

Financial Information

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Assumptions, contingencies and major risks

1. Introduction

In preparing the Long Term Plan 2006-2016, a number of assumptions and predictions about the future were made. There are always inherent risks with such forecasting. This section has been designed to identify the assumptions made and explain the risks associated with those assumptions.

The Annual Plan uses these assumptions.

2. Growth

According to the 2001 Census, the Western Bay of Plenty was the eighth fastest growing District in New Zealand.

The Statistics NZ growth assumptions have been conservative and under-represent actual growth. Consequently, in projecting the level of growth for the District, Council has taken into account:

- a) Identified trends over the last three census periods.
- b) Future trends for each area within the Western Bay of Plenty District based on planning studies and independent research. In particular, the SmartGrowth research on population growth, migration and occupancy rates.

The table below shows the growth for the District. Rates of growth will vary across the District.

Western Bay of Plenty District Council – Growth Projections 2006-2016

Year ended 30 June	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Average
Additional properties	376	376	376	376	376	368	368	368	368	368	372
Incremental growth (%)	2.04%	2.04%	2.04%	2.04%	2.04%	1.81%	1.81%	1.81%	1.81%	1.81%	1.92%
Estimated No of rateable properties	18,826	19,202	19,518	19,954	20,330	20,698	21,066	21,434	21,802	22,170	

3. Date of assumptions

The assumptions underlying this prospective financial information were authorised by Council as at 25 February 2008. Actual results to 31 December 2007 have been incorporated in this prospective information.

4. The nature of prospective financial information

The prospective financial information presented in this Financial Plan comprises both forecasts and projections.

- Forecasts are prepared on assumptions as to future events that can reasonably be expected to occur. Information presented for the 2007/08 financial year are forecasts.
- Projections are prepared on the basis of hypothetical but realistic assumptions that reflect possible courses of action. Information presented for the 2008/09 financial year and beyond are projections.
- These prospective financial statements comply with Financial Reporting Standard (FRS) 42; Prospective Financial Statement.

5. Cautionary note

The actual results are likely to vary from the information disclosed, and such variation may be material. The prospective financial information is prepared under section 93 of the Local Government Act 2002. This information may not be suitable for use in any other capacity.

6. External cost drivers (Inflation)

Council cannot remove itself from external cost drivers such as inflation. In order to provide the reader of Financial Statements with the full financial effect of cost drivers, Council has adjusted financial data by the table below which was prepared by Business and Economic Research Ltd (BERL). The application of the adjusters creates an inherent risk upon the results of the financial projections of each activity.

* Table 1 Adjustors: Index June 2007 – 2008 for LTCCP

Year Ending	Road	Property	Water	Energy	Staff	Other
Jun 05	946	941	913	907	945	945
Jun 06	976	973	961	962	976	971
Jun 07	1000	1000	1000	1000	1000	1000
Jun 08	1026	1029	1042	1041	1026	1031
Jun 09	1050	1057	1084	1081	1050	1062
Jun 10	1074	1084	1124	1120	1073	1090
Jun 11	1095	1109	1162	1157	1094	1117
Jun 12	1116	1132	1198	1192	1114	1143
Jun 13	1134	1154	1232	1225	1133	1167
Jun 14	1151	1174	1264	1255	1150	1188
Jun 15	1166	1191	1293	1283	1165	1208
June 16	1182	1209	1322	1311	1180	1227
Jun 17	1197	1228	1352	1340	1195	1251

* Updated from LTCCP because of change in transportation costs.

Actual Costs

The movement in a number of activities have moved significantly. These are discussed within each activity.

7. Interest rates

- The interest rate on future term borrowing between 2006 and 2016 is estimated to be between 6.5% and 7%.
- The interest rate on investments between 2006 and 2016 is estimated at 5.5% to 6%.

These are based on cost existing hedges and market information.

8. Roading subsidies

Land Transport NZ, a government agency, subsidises local road maintenance, and has an established formula to calculate the level of subsidy received by each council. This formula takes into consideration the averaged net equalised land value. Due to the increasing value of land within the Western Bay of Plenty District this has resulted in a decrease in the value of subsidy received. The philosophy behind this is that higher land values indicate that Council is in a better position to fund roading, and has less need for subsidies. Council's current subsidy rate is 45%, which may reduce to 43% over the period of the plan.

Land Transport New Zealand will be reviewing the financial assistance rates every three years.

Statement of Accounting Policies

1. Reporting entity

The Western Bay of Plenty District Council is a territorial local authority governed by the Local Government Act 2002. This legislation includes the requirement to comply with generally accepted accounting practices, including New Zealand equivalent to International Financial Reporting Standards as appropriate for Public Benefit Entities.

Associate entities

Council has a 50% shareholding in the Western Bay of Plenty Moana Rural Fire Authority and a 1/8th share in Bay of Plenty Local Authority Shared Services Limited (BOPLASS). The Council also has a 50% shareholding in the Western Bay of Plenty Tourism and Visitors Trust. Council's interest in these entities is reflected in the Council's financial statements on an equity accounting basis, which shows the share of surpluses in the Statement of Financial Performance and the share of increases/decreases in net assets in the Statement of Financial Position.

2. Basis of preparation

The general accounting principles recognised as appropriate for the measurement and reporting of results and financial position on an historical cost basis, modified by the revaluation of certain infrastructure assets, investment property, biological assets and financial instruments (including derivative instruments).

3. Cost of Service Statements

Western Bay of Plenty District Council has derived the cost of service for each significant activity of Western Bay of Plenty District Council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

4. Revenue

Revenue is measured at the fair value of consideration received.

5. Rates revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

6. Other revenue

6.1 Water billing revenue is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

6.2 Traffic and parking infringements are recognised when fines are issued.

6.3 Government grants - Western Bay of Plenty District Council receives government grants from Land Transport New Zealand, which subsidises part of Western Bay of Plenty District Council's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Sales of goods are recognised when a product is sold to the customer. Sales are usually in cash or by credit.

6.4 Assets vested in Western Bay of Plenty District Council are recognised as revenue when control over the asset is obtained. Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue.

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

6.5 **Interest income** is recognised using the effective interest method.

6.6 **Dividends** are recognised when the right to receive payment has been established.

6.7 **Financial Contributions** - The revenue recognition point for development and financial contributions is at the later of the point when Western Bay of Plenty District Council is ready to provide the service for which the contribution was levied, or the event that will give rise to a requirement for a development or financial contribution under the legislation.

In addition Council collects rating revenue on behalf of Environment BOP (Bay Of Plenty Regional Council). This revenue is not included in the statement of Financial Performance or the cost of service statements. It is however included in the Statement of Cash Flows.

7. **Expenditure**

7.1 **Grant expenditure**

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received. Discretionary grants are those grants where Western Bay of Plenty District Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Western Bay of Plenty District Council's decision.

7.2 **Borrowing Costs**

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. For Western Bay of Plenty District Council, the period being over two years or greater.

Other borrowing costs are recognised as an expense in the period in which they are incurred.

8. **Leases**

8.1 **Finance leases** - A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

8.2 **Operating leases** - 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 as an expense on a straight-line basis over the lease term.

9. **Assets**

9.1 **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

9.2 **Trade and Other Receivables**

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Loans and receivables, such as deposits and term deposits, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are measured at initial recognition, at fair value, and subsequently carried at amortised cost less impairment losses.

Loans, including loans to community organisations made by Western Bay of Plenty District 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 statement of financial performance as a grant.

9.3 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. 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 statement of financial performance. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

9.4 Other financial assets

Western Bay of Plenty District Council classifies its financial assets into the following four categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and financial assets at fair value through equity. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the statement of financial performance.

Purchases and sales of investments are recognised on trade-date, the date on which Western Bay of Plenty District Council commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Western Bay of Plenty District Council has transferred substantially all the risks and 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. Western Bay of Plenty District Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The four categories of financial assets are:

9.5 Financial assets at fair value through profit or loss - This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss 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 remeasurement are recognised in the statement of financial performance. Financial assets in this category include shares.

Currently, Western Bay of Plenty District Council does not hold any financial assets in this category.

9.6 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 derecognised are recognised in the statement of financial performance. Loans and receivables are classified as "trade and other receivables" in the statement of financial position.

- 9.7 **Held to maturity investments** - Held to maturity investments are assets with fixed or determinable payments and fixed maturities that Western Bay of Plenty District Council has the positive intention and ability to hold to maturity.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the statement of financial performance.

Currently, Western Bay of Plenty District Council does not hold any financial assets in this category.

- 9.8 **Financial assets at fair value through equity** – Financial assets at fair value through equity are those that are designated as fair value through equity or are not classified in any of the other categories above.

This category encompasses:

- Investments that Western Bay of Plenty District Council intends to hold long-term but which may be realised before maturity; and
- Shareholdings that Western Bay of Plenty District Council holds for strategic purposes. Western Bay of Plenty District Council investments in its associate is not included in this category as it is held at cost (as allowed by NZ IAS 28 Investments in Associates) whereas this category is to be measured at fair value.

After initial recognition these investments are measured at their fair value.

Gains and losses are recognised directly in equity except for impairment losses, which are recognised in the statement of financial performance.

In the event of impairment, any cumulative losses previously recognised in equity will be removed from equity and recognised in statement of financial performance even though the asset has not been derecognised.

On derecognition the cumulative gain or loss previously recognised in equity is recognised in the statement of financial performance.

- 9.9 **Impairment of financial assets**

At each balance sheet date Western Bay of Plenty District 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 statement of financial performance.

10. **Accounting for derivative financial instruments and hedging activities**

Western Bay of Plenty District Council uses derivative financial instruments to hedge exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, the Western Bay of Plenty District 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 remeasured at fair value at each balance date.

Derivative financial instruments are recognised initially at fair value. The Council has elected not to hedge account for these derivative financial instruments. This is a variation to Council's borrowing management policy.

11. **Investment Properties**

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 is measured initially at its cost, including transaction costs.

After initial recognition, Western Bay of Plenty District Council measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the statement of financial performance. There is no depreciation on investment properties.

The last full revaluation was as at 1 July 2006 by an independent registered valuer. That valuer was Property Solutions (BOP) Limited.

12. Intangible Assets

12.1 Software acquisition and development - Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by Western Bay of Plenty District Council, are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

12.2 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 derecognised. The amortisation charge for each period is recognised in the statement of financial performance.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

- Computer software licences are capitalised at historic cost and are amortised over their estimated useful lives (5 years).
- Resource consents which are not attributed to a specific asset are capitalised at historic cost and are amortised over their estimated useful lives.

13. Property Plant and Equipment

Property, plant and equipment consists of:

(a) Infrastructural Assets

Infrastructural assets are the fixed utility systems owned by Council. Each asset type includes all items that are required for the network to function, i.e. wastewater reticulation includes restriction piping and wastewater pump stations.

(b) Restricted Assets

Restricted assets are parks and reserves owned by Council which cannot be disposed of because of legal or other restrictions, and provide a benefit or service to the community.

(c) Operational Assets

Other assets include land, buildings, plant, library books, equipment and motor vehicles.

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

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

14. Depreciation - Depreciation is provided on a straight-line basis in respect of buildings, bridges and other structures, and diminishing value for motor vehicles, plant and equipment, office equipment and furnishings. Land and drains are non depreciable. The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

The depreciation rates used will write off the cost or valuation of the asset to their residual value, over their expected economic lives in accordance with the following table:

<i>Asset Category</i>	<i>Estimated Economic Life (Years)</i>	<i>Method</i>
Land	Nil	
Buildings	100	Straight Line
Concrete	40	Straight Line
Wooden		
Motor Vehicles	5	Diminishing Value
Treatment Plant and Equipment	25-50	Diminishing Value
Other Plant and Equipment	10	Diminishing Value
Office Equipment and Furnishings	10	Diminishing Value
Computer Systems	5	Diminishing Value
Library Books	10-15	Straight Line
Other Structures:		
Wooden Reservoirs	80	Straight Line
Concrete Reservoirs	100	Straight Line
Dams	100	Straight Line
Bores	100	Straight Line
Bridges: Concrete		
Steel	100	Straight Line
	50	Straight Line
Roading:		
Base Course	25-75 years ¹	Straight Line
Seal	12 years ¹	Straight Line
Unsealed Roads	3-5 years ¹	Straight Line
Other	5-70 years ¹	Straight Line
Reticulation:		
Sewerage	60 to 100 years ²	Straight Line
Water	20 to 60 years ²	Straight Line
Stormwater	80 to 120 years ²	Straight Line

¹ Life depends on road type and traffic volumes

² Life depends on material type of pipe

15. Revaluation

The Western Bay of Plenty District Council accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the statement of financial performance.

Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the statement of financial performance will be recognised first in the statement of financial performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Those asset classes that are revalued are valued on a three yearly valuation cycle on the basis described below. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value. All other asset classes are carried at depreciated historical cost, except:

(a) Land and buildings have been valued at fair value by independent registered valuers effective 1 July 2006. The valuers employed were Landmass Technology Ltd.

The policy is to revalue every three years and record additions at cost in the intervening period. Assets acquired or constructed after the 1 July 2006 revaluation are carried at cost less accumulated depreciation.

(b) Roothing has been revalued at 1 July 2006 based on a depreciated replacement cost basis by independent registered valuers. The valuers employed were Opus Limited.

(c) Other infrastructural assets were revalued at 1 July 2006 based on a depreciated replacement cost basis by independent registered valuers. The valuers employed were Duffill Watts & Hanna Ltd.

(d) Land under roads was valued using average land value, within Wards, as at 1 July 2006 by independent registered valuers. The valuers employed were Landmass Technology Ltd.

- (e) The library book stock has been valued effective 1 July 2006 based on a depreciated replacement cost basis by independent registered valuers. The valuers employed for library valuations were Maunsell Limited.
- (f) Vested infrastructural assets have been valued based on the actual quantities of infrastructural components vested and current in-ground cost of providing identical services.

Assets vested to Council are recognised in the Statement of Financial Performance as revenue and in the Statement of Financial Position as fixed assets.
- (g) Vehicles and office furniture and equipment are valued at the lower of cost less accumulated depreciation and net realisable value.
- (h) Work in progress is valued at the lower of cost and net realisable value.

16. Impairment of Non-Financial Assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

17. Liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Council after deducting all of its liabilities.

18. Trade and Other Payables

Trade and other payables are initially measured at fair value, and where appropriate are subsequently measured at amortised cost, using the effective interest rate method.

19. Employee Benefits

Short-term benefits - Employee benefits that Western Bay of Plenty District Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. 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 provision for annual leave and long service leave has been calculated on an actual entitlement basis at current rates of pay.

The provision for retirement gratuities has been calculated on an actuarial basis bringing to account what is likely to be payable in the future in respect of service that employees have accumulated up until twelve months after balance date.

Payments to defined contribution superannuation schemes are recognised as an expense in the financial statements as incurred.

Western Bay of Plenty District 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 Western Bay of Plenty District Council anticipates it will be used by staff to cover those future absences.

20. Provisions

A provision is recognised in the Statement of Financial Position when the Council has a present obligation as a result of a past event, it is probable that an outflow of economic benefits, and the amount of which can be reliably estimated, the Council will be required to settle that obligation.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

20.1 Landfill Post-Closure Provision - Council, as operator of the Te Puke & Athenree landfills, has a legal obligation under the resource consent to provide ongoing maintenance and monitoring services at the landfill sites after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

The provision is measured 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 landfills post-closure.

20.2 Performance Based Contract Provision - The PBC contract is a Rooding Contract between Opus International Consultants and the Western Bay of Plenty District Council for a fixed value (plus cost variations) over a 10 year period in return for the network being "maintained" to a required standard which is measured by a number of Key Performance Indicators and Operational Performance Measures. In instances where the contractor has over performed against key performance indicators, a provision is recognised being the present value of future cash outflows expected to be incurred relating to capital works done in advance.

21. Bank Borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Finance charges, premiums payable on settlement or redemption and direct costs are accounted for on an accrual basis in the Statement of Financial Performance using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

22. Equity

Equity is the community's financial interest in the Council as measured by the value of total assets less total liabilities. Equity is classified into a number of reserves to enable clearer identification of the uses Council makes of its accumulated surpluses. The components of equity are:

- Retained Earnings
- Restricted Reserves
- Council Created Reserves
- Asset Revaluation Reserves

• Restricted Reserves

Restricted Reserves are those reserves subject to specific conditions that may not be altered without reference to Courts or third parties. Transfers to and from these reserves may be made only for specific purposes or if certain specified conditions are met.

• Council Created Reserves

Council created reserves established by Council decision are formally imposed designations of public equity that indicate Council's intention to use a certain level of resources for a special purpose. Transfer to and from these reserves is at the discretion of Council. The purpose for which these reserves were established may be altered without reference to third parties.

• Asset Revaluation Reserves

Retained earnings comprise accumulated revaluation increments/decrements

23. **Goods and Services Taxation**
All items in the financial statements, including commitments and contingencies 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.
24. **Statement of Cash Flows**
Cash comprises cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which Council invests as part of its day-to-day cash management.
- 24.1 **Operating activities** include cash received from all income sources of Council and cash payments made for goods and services including employee payments, interest on public debt and Regional Council rates.
- 24.2 **Investing activities** are those activities relating to the acquisition and disposal of non-current assets.
- 24.3 **Financing activities** comprise the change in debt capital structure of Council.
25. **Contingent Assets and Contingent Liabilities**
Contingent assets and contingent liabilities are recorded at the point at which the contingency is evident and if the possibility that they will materialise is not remote. Contingent assets are disclosed if it is probable that the benefits will be realised.

Overall Revenue and Financing Impact Statement

1. Council's Revenue and Financing Policy for each activity is integrated within this plan, and can be found in the Revenue and Financing pages for each activity. When choosing revenue tools for each activity, Council considered the impact these decisions would have on the wellbeing of the District's various communities.

This Overall Impact Statement deals with the revenue and financing decisions taken at a "whole of Council" level. It documents Council's high level rating policy, and summarises the rationale for the rating decisions taken. In coming to these decisions, Council considered the overall impact on the wellbeing of the District, and examined rates models which provided a picture of the impacts on a range of representative properties.

When read in conjunction with the Funding Impact Statement, this statement provides the link between the funding decisions taken at the activity level, with the eventual rates assessment that each ratepayer will receive.

2. **Rating Unit**
Under the Local Government (Rating) Act 2002 Council has the ability to set its unit of rating as a dwelling, as opposed to a property. Council has chosen to maintain its rating unit as a property, not a dwelling. This is consistent with its policy in previous years. Council will review this policy within the term of the plan.

3. **Rating Basis**
The Local Government (Rating) Act 2002 allows Council to choose from three rating systems - the land value rating system, the capital value rating system and the annual value rating system. There is no legislation prescribing the best type of rating system for each Council.

Councillors have agreed that the annual value rating system is not suitable for the Western Bay of Plenty District and has confined its debate to either the land value or the capital value based systems. On Council's property valuations, a land value and

an improvement value are shown, but Council does not currently charge any rates based on the capital value (land value plus improvements value).

If Council were to move to a capital value rating system for one or more of its rates, the total amount of rates collected would remain the same, but the incidence of rating would shift. To illustrate the differences between the land and capital value rating systems, consider two identical value pieces of land, one with a substantial dwelling on it and the other with no improvements. Under the land value rating system the two properties would pay exactly the same rates. Under the capital value rating system, the property with the substantial improvement would pay more than the property that was undeveloped. Currently Council has adopted the land value based rating system.

4. **General Rates**
General Rates consist of a rate in the dollar charged on land value, and a Uniform Annual General Charge (UAGC), which is a flat amount levied on each separate rating unit. The size of the UAGC is set each year by Council and is used as a levelling tool in the collection of General Rates. If the UAGC were set at zero, the effect would be to increase the amount of General Rates assessed on land value, which would increase the share levied on properties with higher land values and to decrease the share levied on lower land values.

In setting the level of the UAGC, Council considered the following issues:

- The impact of a high UAGC on those with low incomes and relatively low land values.
- The impact of a low UAGC on the relative share of rates levied on large rural properties.
- Fairness and equity, and the social consequences of an unfair distribution of rates.
- The collective effect of other flat charges (e.g. Environment Protection Rate, targeted rate for libraries) on affordability for low income households.

5. Differential General Rate

Council's policy is to have the same system for charging General Rates across the whole District.

Council's current differential rates policy is: -

- Residential Zoned Areas 1.0
- Rural Zoned Areas 1.0
- Commercial/Industrial Zoned Areas 1.0

These differentials apply only to the General Rate.

This policy is scheduled for review during the term of this plan.

6. Multiple Dwelling Differential

Council's rating unit is a property, not a dwelling. For rating units where there are more than five dwellings, the following differentials have been established to take account of the increased demand for services from such properties.

Number of dwellings on each rating unit	Differential
5-9	1.05
10-14	1.20
15-19	1.30
20-25	1.40
26-29	1.50
30-34	1.60
35-39	1.80
40+	1.90

7. Environmental Protection Rate

The Environment Protection Rate is a fixed charge on each rateable unit. It funds a number of activities that impact on the environment and that are seen to benefit the District as a whole.

8. Roothing Rates

There are three Roothing rates:

- Roothing Rate on land value
- Roothing UAC (fixed amount)
- Rural Works Charge (fixed amount)

The Rural Works Charge and the Roothing UAC are levelling tools used by Council to reduce the share of rooothing rates levied on higher value properties. If these fixed charges were not included, large pastoral farms, for example, would be liable for an unfairly large share of the revenue required for rooothing.

Roothing Rate differentials have been established to recover some of the private benefit for users of the network. Council is unable to collect direct user charges; only central government can charge Road User Fees and levy Petrol Tax. The Roothing Rate on land value is calculated using the following differentials:

- Residential Zoned Areas 1.0
- Rural Zoned Areas 1.0
- Commercial/Industrial Zoned Areas 2.0

9. Targeted Rates

Council uses targeted rates (as defined in the Local Government (Rating) Act 2002) to collect funds over areas of benefit. This rating tool is chosen where the services concerned are specific to a particular community or area within the District, and it is not considered fair to charge all ratepayers - e.g. charges for Town Centre Promotion, Halls, Recreation. Details of these rates are shown in the Funding Impact Statement.

10. Water Metering

Council's policy on water meters is that all properties 0.5 ha (1.23 acres) and larger, which are connected to Council's water supply and all properties likely to use more water than the usual household amount, will be metered. In establishing the criteria for water metering, Council has recognised the environmental benefits that would result from water conservation if all users were metered, and balanced that against the cost of installing meters on all properties, and the affordability of such a strategy.

Where meters are in use, charges are as follows: -

- Each property will be charged the Uniform Annual Basic Water Charge for the first meter, and
- An additional Uniform Annual Charge will be charged for every extra meter on the property. This covers the costs of reading, billing, maintenance and future meter replacement.
- A charge based on water consumption is also levied.

11. Wastewater

Council's policy on wastewater charges is: -

11.1 Uniform Annual Charge

All properties connected or available to be connected (within 30 metres of a public wastewater drain) will be charged a Uniform Annual Wastewater Charge.

11.2 Multiple Connection Charges

Council has a policy for charging properties with more than one toilet. It applies to all wastewater schemes.

- Each residential household will pay one standard connection charge to the wastewater scheme regardless of the number of toilets in the dwelling. This charge covers fixed and variable costs.
- For non-residential properties with more than one toilet, each property will pay the standard connection charge for the first toilet. For each additional toilet, the charge will be:-
 - ¼ of the variable cost component of the standard connection charge, plus
 - the full fixed cost component of the standard connection charge.

The intention of this policy is to achieve a fair allocation of the costs of the wastewater scheme, based on the usage of capacity in the system.

Council acknowledges that in some instances additional toilets are installed in non-residential properties only for convenience, and they do not result in an increase in total usage. Council intends to develop a policy whereby non-residential ratepayers

who believe they are being unfairly treated under the current policy can appeal to Council to reduce the number of connections they are charged for.

It is intended that Council will take into account the provisions of the Building Act when making a judgment on the number of toilets required for the capacity of the building, and the number that have been provided in addition.

12. Schools

Council noted that the Rating Powers (Special Provision for Certain Rates for Educational Establishment) Amendment Act 2001, was repealed. Given that schools, by and large, have accepted the charges levied under this legislation, Council has resolved to charge schools for sewerage disposal on the same basis as that envisaged by the above Act, but as a targeted rate for each individual school in the District.

13. Financial Contributions (Development Impact Fees / Financial Contributions)

Council's policy on Financial Contributions is contained in the Policies and Statements section of this document. Set out in the following table are the existing and proposed Financial Contributions.

14. In charging financial contributions, Council reserves to itself a discretion to reduce or waive a financial contribution for the following activities, subject to Council being satisfied the activity will result in a clear benefit to the wider community or a particular sector of the community and the charging of financial contributions would appreciably reduce or negate the anticipated benefit:

- An activity that will result in the protection of the natural environment or heritage;
- An activity that provides affordable housing for low income families or the elderly;
- An activity that provides for affordable housing on multiple owned Maori land.

Financial Contributions

All figures include GST	Annual Plan 2007/2008	Notified by way of District Plan Change	Annual Plan 2008/2009
Reserves	5.01% of market value of additional lot(s) created		
Waihi Beach Wastewater	\$5,824	0	\$6,311
Te Puke Wastewater	\$4,101		\$5,640
Katikati Wastewater	\$4,134		\$5,018
Omokoroa Wastewater *	\$7,587	\$8,218	\$8,220
Western Water	\$3,711		\$3,105
Central Water *	\$2,805	\$3,123	\$2,940
Eastern Water	\$4,762		\$4,461
Roading Urban – Waihi Beach	\$7,057		\$7,327
Roading Urban – Katikati	\$10,919		\$10,995
Roading Urban – Omokoroa (Catchment Areas 1&2) *	\$10,998	\$13,938	\$13,938
In addition to the Roding Urban – Omokoroa financial contributions are the following financial contributions for the respective catchment sub areas *			
Roading Urban – Omokoroa (link Lynley Park to Margaret Pl – per 100m ²) *		\$495.81	\$495.81
Roading Urban – Omokoroa (Hamurana extension catchment – per 100m ²) *		\$1,590.44	\$1,590.04
Roading Urban – Omokoroa (Goldstone blocks – per 100 m ²) *		\$165.63	\$165.63
Roading Urban – Te Puke	\$3,051		\$3,051
Roading – Waihi Beach/Katikati Ward	\$5,475		\$6,023
Roading – Kaimai Ward	\$7,636		\$8,400
Roading – Te Puke/Maketu Ward	\$8,184		\$9,002
Ecological	\$448		\$464
Stormwater – Waihi Beach	\$2,913		\$3,065
Stormwater – Katikati	\$2,678		\$2,741
Stormwater – Omokoroa *	\$3,292	\$3,945	\$4,022
Stormwater – Te Puke	\$9,774		\$10,556

Note *

Financial contributions relating to Omokoroa and Central Water could be subject to change as a result on the decisions on Plan Change 69 Omokoroa Urbanisation.

Funding Impact Statement

	Last year 2008 \$000	LTCCP 2009 \$000	Annual Plan 2009 \$000
General Rates			
General Rate	8,997	8,730	9,759
Roading Rate	12,842	13,540	13,809
Targeted Rates			
Community Board Rates	576	585	609
Environment Protection Rate	1,267	1,023	1,173
District Library rate	737	723	790
Service Charges	12,398	14,165	13,185
Capital Contributions			
Financial contributions	7,462	8,437	8,639
Subsidies	7,856	13,738	6,415
Vested Assets	1,960	2,070	1,960
Other income			
Fees and charges	5,096	4,911	5,313
Other Income	4,420	3,262	3,891
Total operating revenue	<u>63,612</u>	<u>71,184</u>	<u>65,542</u>

	Last year 2008 \$000	LTCCP 2009 \$000	Annual Plan 2009 \$000
Other funding sources			
Loans	43,000	12,000	33,000
Cash reserves and surpluses	11,713	9,611	11,661
Total other funding sources	<u>54,713</u>	<u>21,611</u>	<u>44,661</u>
Total sources of funds	<u>118,325</u>	<u>92,795</u>	<u>110,203</u>
Less operating expenditure			
Operating Costs	36,136	33,944	37,748
Interest	5,875	6,790	7,420
Depreciation	11,477	12,171	12,632
Total operating expenditure	<u>53,488</u>	<u>52,905</u>	<u>57,799</u>
Other expenditure			
Capital expenditure	47,838	34,890	35,405
Debt repayment	17,000	5,000	17,000
Total other expenditure	<u>64,838</u>	<u>39,890</u>	<u>52,405</u>
Total expenditure	<u>118,325</u>	<u>92,795</u>	<u>110,204</u>
Operating Surplus / (Deficit)	10,124	18,279	7,744

Funding Impact Statement (continued)

	Annual Plan 2007/08 \$,000		Annual Plan 2008/09 \$,000	LTCCP estimate for 2008/09 \$,000
General Rate				
Uniform Annual General Charge	3,000,171	\$166.00	3,254,333	2,911,107
Uniform Rate based on land value	5,996,679	0.000791	6,504,693	5,818,660
	8,996,850		9,759,026	8,729,767
Differential Residential and Rural zoned properties	2,461,043	0.001181	2,646,450	2,594,841
Commercial/Industrial zoned properties	373,326	0.002361	401,452	393,623
Rural Zoned Properties	6,427,521	0.001181	6,911,751	6,776,962
Fixed amount for each rating unit	1,292,831	\$72.00	1,390,229	1,363,118
Fixed amount for each rating unit zoned rural	2,286,801	\$267.00	2,459,081	2,411,126
	12,841,522		13,808,964	13,539,669
Uniform Rate for all Land Value for each Community Boards areas			609,049	584,757
Waihi Beach Community Board	124,361	0.000113		
Katikati Community Board	123,806	0.000101		
Omokoroa Community Board	84,765	0.000233		
Te Puke Community Board	151,544	0.000138		
Maketu Community Board	91,703	0.000691		
Fixed amount for each rating unit in the district				
Environment Protection Rate	1,267,054	\$62.00	1,173,309	1,022,908
District Library Services	737,261	\$42.00	790,129	722,897

Funding Impact Statement (continued)

<i>Multi Dwelling Differential</i>		Residential	Commercial
number	Differential		
5-9	1.05	0.000098	0.000157
10-14	1.20	0.000394	
15-19	1.30	0.000591	
20-25	1.40	0.000788	
26-29	1.50	0.000985	
30-34	1.60	0.000000	
35-39	1.80	0.001575	
40+	1.90	0.001772	

	Annual Plan 2007/08 \$,000	Annual Plan 2008/09 \$,000	LTCCP estimate for 2008/09 \$,000
Roading Rate			
Fixed amount for each rating unit	84,864	84,864	410,298
Area of benefit Waihi beach Ward		\$ 16.00	
Commercial properties -Wilson Road		\$ 200.00	
Katikati Talisman Drive charge – area of benefit is Katikati Ward		\$ 10.90	
Western Water	1,572,385	1,727,500	1,734,979
Metered connection		\$ 229.00	
Un-metered connection		\$ 308.00	
Availability charge		\$ 114.50	
Multi-metered charge		\$ 63.00	
Metered water charge per m3		0.74	

Funding Impact Statement (continued)

	Annual Plan 2007/08 \$,000		Annual Plan 2008/09 \$,000	LTCCP estimate for 2008/09 \$,000
Central Water	700,221		753,107	789,431
Metered connection		\$	220.00	
Un-metered connection		\$	296.00	
Availability charge		\$	110.00	
Multi-metered charge		\$	61.00	
Metered water charge per m3		\$	0.72	
Eastern Water	1,807,346		1,883,583	1,925,452
Metered connection		\$	310.00	
Un-metered connection		\$	380.00	
Availability charge		\$	155.00	
Multi-metered charge		\$	64.00	
Metered water charge per m3		\$	0.83	
Waihi Beach Wastewater	1,984,313		2,108,860	2,083,679
Capital and availability charge		\$	570.00	
Connection Charge		\$	202.00	
Total for one connection		\$	772.00	
Multiple pan Charge		\$	620.00	
Waihi Beach School		\$	5,404.91	
Katikati Wastewater	1,074,004		1,058,279	1,195,788
Connection Charge		\$	542.00	
Multiple pan Charge		\$	365.00	
Availability charge		\$	271.00	
School pan charge		\$	17,616.00	
Resort Pacifica-unit connection		\$	559.00	
Resort Pacifica-commercial conn		\$	8,381.00	

Funding Impact Statement (continued)

	Annual Plan 2007/08 \$,000		Annual Plan 2008/09 \$,000	LTCCP estimate for 2008/09 \$,000
Omokoroa Wastewater	857,188		942,213	987,265
Connection Charge		\$	195.00	
Capital Charge per dwelling		\$	582.00	
School pan charge		\$	-	
Multiple pan Charge		\$	631.00	
Astelia Place		\$	582.00	
Astelia Place Lump sum		\$	5,532.00	
Te Puke Wastewater	1,410,616		1,401,412	1,519,130
Connection Charge		\$	452.00	
Multiple pan Charge		\$	224.00	
Availablity charge		\$	226.00	
School pan charge		\$	15,648.00	
Maketu Wastewater	0		0	0
Stormwater	1,813,988		1,840,004	2,161,604
Fixed amount per rating unit for each rating unit within each stormwater area				
Kauri Point		\$	85.00	
Ongare Point		\$	85.00	
Tanners Pt		\$	85.00	
Tuapiro Pt		\$	85.00	
Te Puna		\$	85.00	
Pukehina		\$	85.00	
Waihi Beach		\$	200.00	
Katikati		\$	200.00	
Omokoroa		\$	200.00	
Te Puke		\$	200.00	
Paengaroa		\$	85.00	
Maketu		\$	85.00	
Minden		\$	124.00	

Funding Impact Statement (continued)

	Annual Plan 2007/08 \$,000		Annual Plan 2008/09 \$,000	LTCCP estimate for 2008/09 \$,000
Waihi Beach Coastal Protection	0		313,745	232,333
Defined area of benefit: rock revetment		\$	3,817.00	
Defined area of benefit: dunes		\$	1,048.00	
Defined area of benefit: dunes - 3 mile creek - Waihi Ward		\$	1,064.00 27.15	
Other Charges – a fixed amount for each rating unit (unless otherwise stated) within the defined area of benefit				
Pukehina Development fund	13,200		13,622	0
Pukehina development fund charge – area of benefit is Pukehina residential area		\$	20.00	
Natural Environment Support	0		0	16,249
Pukehina Beach Protection- Coastal		\$	46.20	
Pukehina Beach Protection-Inland		\$	8.35	
Swimming Pools	138,770		118,096	102,208
Katikati Ward		\$	13.80	
Te Puke Ward		\$	13.30	
Maketu Ward		\$	2.60	
Te Puke Pool rate – area of benefit (Land Value) is rating units with the Te Puke community board area		\$	0.000023	
Community Development & Grants	15,774		15,759	16,249
Katikati Resource Centre- Katikati Ward		\$	2.90	
Katikati Resource Centre- Waihi Beach Ward		\$	1.40	
Te Puna Library charge – area of benefit Te Puna area of benefit	10,200	\$	9.15	10,200

Funding Impact Statement (continued)

	Annual Plan 2007/08 \$,000		Annual Plan 2008/09 \$,000	LTCCP estimate for 2008/09 \$,000
Community Halls	122,409		130,362	224,081
Katikati Hall		\$	3.30	
Te Puna Hall		\$	2.10	
Paengaroa Hall		\$	18.50	
Oropi Hall		\$	8.75	
Kaimai Hall		\$	42.00	
Omanawa Hall		\$	-	
Te Puke Hall		\$	18.00	
Omokoroa Hall		\$	-	
Waihi Beach Hall		\$	10.00	
Pyes Pa Hall		\$	49.00	
Solid Waste	266,947		281,039	258,584
- Waihi Ward		\$	38.20	
- Katikati Ward		\$	38.20	
Eastern Solid Waste	104,295		56,803	108,191
- Te Puke Ward		\$	9.00	
- Maketu Ward		\$	9.00	
Omokoroa Greenwaste	31,666	\$	33.00	31,920

Funding Impact Statement (continued)

	Annual Plan 2007/08 \$,000	Annual Plan 2008/09 \$,000	LTCCP estimate for 2008/09 \$,000
Town Centre Promotion	145,777	164,330	112,657
Katikati Promotion charge – area of benefit is Katikati Ward		\$ 14.10	
Katikati Promotion rate – area of benefit is rating units zoned commercial industrial within the Katikati community board area		\$ 153.00	
Te Puke Focus charge – area of benefit is Te Puke Ward		\$ 9.55	
Te Puke Focus charge – Maketu - area of benefit is Maketu Ward		\$ 3.85	
Te Puke Focus rate – area of benefit is rating units zoned commercial industrial within the Te Puke community board area		\$ 228.90	
Land Drainage			242,915
Land Drainage - Drains	83,536	83,536	
Land Drainage - Pumps	160,445	160,445	
Gibraltar Water Scheme		\$ 100.00	2,346
Araw Road Scheme		\$ 173.92	2,443
Targeted Rate for properties which have additional lots to approved under section 223 Resource Management Act			
Rate per additional lot			
Waihi Beach		\$ 1,281.00	
Katiakti		\$ 1,009.00	
Omokoroa		\$ 1,243.00	
Te Puke		\$ 954.00	

Funding Impact Statement (continued)

This is broken down as follows:

	Amount	Waihi Beach	Katikati	Omokoroa	Te Puke
UAGC	166				
Roading	72				
Library	42				
EPR	62	342	342	342	342
Western Water	115	115	115		
Central	110			110	
Eastern	155				155
W B Wastewater	570	570			
Katikati Wastewater	271		271		
Omokoroa Wastewater	582			582	
Te Puke Wastewater	226				226
Stormwater					
Waihi Beach	200	200			
Katikati Wastewater	200		200		
Omokoroa Wastewater	200			200	
Te Puke Wastewater	200				200
Solid Waste					
Waihi Beach	38	38			
Katikati Wastewater	38		38		
Omokoroa Wastewater	9			9	
Te Puke Wastewater	9				9
Other					
Waihi Beach	16	16			
Katikati	43		43		
Te Puke					22
		1,281	1,009	1,243	954

Financial Statements

Projected Statement of Financial Position

	Actual 2007	Revised Budget 2008	LTCCP estimate of 2009	Annual Plan 2009
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Current Assets				
Cash and cash equivalents	2,846	1,179	3,194	1,006
Trade and other receivables	9,281	9,418	5,024	9,539
Other financial assets	3,881	3,881	597	3,881
Total Current Assets	16,008	14,478	8,814	14,426
Non-Current Assets				
Property, plant and equipment	956,775	994,735	900,506	1,018,675
Intangible assets	623	757	635	755
Investments	1,218	1,218	748	1,218
Total Non-Current Assets	958,616	996,710	901,889	1,020,647
Total Assets	974,623	1,011,188	910,704	1,035,073
Current Liabilities				
Trade and other payables	11,079	9,363	8,559	9,506
Employee accruals	1,300	1,300	1,100	1,300
Other current liabilities	0	2,156	0	2,156
Borrowings	17,000	17,000	13,000	17,000
Total Current Liabilities	29,379	29,819	22,659	29,962
Non-Current Liabilities				
Term portion public debt	68,523	94,523	101,027	110,523
Employee benefit liabilities	117	117	120	120
Provisions	5,183	5,183	130	5,179
Other Loans	250	250	250	250
Total Non-Current Liabilities	74,073	100,073	101,527	116,072
Total Liabilities	103,452	129,893	124,186	146,034
Net Assets	871,171	881,296	786,518	889,039

Represented By:

Retained earnings	706,886	717,010	370,072	724,754
Restricted reserves	370	370	331	370
Council-created reserves	16,097	16,097	10,088	16,097
Asset revaluation reserve	147,818	147,818	406,027	147,818
Total Public Equity	871,171	881,296	786,518	889,039

Projected Income and Expenditure Statement

	Note	Actual 2007 \$'000	Revised Budget 2008 \$'000	LTCCP estimate of 2009 \$'000	Annual Plan 2009 \$'000
Revenue					
Revenue from activities		19,098	15,971	20,422	14,279
Rate Income	2	22,261	23,650	24,205	25,376
Separate Rates	2	12,790	14,137	15,604	14,851
Vested Assets		3,813	1,960	2,070	1,960
Financial Contributions		9,323	7,462	8,437	8,639
Other Revenue		3,626	431	446	438
Total Operating Revenue	1	70,911	63,612	71,184	65,542
Expenditure					
Other expenses		19,579	26,040	33,944	26,890
Employee benefit expenses		9,232	10,095	0	10,858
Finance Costs		4,691	5,875	6,790	7,420
Depreciation		11,423	11,477	12,171	12,632
Total Operating Expenditure	1	44,925	53,488	52,905	57,799
Share of Associates retained surplus		179	0	0	0
Net surplus / (deficit)		26,165	10,124	18,279	7,744

Statement of Movement in Equity

	Actual 2007 (\$'000)	Revised Budget 2008 (\$'000)	LTCCP estimate of 2009 (\$'000)	Annual Plan 2009 (\$'000)
Balance at 1 July	707,574	871,171	739,281	881,295
Surplus/(Deficit) for the year	26,165	10,124	18,279	7,744
Increase/Decrease in Reserves				
- revaluation gains/(losses) taken to equity	137,432	0	28,958	0
Movement in equity for the period	163,597	10,124	47,237	9,418
Total recognised income/(expense) for the year ended 30 June	871,171	881,296	786,518	889,039

Projected Cash Flow Statement

	Actual 2007	Revised Budget 2008	LTCCP estimate of 2009	Annual Plan 2009
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Cash Flow from operating activities				
Cash will be provided from				
Rates and Service Charges	32,036	37,652	39,722	40,170
Other Income	1,991	3,019	1,772	2,292
Financial Contributions	8,425	7,462	8,437	8,639
Sundry Income	518	431	446	438
User Fees	4,372	5,096	4,911	5,313
Subsidies & Grants	11,880	7,856	13,738	6,415
Interest Income - External	189	0	0	194
Regional Council Rates	2,937	2,500	2,500	2,500
Total Operating Cash Provided	62,348	64,016	71,527	65,961
Cash was applied to				
Suppliers and Employees	29,876	35,697	33,859	37,604
Interest on Public Debt	4,207	5,875	6,790	7,420
Regional Council Rates	2,935	2,500	2,500	2,500
Total Operating Cash Applied	37,018	44,071	43,149	47,524
Net Cashflows from operating activities	25,330	19,944	28,378	18,438
Cash Flow from investing activities				
Cash will be provided from				
Proceeds from sale of property, plant and equipment	1,503	227	0	796
Sale of investment properties	0	0	0	0
Decrease in investments	0	0	0	0
Release of sinking funds	0	0	0	0
Total Investing Cash Provided	1,502	226	0	795
Cash will be spent on				
Purchase of property, plant and equipment	60,132	47,838	34,890	35,405
Increase in investments	125	0	0	0
Total Investing Cash Applied	60,257	47,838	34,890	35,405
Net Cashflows from investing activities	(58,755)	(47,612)	(34,890)	(34,610)
Cash Flow from financing activities				
Cash will be provided from				
Loans raised	52,998	43,000	12,000	33,000
Total Financing Cash Provided	52,998	43,000	12,000	33,000
Cash will be spent on				
Repayment of public debt	17,101	17,000	5,000	17,000
Total Financing Cash Applied	17,101	17,000	5,000	17,000
Net Cashflows from financing activities	35,897	26,000	7,000	16,000
Net increase (decrease) in cash held	2,472	(1,668)	488	(172)
Plus opening cash balance	374	2,846	2,707	1,178
Closing Cash Position	2,846	1,179	3,194	1,006

Summary of cost of services - Council [Note 1]

REVENUE	Note	Actual 2007	Revised Budget 2008	LTCCP estimate of 2009	Annual Plan 2009
		\$'000	\$'000	\$'000	\$'000
Significant activities					
Representation		572	565	573	627
Sustainable Development		74	63	53	63
Communities		1,622	1,796	1,493	1,907
Recreation & Leisure		4,069	4,712	3,224	4,966
Regulatory		3,628	3,407	3,013	3,623
Transportation		21,789	23,151	24,111	23,172
Water Supply		6,508	6,850	7,441	7,007
Stormwater		2,653	2,289	3,145	2,903
Natural Environment		239	116	63	99
Wastewater		13,975	6,690	14,940	6,881
Solid Waste		345	621	440	397
Economic		334	424	356	403
Council Services		15,102	12,928	12,332	13,494
Total revenue from significant activities		70,911	63,612	71,184	65,542

Summary of cost of services - Council [Note 1]

REVENUE	Note	Actual 2007	Revised Budget 2008	LTCCP estimate of 2009	Annual Plan 2009
		\$'000	\$'000	\$'000	\$'000
EXPENDITURE					
Significant activities					
Representation		2,179	2,642	2,524	2,595
Sustainable Development		2,682	3,114	2,342	2,844
Communities		2,652	3,336	2,775	3,352
Recreation & Leisure		3,491	3,588	3,547	3,641
Regulatory		4,491	4,293	3,904	4,556
Transportation		11,406	13,943	14,588	15,330
Water Supply		7,330	7,963	8,439	8,235
Stormwater		1,774	2,687	3,376	3,344
Natural Environment		188	236	235	246
Wastewater		6,536	8,401	8,985	10,070
Solid Waste		741	887	895	936
Economic		761	862	878	870
Council Services		694	1,534	417	1,779
Total significant activities		44,925	53,488	52,905	57,799

Summary of rate requirement by activity [Note 2]

	Actual 2007	Revised Budget 2008	LTCCP estimate of 2009	Annual Plan 2009
	\$'000	\$'000	\$'000	\$'000
Total revenue from significant activities includes:				
Interest revenue	189	0	0	194
User charges	5,195	5,096	4,911	5,313
Land Transport New Zealand subsidy	5,326	6,483	0	5,554
Rental income	814	894	0	1,013
General rates attributable to activities				
Representation	2,445	2,504	2,643	2,655
Sustainable Development	2,178	2,220	2,183	2,484
Communities	1,279	1,495	1,345	1,578
Recreation & Leisure	1,732	2,044	1,794	2,251
Regulatory	840	887	907	934
Transportation	12,078	12,590	13,274	13,538
Water Supply	0	0	0	0
Stormwater	0	0	0	19
Natural Environment	183	133	189	136
Wastewater	0	0	0	0
Solid Waste	0	0	0	0
Economic	639	644	667	621
Council Services	888	1,134	1,204	1,159
Total General rates	22,261	23,650	24,205	25,376

Summary of rate requirement by activity [Note 2]

	Actual 2007	Revised Budget 2008	LTCCP estimate of 2009	Annual Plan 2009
	\$'000	\$'000	\$'000	\$'000
Separate rates attributable to activities				
Representation	0	0	0	0
Sustainable Development	83	142	106	210
Communities	821	868	954	928
Recreation & Leisure	486	436	233	277
Regulatory	0	0	0	0
Transportation	90	83	402	83
Water Supply	3,692	4,000	4,363	4,279
Stormwater	1,287	1,778	2,347	2,112
Natural Environment	53	44	39	30
Wastewater	5,124	5,464	5,909	5,653
Solid Waste	750	936	895	878
Economic	334	384	356	403
Council Services	71	0	0	0
Total separate rates	12,790	14,137	15,604	14,851
Total rates	35,051	37,788	39,809	40,227

