

Financial Statements

The following financial statements contain budgets for the 2008/2009 financial year and the subsequent year. The statements show the short term direction of Council and must be read in conjunction with the long term financial statements in the LTCCP 2006/2016.

Council's Financial Statements show:

- Its ability to meet operating expenses from operating revenues (Income Statement)
- How Council's net resources are increasing over time (Changes in Equity)
- What Council owns and owes (Balance Sheet)
- The turnover of cash experienced by Council each year (Cash Flows)

Basis and Assumptions for Financial Information

The financial statements that are contained on pages 50 to 53 show the forecast of next years budgets compared against last years actual, this year's budget and the LTCCP budget adopted in 2006.

The major assumptions are:

1. Low population growth;
2. No increasing levels of service are budgeted;
3. No inflation above 2008/2009 dollars is included;
4. Borrowings are planned to be repaid over 15 years;
5. Council will continue to review its LTCCP.

Financial Statements *Income Statement*

For the Year Ended 30 June

2007 Group Actual \$'000		2007/08 Council Annual Plan \$'000	2008/09 Group Annual Plan \$'000	2008/09 Council LTCCP \$'000
	Revenue			
11,800	Rates	12,776	13,907	13,914
466	Interest	391	382	331
5,974	Subsidies	5,446	6,203	5,518
1,462	Fees and Charges	1,827	1,915	1,780
114	Development Contributions	109	145	191
163	Dividends	124	-	128
244	Share of Undistributed Profits	186	82	192
	Write down in value of Infracon	(28)	-	(29)
20,223	Total Operating Revenue	20,831	22,634	22,025
	Expenditure			
481	Leadership/Governance	506	522	496
119	Economic Development	131	121	148
878	Regulatory	1,184	1,154	1,135
11,287	Roading	10,555	11,371	10,801
1,493	Solid Waste	1,681	2,042	1,704
1,484	Water	1,931	1,962	1,984
1,262	Waste Water	1,486	1,415	1,775
350	Stormwater	341	400	468
761	Parks/Reserves	834	821	862
129	Public Conveniences	134	137	131
154	Retirement Housing	136	147	184
390	Libraries	373	373	364
292	Theatres/Halls	369	363	399
121	Cemeteries	142	139	194
163	Property	227	145	173
	Financing Costs			
(107)	Fair Value Adjustment on Investments	-	-	-
43	Fair Value Adjustment of Public Debt	-	-	-
19,300	Total Expenditure	20,030	21,112	20,818
923	Net Surplus/(Deficit)	801	1,522	1,207
-	Taxation		-	
923	Operating Surplus	801	1522	1207
923	Net Surplus	801	1522	1207

NB - included as income in the Operating Revenue are amounts which will be spent on capital renewals or credited to special funds created by Council for specific purposes. The total of this capital renewal expenditure and transfers is \$2,293,000. This amount is not included in the Total Expenditure area. Had it been included there would be a net operating deficit of \$771,000 (\$1,522,000 - \$2,293,000).

For more explanations regarding this deficit - please see page 15 of this Annual Plan.

Financial Statements *Changes in Equity*

For the Year Ended 30 June

2007 Group Actual \$'000	Note	2007/08 Council Annual Plan \$'000	2008/09 Group Annual Plan \$'000	2008/09 Council LTCCP \$'000
547,352	Public Equity at Beginning of Year	569,532	598,764	553,312
50,326	Asset Revaluation Reserves	12,192	43,309	17,328
163	Share of Associate's Revaluation Reserve	-	-	-
923	Net Surplus/(Deficit) for the Year	801	1,522	1,207
51,412	Total Recognised Revenue & Expenses for the Year	12,993	44,831	18,535
598,764	Public Equity at End of Year	582,525	643,595	571,847

Financial Statements *Balance Sheet*

As at 30 June

2007 Group Actual \$'000		2007/08 Council Annual Plan \$'000	2008/09 Group Annual Plan \$'000	2008/09 Council LTCCP \$'000
ASSETS				
Current Assets				
2,175	Accounts Receivable	2,322	2,698	2,121
2,513	Cash and Short Term Investment	125	2,039	88
91	Prepayments	-	90	-
90	Assets held for sale	-	-	-
4869	Total Current Assets	2,447	4,827	2,209
Non Current Assets				
4,348	Term Investments	5,999	4,730	5,813
4,390	Shares in Infracon	4,435	4,472	4,136
1	Shares in Tamatea Limited	-	1	-
-	Loan to Tamatea Limited	-	-	-
597,453	Property Plant and Equipment	584,744	644,426	577,233
606,192	Total Non Current Assets	595,178	653,629	587,182
611,061	TOTAL ASSETS	597,625	658,456	589,391
LIABILITIES				
Current Liabilities				
3,454	Trade and other payables	3,208	3,750	3,689
191	Employees Entitlement	-	-	-
352	Current Portion of Public Debt	1,164	1,638	-
3,997	Total Current Liabilities	4,372	5,388	3,689
Non Current Liabilities				
8,193	Public Debt	10,625	9,366	13,752
107	Provision for Landfill Post-closure Costs	103	107	103
8,300	Total Non Current Liabilities	10,728	9,473	13,855
12,297	TOTAL LIABILITIES	15,100	14,861	17,544
PUBLIC EQUITY				
5,461	Special Funds	6,761	5,843	8,038
192	Trust Funds	190	192	177
349,481	Revaluation Reserve of Assets	334,323	392,790	321,363
243,630	Ratepayers' Equity	241,251	244,770	242,269
598,764		582,525	643,595	571,847
611,061	TOTAL LIABILITIES & PUBLIC EQUITY	597,625	658,456	589,391

Note - Council's investment in Infracon Limited is held in a 100% owned Council Controlled Organisation - Tamatea Limited. For Annual Plan purposes no consolidated financial statements have been prepared. As Tamatea Limited acts a conduit these financial statements have been prepared as if the investment in Infracon and the resultant dividend stream, were held directly by Council.

Financial Statements *Cashflows*

For the Year Ended 30 June

2007 Group Actual \$'000	2007/08 Council Annual Plan \$'000	2008/09 Group Annual Plan \$'000	2008/09 Council LTCCP \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from			
11,756	12,776	13,384	13,914
5,974	5,446	6,203	5,518
466	391	382	1,780
1,461	1,827	1,915	191
114	109	145	331
153	124	-	128
<u>19,924</u>	<u>20,673</u>	<u>22,029</u>	<u>21,862</u>
Cash was applied to			
(7,826)	(10,326)	(9,999)	(10,360)
(2,619)	(2,450)	(2,750)	(2,480)
(610)	(660)	(576)	(569)
(11,055)	(13,436)	(13,325)	(13,409)
8,869	7,237	8,704	8,453
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from			
-	-	-	-
-	-	-	-
Cash was applied to			
(7,846)	(10,144)	(11,637)	(9,850)
	-	-	-
(7,846)	(10,144)	(11,637)	(9,850)
(7,846)	(10,144)	(11,637)	(9,850)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from			
22	2,907	2,459	2,125
<u>22</u>	<u>2,907</u>	<u>2,459</u>	<u>2,125</u>
Cash was applied to			
-	-	-	(191)
-	-	-	-
22	2,907	2,459	1,934
1,045	-	(474)	537
1,468	125	2,513	5,364
2,513	125	2,039	5,901
Represented by			
-	-	-	-
2,513	125	2,039	5,901
2,513	125	2,039	5,901