FINANCIAL INFORMATION

HOW TO READ THIS SECTION

Within this section, you will find the financial detail that has been used to develop the LTCCP. This has been used throughout the document to provide the dollar values from individual activities, to activity groups and finally the overall position of the Council.

The Estimated Cost of Service Statement is the actual expenditure in providing Councils services to the community and forms the basis of the financial statements in terms of revenue, expenses, capital expenditure and funding requirements.

Volume 2 contains the detailed financial policies that feed into the process.

This section of the LTCCP specifically contains the following information:

Statement of Prospective Comprehensive Income
This provides information on the surplus or deficit arising throughout the Plan impacting on the past and future Comprehensive Income. This aids the reader to differentiate between components of financial performance according to frequency, potential for gain and loss and predictability.

Total rates income is the total targeted and general rates added together. On the reconciliation on page 195 general rates can be separately identified. This is to show the difference between what is charged to the rate payer and what is required to fund Council activities as shown on page 201.

Reconciliation Statement of Prospective Comprehensive Income with Consolidated Cost of Service Statement
Some items of income and expenditure, such as general rate income, are not included in the Estimated Cost of Service Statement, but are included in the Statement of Prospective Comprehensive Income. The reconciliation statement details these items.

Statement of Changes in Equity
Also known as net worth, equity is measured as the difference between the total value of assets and total liabilities. This statement presents a comprehensive measure of income. Accumulated equity represents the communities' investment in publicly owned assets resulting from past surpluses.

Statement of Prospective Financial Position
This presents information about the economic resources controlled by the Council. This information is useful in assessing the Council's ability to generate cash, provide services and for assessing future borrowing needs.

Statement of Prospective Cash Flows
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. It provides information about cash generation through Council activities to repay debt or to reinvest to maintain operating capacity.

Consolidated Estimated Cost of Service Statement
This reports the net cost of services for significant activities of the Council, and is represented by the revenue that can be allocated to all activities less the cost of providing the service. The funding section shows the sources that will be used to pay for all services. The individual statements can be found at the end of each activity section. This statement should be read in conjunction with the Consolidated Estimated Capital Funding Requirements.

Consolidated Estimated Capital Funding Requirements
This provides information on the capital costs of Council over the 10 year period, including loan repayments, and how Council aims to fund these costs. This statement should be read in conjunction with the Consolidated Estimated Cost of Service Statement.

The individual statements can be found at the end of each activity section.

The capital funding requirements are not intended to match borrowings on the cash flow forecast. The cash flow statement is set out to clearly show the roll over of Council's banking facilities three yearly and these include borrowings for things other than the capital projects reflected in the capital funding requirements.

The consolidated estimated capital funding requirement reflects repayments of both internal and external loans. The internal loans reflected in the consolidated estimated capital funding requirement occur when one activity unit within Council has built up reserves which will only be required at a future date and these reserves are loaned to another activity unit. These loans are a cost to the capital project and annual repayments are made to the reserve.

Reconciliation Statement of Estimated Capital Funding Requirements and Prospective Cash Flows
Some items of income and expenditure, such as miscellaneous funding and loan repayments, are not

included in the Prospective Cashflow, but are included in the Statement of Estimated Capital Funding. The reconciliation statement details these items.

Statement of Accounting Policies
These provide an explanation of accounting policies adopted by the Council and the assumptions used in preparing the financial information.

Funding Impact Statement
This statement explains how the Council collects revenue and finances its activities. It includes contributions, fees and charges, interest and dividends, borrowing, proceeds from asset sales, grants and subsidies. This also details the level of funds to be produced by each method, rates for example, and how these are calculated.

Definitions

The notes to the financial statements detail some of the terminology; however there are some commonly used terms that are beneficial to know:

Rates Definitions

Waikato District Council has a number of different methods to collect rates in order to fairly apportion the costs of delivering service. The Revenue and Financing Policy in Volume 2 determine these.

General Rate –
Applies to all ratepayers across the District based on the capital value of the property.

Uniform Annual General Charge –
A fixed rate that is identical for all properties across the District.

Targeted Rate (fixed) –
Applies to specific catchment areas and can be a fixed fee or a charge per unit.

Other Useful Definitions

Contributions –
Development contributions are collected to fund capital works which are required as a result of growth and new development in the District. Financial contributions are separate from, and may be levied in addition to, Development Contributions. However, these contributions are also collected to fund capital works required for growth. Funding received from development contributions and financial contributions cannot be used for the same capital project.

Subsidies –
Income received from 3rd parties (for example, the New Zealand Transport Agency) to help the Council fund certain activities.

General Funds (Rates Income) –
This is the income received from ratepayers, calculated annually by the Council.

Activity Income (other than contributions and subsidies) – this includes payments by individual users (for example, building consents fees), rental income Council owned properties leased to external parties and grants.

Depreciation –
Money collected each year for individual assets to be replaced when their useful life expires.

Financing Strategy

A key strategy adopted by Council has been to continue to maintain the infrastructural assets of the district rather than cut back on these programmes to enable rates to be reduced. It is the view of Council that short-term savings will end up costing more in the long run as maintenance costs would have to increase in order to offset the initial savings.

In the same manner, while Council has a programme to borrow money in order to undertake certain key projects notably water and wastewater projects, Council is planning for these borrowings to be repaid on schedule rather than rolling over the balances to achieve a saving in general rates during the term of this LTCCP.

Statement of Prospective Comprehensive Income

A forecast for the 10 years ending 30 June 2019

	Forecast 2009/ 2010 NZ$000's	Forecast 2010/ 2011 NZ$000's	Forecast 2011/ 2012 NZ$000's	Forecast 2012/ 2013 NZ$000's	Forecast 2013/ 2014 NZ$000's	Forecast 2014/ 2015 NZ$000's	Forecast 2015/ 2016 NZ$000's	Forecast 2016/ 2017 NZ$000's	Forecast 2017/ 2018 NZ$000's	Forecast 2018/ 2019 NZ$000's
Income										
Rates income - targeted rates and general rates	39,142	40,839	43,435	46,146	49,572	52,733	56,416	59,175	62,028	64,209
Finance income	174	277	623	673	716	1,073	1,093	947	951	919
Activity income - other than contributions and subsidies	9,463	10,202	11,364	12,576	13,264	13,981	15,891	17,032	16,420	16,533
Activity income - contributions	3,568	3,695	4,234	6,282	6,240	6,198	6,418	6,946	6,016	5,873
Activity income - subsidies	12,199	12,655	13,546	14,657	14,567	15,440	15,413	19,602	17,507	18,449
Gains/(loss) on the revaluation of investment properties	14	15	18	15	15	18	19	16	16	16
Total Income	**64,560**	**67,683**	**73,220**	**80,349**	**84,374**	**89,443**	**95,250**	**103,718**	**102,938**	**105,999**
Expenditure										
Audit fees	83	86	185	90	92	199	96	99	214	104
Depreciation and amortisation expense	13,981	15,014	15,550	16,311	17,352	18,072	18,814	20,307	21,198	21,895
Personnel costs	15,347	16,078	16,567	17,635	18,796	19,579	20,559	21,340	22,086	22,936
Finance costs	1,960	2,271	2,577	2,810	3,153	3,209	3,594	3,461	3,314	3,281
Activity expenditure	21,569	21,521	21,888	22,529	23,662	24,301	25,370	26,471	27,192	28,136
Other expenditure	524	545	568	595	626	654	687	714	739	764
Total operating expenditure	**53,464**	**55,515**	**57,335**	**59,970**	**63,681**	**66,014**	**69,120**	**72,392**	**74,743**	**77,116**
Surplus/(Deficit) before tax	**11,096**	**12,168**	**15,885**	**20,379**	**20,693**	**23,429**	**26,130**	**31,326**	**28,195**	**28,883**
Other comprehensive income										
Revaluation gains/(losses) taken to Equity - Property, Plant and Equipment	24,093	11,136	5,290	66,098	20,836	5,827	70,528	27,037	6,885	82,957
Total other comprehensive income	**24,093**	**11,136**	**5,290**	**66,098**	**20,836**	**5,827**	**70,528**	**27,037**	**6,885**	**82,957**
Total comprehensive Income	**35,189**	**23,304**	**21,175**	**86,477**	**41,529**	**29,256**	**96,658**	**58,363**	**35,080**	**111,840**

Reconciliation Statement of Prospective Comprehensive Income with Estimated Consolidated Cost of Service Statement

A forecast for the 10 years ending 30 June 2019

	Forecast 2009/ 2010 NZ$000's	Forecast 2010/ 2011 NZ$000's	Forecast 2011/ 2012 NZ$000's	Forecast 2012/ 2013 NZ$000's	Forecast 2013/ 2014 NZ$000's	Forecast 2014/ 2015 NZ$000's	Forecast 2015/ 2016 NZ$000's	Forecast 2016/ 2017 NZ$000's	Forecast 2017/ 2018 NZ$000's	Forecast 2018/ 2019 NZ$000's
Income										
Statement of Prospective Comprehensive Income (pg 194)	64,560	67,683	73,220	80,349	84,374	89,443	95,250	103,718	102,938	105,999
Consolidated Estimated Cost of Service Statement (pg 201)	32,890	35,091	38,345	43,434	44,708	47,290	50,283	57,051	54,313	56,007
Difference	**31,670**	**32,592**	**34,875**	**36,915**	**39,666**	**42,153**	**44,967**	**46,667**	**48,625**	**49,992**
The difference is due to the following revenue items:										
Investment Income	174	277	623	673	716	1,073	1,093	947	951	919
Penalties	592	610	627	642	658	670	687	704	722	740
Asset Revaluation	14	15	18	15	15	18	19	16	16	16
General Rate	30,890	31,690	33,607	35,585	38,277	40,392	43,168	45,000	46,936	48,317
	31,670	**32,592**	**34,875**	**36,915**	**39,666**	**42,153**	**44,967**	**46,667**	**48,625**	**49,992**
Expenditure										
Statement of Prospective Comprehensive Income (pg 194)	53,464	55,515	57,335	59,970	63,681	66,014	69,120	72,392	74,743	77,116
Consolidated Estimated Cost of Service Statement (pg 201)	52,880	54,885	56,675	59,291	62,975	65,287	68,368	71,627	73,964	76,319
Difference	**584**	**630**	**660**	**679**	**706**	**727**	**752**	**765**	**779**	**797**
The difference is due to the following expenditure items:										
Rate Remissions	233	244	260	279	303	324	349	365	381	398
Penalty Remissions	232	240	246	251	260	266	272	276	282	291
External Interest	126	140	150	146	141	136	131	125	118	112
Other	1	1	1	1	1	1	1	1	1	1
Landfill Provision	(8)	5	3	2	1	0	(1)	(2)	(3)	(5)
	584	**630**	**660**	**679**	**706**	**727**	**752**	**765**	**779**	**797**

Statement of Prospective Changes in Equity

A forecast for the 10 years ending 30 June 2019

	Forecast 2009/ 2010 NZ$000's	Forecast 2010/ 2011 NZ$000's	Forecast 2011/ 2012 NZ$000's	Forecast 2012/ 2013 NZ$000's	Forecast 2013/ 2014 NZ$000's	Forecast 2014/ 2015 NZ$000's	Forecast 2015/ 2016 NZ$000's	Forecast 2016/ 2017 NZ$000's	Forecast 2017/ 2018 NZ$000's	Forecast 2018/ 2019 NZ$000's
Equity at beginning of year										
Retained Earnings	480,450	527,756	562,156	610,231	615,066	621,137	612,647	598,653	551,940	495,581
Other Reserves - Revaluation	487,661	511,536	522,672	527,962	594,060	614,896	620,723	691,251	718,288	725,173
Other Reserves - Restricted	57	57	57	57	58	58	58	59	59	59
Other Reserves - Council Created	4,845	9,351	12,020	11,715	18,787	14,854	14,996	10,841	14,108	17,638
Other Reserves - Special rates and User pays	9,455	(11,778)	(27,802)	(34,208)	(27,804)	(12,233)	15,743	33,351	70,088	110,179
Other Reserves - Capital Replacement Fund	(7,902)	(25,522)	(33,922)	(53,734)	(50,826)	(45,864)	(36,764)	(10,029)	26,956	69,953
Other Reserves - Development Contribution	2,441	578	101	(5,566)	(6,407)	(8,385)	(13,684)	(13,749)	(12,699)	(14,763)
Other Reserves - Fair Value through Equity	123	123	123	123	123	123	123	123	123	123
Total equity at beginning of year	**977,130**	**1,012,101**	**1,035,405**	**1,056,580**	**1,143,057**	**1,184,586**	**1,213,842**	**1,310,500**	**1,368,863**	**1,403,943**
Comprehensive income for the year										
Retained Earnings	11,096	12,168	15,885	20,379	20,693	23,429	26,130	31,326	28,195	28,883
Other Reserves - Revaluation	24,093	11,136	5,290	66,098	20,836	5,827	70,528	27,037	6,885	82,957
Total comprehensive income for the year	**35,189**	**23,304**	**21,175**	**86,477**	**41,529**	**29,256**	**96,658**	**58,363**	**35,080**	**111,840**
Transfers to / from retained earnings										
Retained Earnings	36,210	22,232	32,190	(15,544)	(14,622)	(31,919)	(40,124)	(78,039)	(84,554)	(127,196)
Other Reserves - Restricted	0	0	0	1	0	0	1	0	0	0
Other Reserves - Council Created	4,506	2,669	(305)	7,072	(3,933)	142	(4,155)	3,267	3,530	4,070
Other Reserves - Special rates and User pays	(21,233)	(16,024)	(6,406)	6,404	15,571	27,976	17,608	36,737	40,091	62,803
Other Reserves - Capital Replacement Fund	(17,620)	(8,400)	(19,812)	2,908	4,962	9,100	26,735	36,985	42,997	61,429
Other Reserves - Development Contribution	(1,863)	(477)	(5,667)	(841)	(1,978)	(5,299)	(65)	1,050	(2,064)	(1,106)
Total transfers to / from retained earnings	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

	Forecast 2009/ 2010 NZ$000's	Forecast 2010/ 2011 NZ$000's	Forecast 2011/ 2012 NZ$000's	Forecast 2012/ 2013 NZ$000's	Forecast 2013/ 2014 NZ$000's	Forecast 2014/ 2015 NZ$000's	Forecast 2015/ 2016 NZ$000's	Forecast 2016/ 2017 NZ$000's	Forecast 2017/ 2018 NZ$000's	Forecast 2018/ 2019 NZ$000's
Other reserve movements										
Revaluation Reserve Other	(218)	-	-	-	-	-	-	-	-	-
Equity at end of year										
Retained Earnings	527,756	562,156	610,231	615,066	621,137	612,647	598,653	551,940	495,581	397,268
Other Reserves - Revaluation	511,536	522,672	527,962	594,060	614,896	620,723	691,251	718,288	725,173	808,130
Other Reserves - Restricted	57	57	57	58	58	58	59	59	59	59
Other Reserves - Council Created	9,351	12,020	11,715	18,787	14,854	14,996	10,841	14,108	17,638	21,708
Other Reserves - Special rates and User pays	(11,778)	(27,802)	(34,208)	(27,804)	(12,233)	15,743	33,351	70,088	110,179	172,982
Other Reserves - Capital Replacement Fund	(25,522)	(33,922)	(53,734)	(50,826)	(45,864)	(36,764)	(10,029)	26,956	69,953	131,382
Other Reserves - Development Contribution	578	101	(5,566)	(6,407)	(8,385)	(13,684)	(13,749)	(12,699)	(14,763)	(15,869)
Other Reserves - Fair Value through Equity	123	123	123	123	123	123	123	123	123	123
Total equity at end of year	**1,012,101**	**1,035,405**	**1,056,580**	**1,143,057**	**1,184,586**	**1,213,842**	**1,310,500**	**1,368,863**	**1,403,943**	**1,515,783**

Statement of Prospective Financial Position

A forecast for the 10 years ending 30 June 2019

	Forecast 2009/ 2010 NZ$000's	Forecast 2010/ 2011 NZ$000's	Forecast 2011/ 2012 NZ$000's	Forecast 2012/ 2013 NZ$000's	Forecast 2013/ 2014 NZ$000's	Forecast 2014/ 2015 NZ$000's	Forecast 2015/ 2016 NZ$000's	Forecast 2016/ 2017 NZ$000's	Forecast 2017/ 2018 NZ$000's	Forecast 2018/ 2019 NZ$000's
Assets										
Current Assets										
Cash and cash equivalents	732	2,386	2,244	2,420	1,437	1,894	954	1,255	1,339	835
Debtors and other receivables	7,780	8,032	8,719	9,223	9,529	10,220	10,703	11,491	11,281	11,504
Prepayments	153	154	155	156	157	158	160	162	162	163
Total current assets	**8,665**	**10,572**	**11,118**	**11,799**	**11,123**	**12,272**	**11,817**	**12,908**	**12,782**	**12,502**
Non-current Assets										
Property, plant and equipment	1,039,573	1,064,782	1,091,771	1,179,338	1,221,298	1,256,091	1,348,938	1,398,929	1,430,252	1,538,469
Intangible assets	2,766	2,581	2,353	2,214	1,976	1,933	3,074	2,924	2,539	2,048
Investment property	545	560	578	593	608	626	645	661	677	693
Other financial assets	8,069	8,031	7,989	7,944	7,894	7,841	7,817	7,791	7,763	7,733
Total Non-current assets	**1,050,953**	**1,075,954**	**1,102,691**	**1,190,089**	**1,231,776**	**1,266,491**	**1,360,474**	**1,410,305**	**1,441,231**	**1,548,943**
Total Assets	**1,059,618**	**1,086,526**	**1,113,809**	**1,201,888**	**1,242,899**	**1,278,763**	**1,372,291**	**1,423,213**	**1,454,013**	**1,561,445**
Liabilities										
Current Liabilities										
Creditors and other payables	9,575	9,605	9,668	9,744	9,819	9,887	9,984	10,119	10,129	10,194
Employee entitlements	1,540	1,617	1,668	1,782	1,907	1,990	2,094	2,176	2,253	2,342
Borrowings	15,083	268	17,185	20,228	7,444	19,000	20,000	14,000	15,000	13,000
Total current liabilities	**26,198**	**11,490**	**28,521**	**31,754**	**19,170**	**30,877**	**32,078**	**26,295**	**27,382**	**25,536**

	Forecast 2009/ 2010 NZ$000's	Forecast 2010/ 2011 NZ$000's	Forecast 2011/ 2012 NZ$000's	Forecast 2012/ 2013 NZ$000's	Forecast 2013/ 2014 NZ$000's	Forecast 2014/ 2015 NZ$000's	Forecast 2015/ 2016 NZ$000's	Forecast 2016/ 2017 NZ$000's	Forecast 2017/ 2018 NZ$000's	Forecast 2018/ 2019 NZ$000's
Non-current liabilities										
Provisions	868	873	878	880	881	881	882	881	877	874
Employee entitlements	120	123	126	129	132	135	139	143	148	153
Borrowings	20,331	38,635	27,704	26,068	38,130	33,028	28,692	27,031	21,663	19,099
Total Non-current liabilities	**21,319**	**39,631**	**28,708**	**27,077**	**39,143**	**34,044**	**29,713**	**28,055**	**22,688**	**20,126**
Total Liabilities	**47,517**	**51,121**	**57,229**	**58,831**	**58,313**	**64,921**	**61,791**	**54,350**	**50,070**	**45,662**
Net Assets	**1,012,101**	**1,035,405**	**1,056,580**	**1,143,057**	**1,184,586**	**1,213,842**	**1,310,500**	**1,368,863**	**1,403,943**	**1,515,783**
Equity										
Retained earnings	527,756	562,156	610,231	615,066	621,137	612,647	598,653	551,940	495,581	397,268
Other reserves	484,345	473,249	446,349	527,991	563,449	601,195	711,847	816,923	908,362	1,118,515
Total Equity	**1,012,101**	**1,035,405**	**1,056,580**	**1,143,057**	**1,184,586**	**1,213,842**	**1,310,500**	**1,368,863**	**1,403,943**	**1,515,783**

Statement of Prospective Cash Flows

A forecast for the 10 years ending 30 June 2019

	Forecast 2009/ 2010 NZ$000's	Forecast 2010/ 2011 NZ$000's	Forecast 2011/ 2012 NZ$000's	Forecast 2012/ 2013 NZ$000's	Forecast 2013/ 2014 NZ$000's	Forecast 2014/ 2015 NZ$000's	Forecast 2015/ 2016 NZ$000's	Forecast 2016/ 2017 NZ$000's	Forecast 2017/ 2018 NZ$000's	Forecast 2018/ 2019 NZ$000's
Cash flows from Operating Activities										
Receipts from Rates Revenue	39,064	40,771	43,331	46,037	49,435	52,606	56,269	59,065	61,914	64,122
Subsidies Received	12,132	12,609	13,457	14,546	14,576	15,353	15,416	19,183	17,716	18,354
Contributions Received	3,568	3,695	4,234	6,282	6,240	6,198	6,418	6,946	6,016	5,873
Receipts from Activities Revenue	8,964	10,091	11,190	12,395	13,161	13,873	15,605	16,861	16,512	16,516
Interest Received	174	277	350	347	344	373	393	247	251	219
Dividends Received	-	-	-	273	326	372	700	700	700	700
Payments to Suppliers	(22,270)	(22,179)	(22,667)	(23,152)	(24,286)	(25,079)	(26,032)	(27,160)	(28,061)	(28,910)
Payments to Employees	(15,228)	(15,998)	(16,513)	(17,517)	(18,669)	(19,493)	(20,451)	(21,254)	(22,004)	(22,843)
Interest Paid	(1,916)	(2,213)	(2,518)	(2,751)	(3,094)	(3,150)	(3,535)	(3,402)	(3,255)	(3,222)
Net Cash from Operating Activities	**24,488**	**27,053**	**30,864**	**36,460**	**38,033**	**41,053**	**44,783**	**51,186**	**49,789**	**50,809**
Cash flows from investing activities										
Proceeds from sale of Property, Plant and Equipment	4,536	140	157	332	375	320	326	330	260	272
Community loans repayments received	37	39	42	46	49	54	24	26	28	30
Purchase of Intangible Assets	(1,100)	(365)	(266)	(423)	(289)	(363)	(1,544)	(568)	(327)	(223)
Purchase of Property, Plant and Equipment	(42,662)	(28,702)	(36,925)	(37,644)	(38,429)	(47,060)	(41,193)	(43,013)	(45,298)	(46,827)
Acquisition of Investments	(1,875)	-	-	-	-	-	-	-	-	-
Net cash from Investing Activities	**(41,064)**	**(28,888)**	**(36,992)**	**(37,689)**	**(38,294)**	**(47,049)**	**(42,387)**	**(43,225)**	**(45,337)**	**(46,748)**
Cash flows from Financing Activities										
Proceeds from Borrowings	18,016	19,508	6,971	7,173	23,912	7,897	1,664	21,340	2,632	3,435
Repayment of Borrowings	(1,424)	(16,019)	(985)	(5,766)	(24,634)	(1,444)	(5,000)	(29,000)	(7,000)	(8,000)
Net cash from Financing Activities	**16,592**	**3,489**	**5,986**	**1,407**	**(722)**	**6,453**	**(3,336)**	**(7,660)**	**(4,368)**	**(4,565)**
Net (Decrease)/ Increase in Cash, Cash Equivalent and Bank Overdrafts	**16**	**1,654**	**(142)**	**176**	**(983)**	**457**	**(940)**	**301**	**84**	**(504)**
Cash, Cash Equivalents and Bank Overdrafts at the Beginning of the Year	716	732	2,386	2,244	2,420	1,437	1,894	954	1,255	1,339
Cash, Cash Equivalents and Bank Overdrafts at 30 June	**732**	**2,386**	**2,244**	**2,420**	**1,437**	**1,894**	**954**	**1,255**	**1,339**	**835**

Consolidated Estimated Cost of Service Statement

A forecast for the 10 years ending 30 June 2019

	Forecast 2009/2010 NZ$000's	Forecast 2010/2011 NZ$000's	Forecast 2011/2012 NZ$000's	Forecast 2012/2013 NZ$000's	Forecast 2013/2014 NZ$000's	Forecast 2014/2015 NZ$000's	Forecast 2015/2016 NZ$000's	Forecast 2016/2017 NZ$000's	Forecast 2017/2018 NZ$000's	Forecast 2018/2019 NZ$000's
Income										
Rates income - targeted rates	7,660	8,538	9,202	9,919	10,638	11,669	12,560	13,471	14,370	15,152
Finance income	605	743	908	1,085	1,252	1,562	1,982	2,426	2,949	3,494
Activity income - other than contributions and subsidies	9,463	10,202	11,363	12,577	13,263	13,982	15,892	17,032	16,420	16,533
Activity income - contributions	3,568	3,696	4,234	6,281	6,240	6,199	6,418	6,946	6,016	5,872
Activity income - subsidies	12,199	12,655	13,546	14,657	14,567	15,440	15,413	19,602	17,507	18,450
Less Internal Interest	(605)	(743)	(908)	(1,085)	(1,252)	(1,562)	(1,982)	(2,426)	(2,949)	(3,494)
Total Income	**32,890**	**35,091**	**38,345**	**43,434**	**44,708**	**47,290**	**50,283**	**57,051**	**54,313**	**56,007**
Expenditure										
Audit fees	83	86	185	90	92	199	96	99	214	104
Depreciation and amortisation expense	13,981	15,013	15,550	16,311	17,352	18,073	18,814	20,307	21,198	21,896
Personnel costs	15,347	16,079	16,567	17,635	18,796	19,578	20,559	21,340	22,087	22,937
Finance costs	2,858	3,428	4,076	4,510	4,907	5,274	6,013	5,984	5,907	6,133
Activity expenditure	21,621	21,573	21,941	22,584	23,715	24,356	25,425	26,529	27,252	28,195
Indirect costs	0	0	2	3	2	2	2	2	3	2
Other expenditure	58	60	62	63	65	66	68	72	74	76
Less Internal Interest	(1,068)	(1,354)	(1,708)	(1,905)	(1,954)	(2,261)	(2,609)	(2,706)	(2,771)	(3,024)
Total operating expenditure	**52,880**	**54,885**	**56,675**	**59,291**	**62,975**	**65,287**	**68,368**	**71,627**	**73,964**	**76,319**
Surplus/(Deficit) before tax	**(19,990)**	**(19,794)**	**(18,330)**	**(15,857)**	**(18,267)**	**(17,997)**	**(18,085)**	**(14,576)**	**(19,651)**	**(20,312)**
Council reserves	(2,128)	(2,372)	(2,674)	(4,231)	(4,364)	(3,694)	(4,359)	(4,342)	(4,103)	(4,056)
General Rate - Net Transfers	33,947	32,952	35,238	34,993	39,177	40,523	42,481	43,793	44,609	46,774
Replacement reserves	1,561	1,223	795	857	1,255	614	1,895	2,225	2,433	2,373
Targeted rate reserves - capital	(1,737)	(1,579)	(7,49)	(1,912)	(2,147)	(1,942)	(1,811)	(2,368)	(1,730)	(1,785)
Targeted rate reserves - operational	1,706	1,693	1,116	1,463	360	5,042	(828)	(1,840)	234	629
External loans raised	22	0	0	0	0	0	0	0	0	0
Income applied to capital	(13,381)	(12,123)	(15,396)	(15,313)	(16,014)	(22,546)	(19,293)	(22,892)	(21,792)	(23,623)
Total Surplus/(Deficit) Funding	**19,990**	**19,794**	**18,330**	**15,857**	**18,267**	**17,997**	**18,085**	**14,576**	**19,651**	**20,312**

Consolidated Estimated Capital Funding Requirements

A forecast for the 10 years ending 30 June 2019

	Forecast 2009/2010 NZ$000's	Forecast 2010/2011 NZ$000's	Forecast 2011/2012 NZ$000's	Forecast 2012/2013 NZ$000's	Forecast 2013/2014 NZ$000's	Forecast 2014/2015 NZ$000's	Forecast 2015/2016 NZ$000's	Forecast 2016/2017 NZ$000's	Forecast 2017/2018 NZ$000's	Forecast 2018/2019 NZ$000's
Capital Expenditure										
Legislation/Standards	852	131	75	257	77	190	24	214	0	0
Growth/Demand	6,085	5,888	11,068	8,733	8,484	16,436	8,351	7,801	10,703	10,406
Level of Service	7,153	7,086	10,009	9,791	10,927	9,700	11,232	10,661	10,380	11,589
Renewal	18,108	15,962	16,039	19,286	19,230	21,097	23,130	24,905	24,542	25,056
External Loan repayments	2,434	2,746	2,701	2,904	2,987	3,094	3,252	3,073	2,947	2,643
Internal Loan repayments	494	522	553	587	618	657	699	745	185	170
Total Capital projects	**35,126**	**32,335**	**40,445**	**41,558**	**42,323**	**51,174**	**46,688**	**47,399**	**48,757**	**49,863**
Funding										
Council Reserves	(1,640)	(2,156)	(3,058)	(3,587)	(5,132)	(3,036)	(6,326)	(4,053)	(3,722)	(4,878)
General Rate - Net Transfers	758	(1,204)	(1,412)	(3,990)	(3,459)	(5,014)	(6,189)	(6,849)	(7,872)	(7,481)
Replacement Reserves	(11,649)	(11,471)	(12,680)	(11,779)	(11,885)	(11,571)	(13,112)	(11,978)	(12,218)	(11,950)
Targeted Rate Reserves - Capital	(2,741)	(1,488)	(3,364)	(1,228)	(2,974)	(5,964)	(530)	(330)	(2,553)	(1,477)
Targeted Rate Reserves - Operational	59	668	969	1,732	1,297	5,104	7,52	373	2,292	3,253
Asset Sales	(122)	(53)	(34)	(220)	(244)	(250)	(326)	(330)	(260)	(272)
External Loans Raised	(6,410)	(4,508)	(5,470)	(7,173)	(3,912)	(7,897)	(1,664)	(1,340)	(2,632)	(3,435)
Income applied to capital	(13,381)	(12,123)	(15,396)	(15,313)	(16,014)	(22,546)	(19,293)	(22,892)	(21,792)	(23,623)
Total Funding	**(35,126)**	**(32,335)**	**(40,445)**	**(41,558)**	**(42,323)**	**(51,174)**	**(46,688)**	**(47,399)**	**(48,757)**	**(49,863)**

Reconciliation Statement of Estimated Capital Funding Requirements and Prospective Cash Flows

A forecast for the 10 years ending 30 June 2019

	Forecast 2009/ 2010 NZ$000's	Forecast 2010/ 2011 NZ$000's	Forecast 2011/ 2012 NZ$000's	Forecast 2012/ 2013 NZ$000's	Forecast 2013/ 2014 NZ$000's	Forecast 2014/ 2015 NZ$000's	Forecast 2015/ 2016 NZ$000's	Forecast 2016/ 2017 NZ$000's	Forecast 2017/ 2018 NZ$000's	Forecast 2018/ 2019 NZ$000's
Capital Expenditure										
Total Capital Projects	35,126	32,335	40,445	41,558	42,323	51,174	46,688	47,399	48,757	49,863
Purchase of Intangible Assets	1,100	365	266	423	289	363	1,544	568	327	223
Purchase of Property, Plant and Equipment	42,662	28,702	36,925	37,644	38,429	47,060	41,193	43,013	45,298	46,827
Difference	(8,636)	3,268	3,254	3,491	3,605	3,751	3,951	3,818	3,132	2,813
The difference is due to the following items:										
Loan repayments	2,928	3,268	3,254	3,491	3,605	3,751	3,951	3,818	3,132	2,813
Carried forward projects from previous year	(11,564)	0	0	0	0	0	0	0	0	0
	(8,636)	3,268	3,254	3,491	3,605	3,751	3,951	3,818	3,132	2,813