment in Local Authority Shared Services Ltd and NZ Local Government Insurance Company.

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.

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

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

The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.

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 underground stormwater, wastewater and water supply pipes. 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 with:

- 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 Long Term 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 10 years and include them within the Long Term 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 23 June 2015 by 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.

Financial Reporting and Prudence Benchmarks

Long-term plan disclosure statement for period commencing 1 July 2015.

What is the purpose of this statement?

The purpose of this statement is to disclose the council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its long-term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

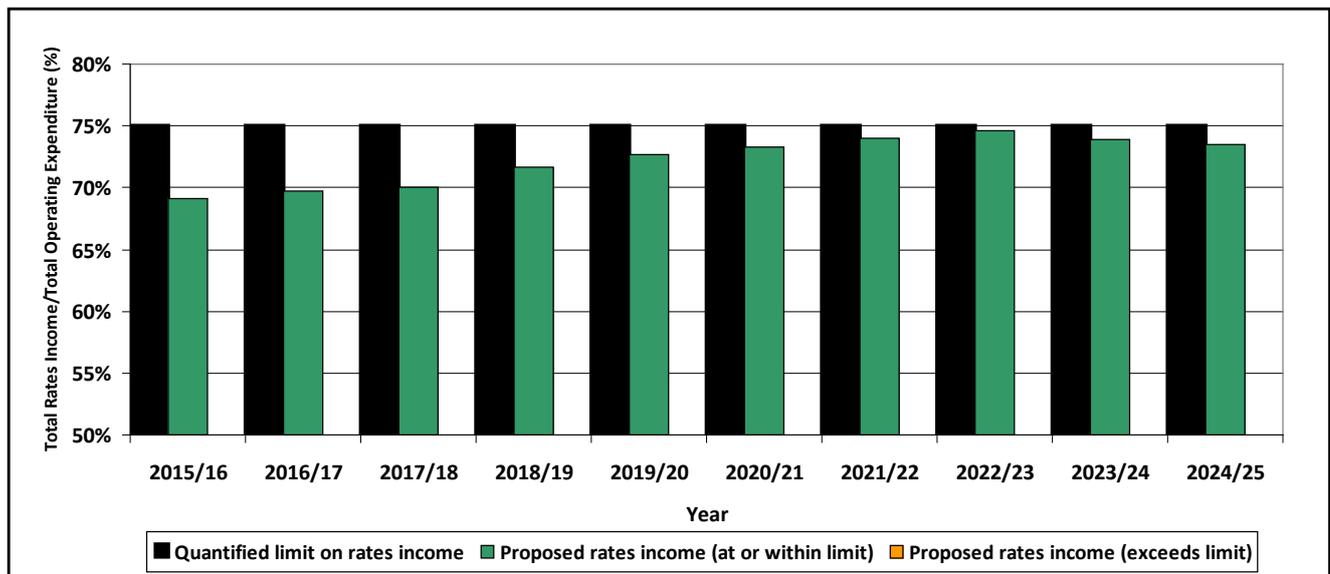
Rates affordability benchmark

The council meets the rates affordability benchmark if:

- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases.

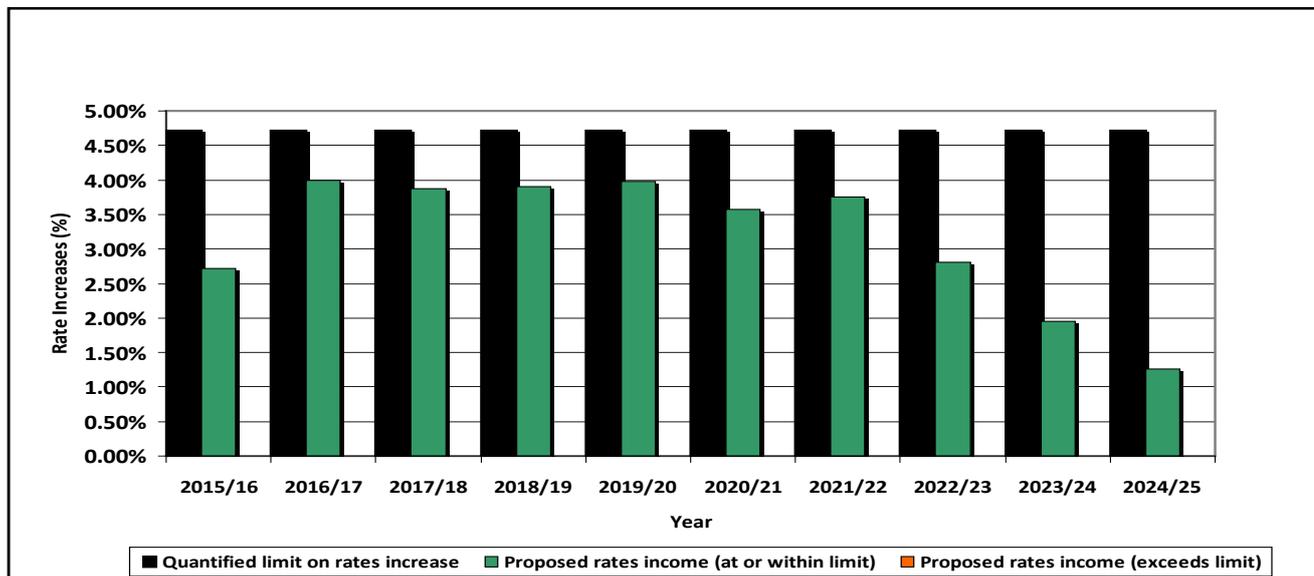
Rates (income) affordability

The following graph compares the council's planned rates with a quantified limit on rates contained in the financial strategy included in this long-term plan. The quantified limit is total rates revenue will be limited to an average of 75% of total operating expenditure.



Rates (increases) affordability

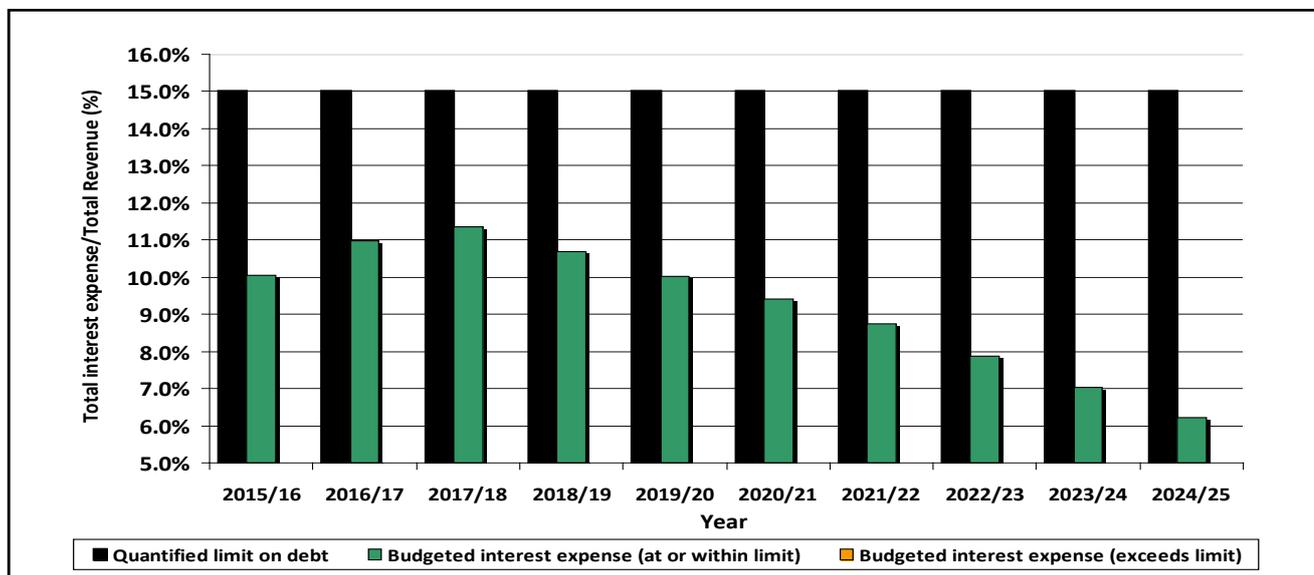
The following graph compares the council’s planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this long-term plan. The quantified limit is total rate increases will be limited to a cap of the Local Government Cost Index plus 2% (being 4.71% based on LGCI average over 10 years).



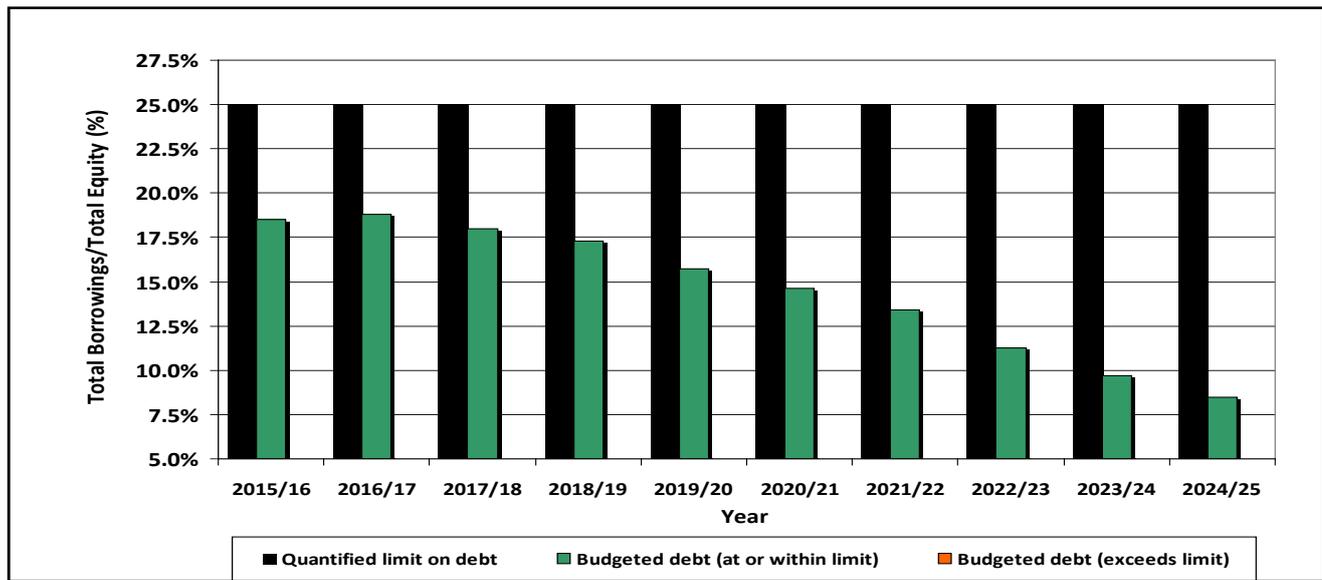
Debt affordability benchmark

The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

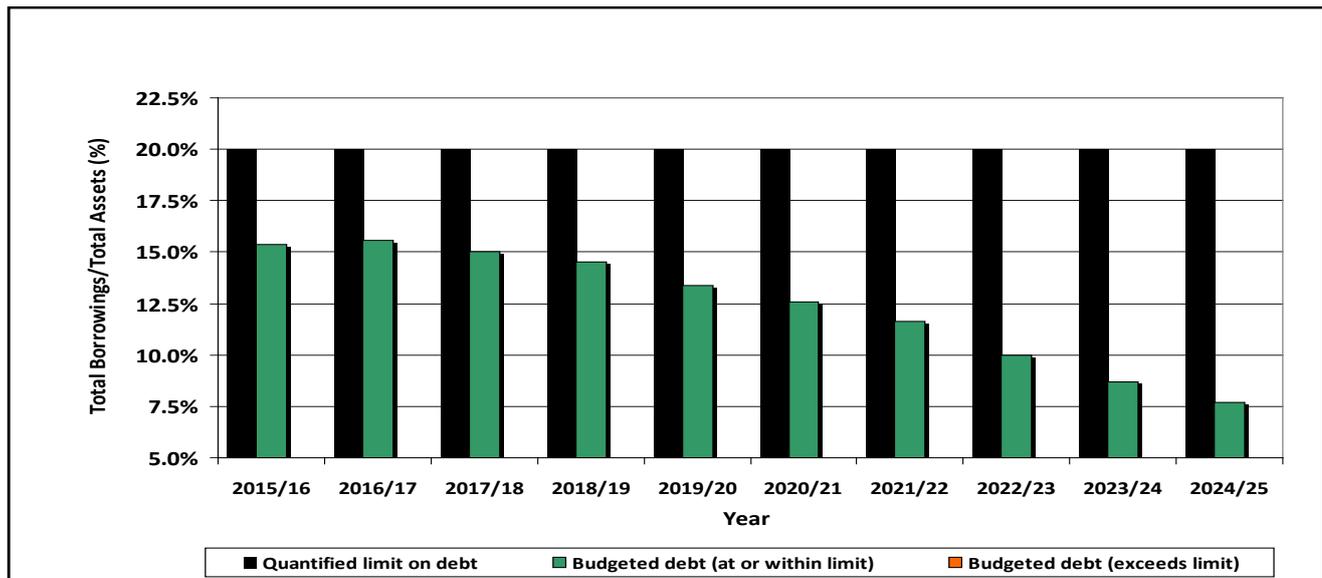
The following graph compares the council’s planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is total interest expense will not exceed 15% of total revenue.



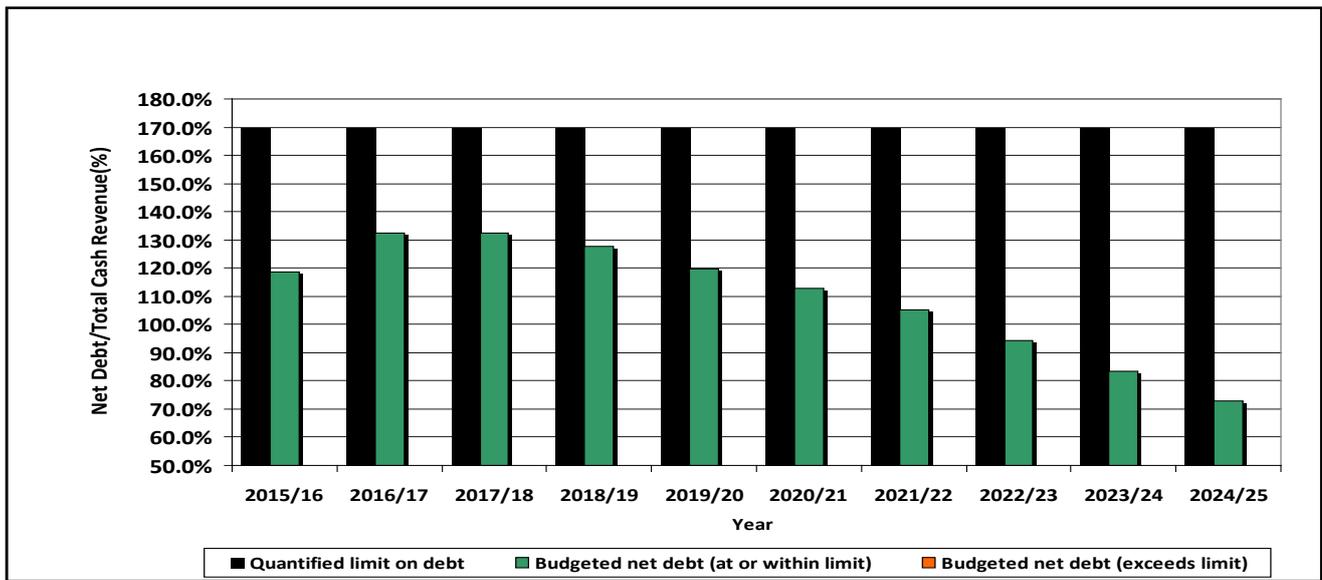
The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is the total borrowings will not exceed 25% of total equity.



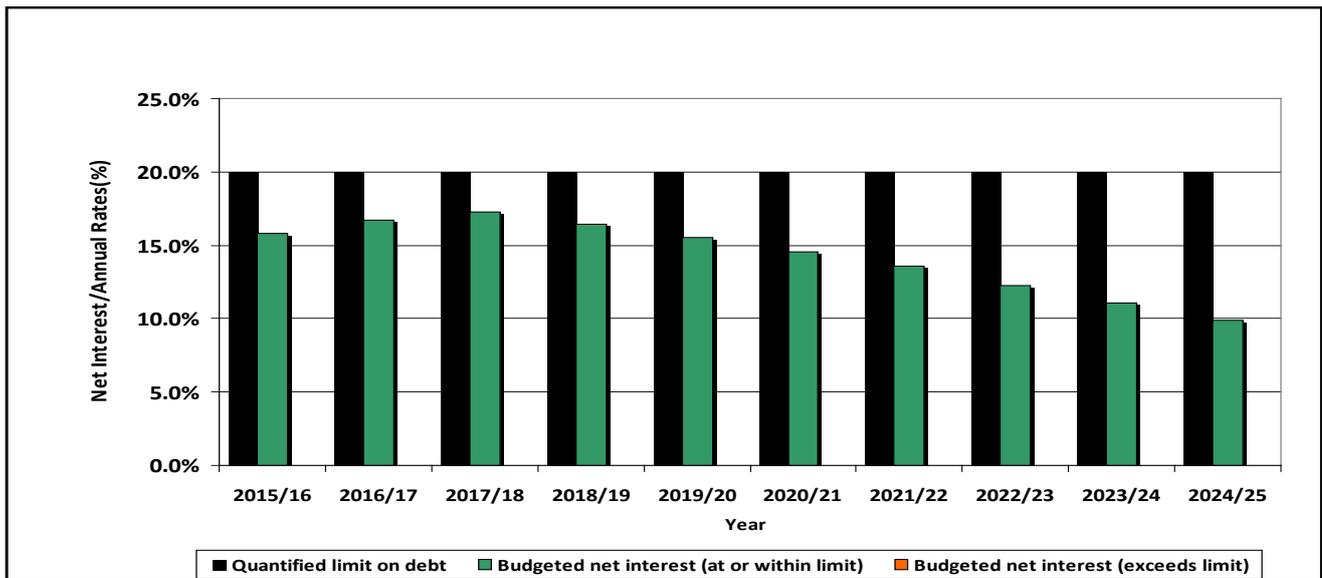
The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is the total borrowings must not exceed 20% of total assets.



The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is net debt will not exceed 170% of total (cash) revenue.



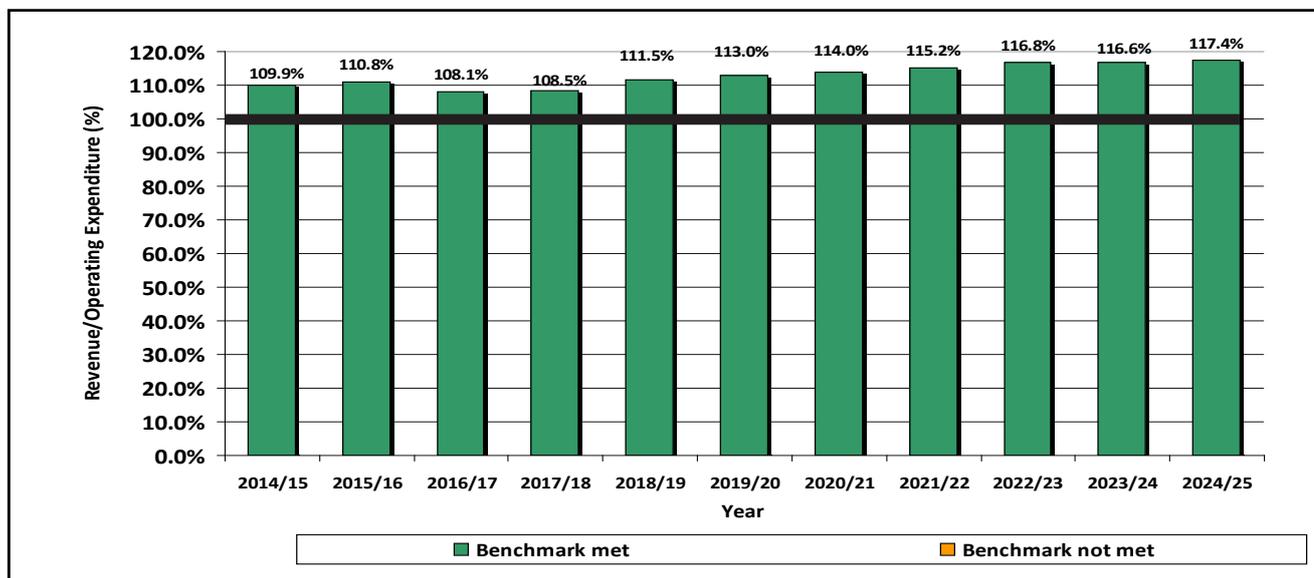
The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is net interest will not exceed 20% of annual rates.



Balanced budget benchmark

The following graph displays the council’s planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

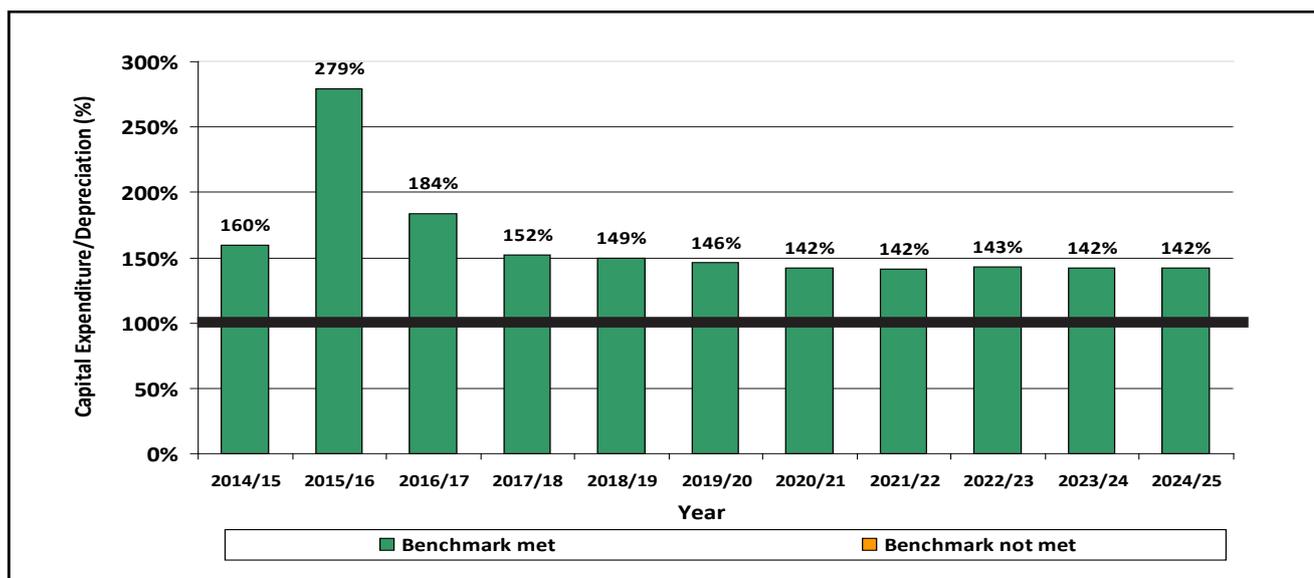
The council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



Essential services benchmark

The following graph displays the council’s planned capital expenditure on network services as a proportion of expected depreciation on network services.

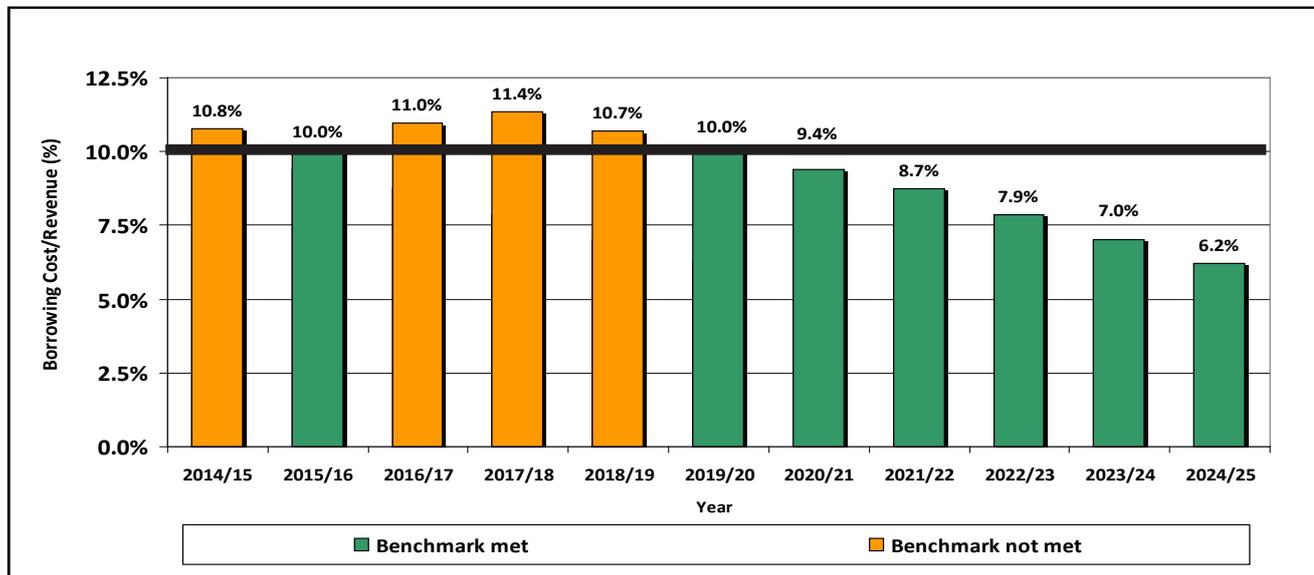
The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



Debt servicing benchmark

The following graph displays the council’s planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the council’s population will grow more slowly than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.



In the first three years of the Long Term Plan, Council’s borrowings cost increases due to additional borrowing required to fund the capital expenditure programme, in particular expenditure for Te Kuiti Water Upgrade. Council have taken into account the affordability of rates within the community and the long term nature of these assets and smoothed rates increases over this period.

This has resulted in the benchmark not being met for the years 2016/17 to 2018/19 of the Long Term Plan. Councils projected total borrowing starts to reduce from 2018/19 onwards which reduces the debt servicing costs over this period.



Centennial Park Te Kuiti

Section E: Policies and Strategies

This section contains:

- Policy Statement on Council Controlled Organisations
- Policy on Appointment of Directors to Council Controlled Organisations
- Revenue and Financing Policy
- Summary of Significance and Engagement Policy
- Infrastructure Strategy

Creating a better future with vibrant communities and thriving business.