

Exceptions Annual Plan 2019-2020



*Creating a better future with vibrant communities
and thriving business.*

www.waitomo.govt.nz



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Message from the Mayor and Chief Executive

Welcome to Waitomo District Council's Exceptions Annual Plan 2019/20 (EAP) which outlines our key initiatives for the coming financial year.

Council prepares a Long Term Plan every three years which details Council's plans, programmes and financial forecasts over the next 10 years. This plan covers **year two** of the Long Term Plan 2018-2028 (LTP) for the 12 months from 1 July 2019 to 30 June 2020. This EAP details the annual budget for the 2019/20 year and also notes any variations or differences from the forecasts contained for that financial year, in the LTP.

The rates revenue requirement in the EAP is \$20.54 million. This is an overall **average 2.4% rates requirement increase** over the current year, but is less than the 3.08% increase (\$20.67 million total rates) forecast in the LTP.

Public debt at the end of the 2019/20 year is forecast to be **\$3.9 million less** than the forecast contained in the LTP. Debt is forecast to be \$44.1 million at 30 June 2020, compared to \$48.1 million forecast in the LTP. We are on target to achieve the forecast **debt reduction of \$21 million** over the life of the LTP.

Council continues to maintain and renew the Districts infrastructure assets and manage these in a sustainable manner.

Our focus areas are Community Connectivity and Development, Economic Development and Good Asset Stewardship. Our intention for the coming financial year is continue making progress in these areas in a financially prudent manner.

Some of the key initiatives planned for the 2019/20 financial year include:

- Continuation of the District Plan review
- Support for a range of district promotion and marketing initiatives
- Continue to develop and implement the Vibrant, Safe Waitomo initiative
- New pedestrian footbridge for Te Kuiti
- Health and safety improvement works and new runway for Te Kuiti Aerodrome
- New public toilets at Mokau
- Investigation of new public toilets at Waitomo Village
- Development of coastal reserves
- Improvements to Mokau water treatment plant filtration system
- Completion of a new pipeline to Piopio reservoir
- Obtain resource consent for and start capacity extension of Waitomo District Landfill.

We look forward to the year ahead and representing our residents and ratepayers to create a better future for our District, with vibrant communities and thriving business.



Brian Hanna
MAYOR

A handwritten signature in black ink that reads "B Hanna".



Chris Ryan
CHIEF EXECUTIVE

A handwritten signature in black ink that reads "Chris Ryan".



Section A: Overview

- Introduction
- Focus areas for the 2019/20 year
- Financial summary

Introduction

The EAP focuses on WDC’s work programme for the years between the three-yearly Long Term Plan with the intent of highlighting any exceptions to the forecasts contained in the LTP.

The plans, projects, costs of the proposals, rates and debt levels over the next 10 years contained within the current LTP were consulted with our District community through a comprehensive and robust process in April 2018 and the LTP was adopted in June 2018.

The Local Government Act 2002 (LGA) requires Council to consult with the public on the EAP if the proposed plan contains significant or material differences from what we planned for in the LTP for the 2019/20 financial year.

The EAP has no significant differences from year two of the LTP. The planned levels of service are unchanged, while the total rates requirement for 2019/20 and forecast debt are both lower than expected. As there are no major changes to the programme and levels of service set out in the LTP, Council agreed to not carry out a special consultative process. WDC’s EAP 2019/20 and rates resolution was adopted on 28 May 2019 and will become operative from 1 July 2019.

Structure of the EAP 2019/20

This Plan contains three main sections:

SECTION A

Provides the overview of the plans and summary financials for 2019/20 year



SECTION B

Provides a description of each activity, the costs and any variations from the forecasts and plans contained in the LTP 2018-28



SECTION C

Contains the overall financial details for the 2019/20 year



Tikitiki Road, Piopio

Focus areas for the 2019/20 year

Our areas of focus, as contained in the LTP are:

- **Economic Development**
- **Community Connectivity and Development**
- **Good Asset Stewardship and Management**

The strategic direction contained in the LTP 2018-28 is to enhance the liveability of our District, facilitate our communities in being vibrant and thriving and to achieve these goals in a financially prudent and sustainable manner. We have been working towards these focus areas and plan to continue this direction in the 2019/20 year.

Economic Development

Our aim is to promote and support sustainable Economic Development in the Waitomo District. Tourism is a significant industry in our District with total tourism expenditure for the year ending February 2019 of \$75 million and 600,000+ visitors per year to the Waitomo Caves Village.

We will continue with District promotion and marketing initiatives and providing facilities and services that support industry.



We will also continue our involvement in Te Waka - The Waikato Regional Economic Development Agency to achieve enhanced economic outcomes for the Waitomo District. This will support our local existing businesses as well as the establishment of potential new businesses within our District.

Council is engaged in the implementation of the Southern Waikato Economic Development Action Plan that aims to accelerate progress on economic growth and developing a concerted effort at a sub-regional level to boost jobs, incomes and investment in the Southern Waikato.

The South Waikato sub-region comprises of the Waitomo, Otorohanga and South Waikato Council areas.



Community Connectivity and Development

In the coming year we will continue to develop and implement the **Vibrant Safe Waitomo initiative**, which will involve coordinated and collaborative joint activities and community projects that address our local needs and in doing so contribute to taking the District community forward.

We will continue to support Waitomo District Youth Council and youth liaison, to involve our young people in community activities, local governance and decision making.



The 2019/20 year will see us continue to provide (with no changes to service levels) community services that ensure safety and liveability in our communities like animal control, aquatic centre, library services, maintenance of our parks and gardens and proactive monitoring and enforcement for the service areas of building control and alcohol licencing.



Good Asset Stewardship and Management

The **Te Kuiti Water Treatment Plant** has been upgraded to provide Ultra-violet disinfection, and meet the Drinking Water standards, ensuring the provision of high-quality water that will benefit the people who live in and visit Te Kuiti, for generations to come.

We look to progress with the development of our Water Safety Plans which cover public health risk based assessments and management processes.



Further improvements are planned to the **Mokau Water Treatment Plant** in 2019/20 which will include an upgrade to the Treatment Plant filtration system.

Some other key asset management initiatives planned for this year are:

- Health and safety improvement works to the **Te Kuiti Aerodrome**. This work will cover an entranceway upgrade and runway surfacing.
- Completion of pipeline to **new reservoir at Piopio**. Extending the capacity of Waitomo District Landfill and completion of the Resource Consent process.
- New public toilets at Mokau and continued investigation for new toilets at Waitomo Village.

*** A full list of projects and initiatives is contained in the Activity section.**

Financial Summary

LTP 2018/19 \$000's	Cost of Service Statement for All of Council	LTP 2019/20 \$000's	EAP 2019/20 \$000'S	VARIANCE to LTP \$000'S
13,104	Total Operating Income	13,995	14,920	925
29,920	Total Operating Expenditure	30,041	30,333	292
16,816	Net Operating Cost/(Surplus)	16,046	15,413	(633)
10,254	Total Capital Expenditure	11,369	12,383	1,014
27,070	Total Net Expenditure	27,415	27,796	381
	Funded by			
3,934	Internal Loans	3,877	4,318	441
(779)	External Loan Repayments	(1,139)	(999)	140
3,859	Reserves	4,003	3,939	(64)
20,056	General Rates, UAGC and Service Charges	20,674	20,538	(136)
27,070	Total Funding	27,415	27,796	381
5,905	Depreciation and Amortisation Expense	5,990	5,956	(33)

The Cost of Service Statement illustrates that operating income forecast is **6.6%** higher than the LTP forecast. This is due to an increase in subsidy revenue forecast for the Roads and Footpaths activity and a forecast increase for resource consent revenue in the Resource Management activity.

Council's planned **Total Operating Expenditure** for the 2019/20 financial year is **\$292,000** more than the forecast contained in the LTP for the 2019/20 year.

The main contributors to the increase in the Total Operating Expenditure are:

- An increase in Community Support expenditure due to the re-sequencing of the grant for North King Country Stadium with \$1 million included in 2019/20 and \$500,000 in 2020/21 (LTP: \$1M in 2018/19 and \$0.5M in 2019/20).
- Additional expenditure is forecast for legal costs, internal resourcing and the implementation of an online building consent system for Building Control and increased costs associated with District Licensing Committee and monitoring of freedom camping.

The capital expenditure planned for 2019/20 is higher than the forecast contained in the corresponding year of the LTP mainly due to the new pedestrian footbridge for Te Kuiti, and;

- Development of coastal reserves and Tainui domain
- Investigation and design for Te Kuiti Holiday Park
- Health and safety improvement works and new runway at Te Kuiti Aerodome.

Forecast Total Rates Requirement



The total rates revenue required for the 2019/20 financial year is **\$20,538,000** (excluding GST).

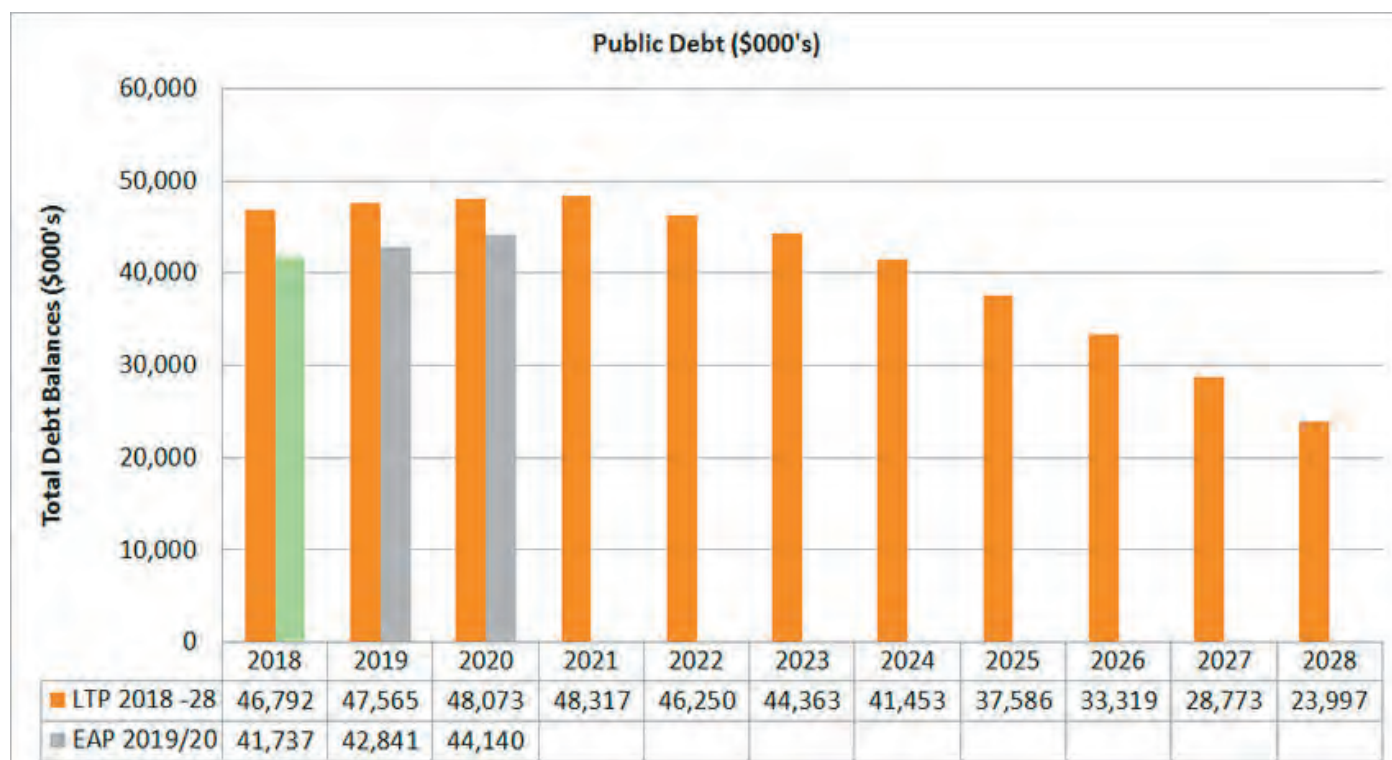
This is an average overall **2.40% increase** over the current year's (2018/19) total rate requirement, and is **substantially lower than the 3.08% increase** forecast in the LTP 2018-28 for this financial year.

To achieve this result we have prioritised needs and re-sequenced works where appropriate. More favourable interest rates and lower than forecast public debt have also contributed to the reduction in this years rates requirement.

- EAP 2019/20 Projected Total Rates
- LTP 2018-2028 Projected Total Rates (for this financial year).

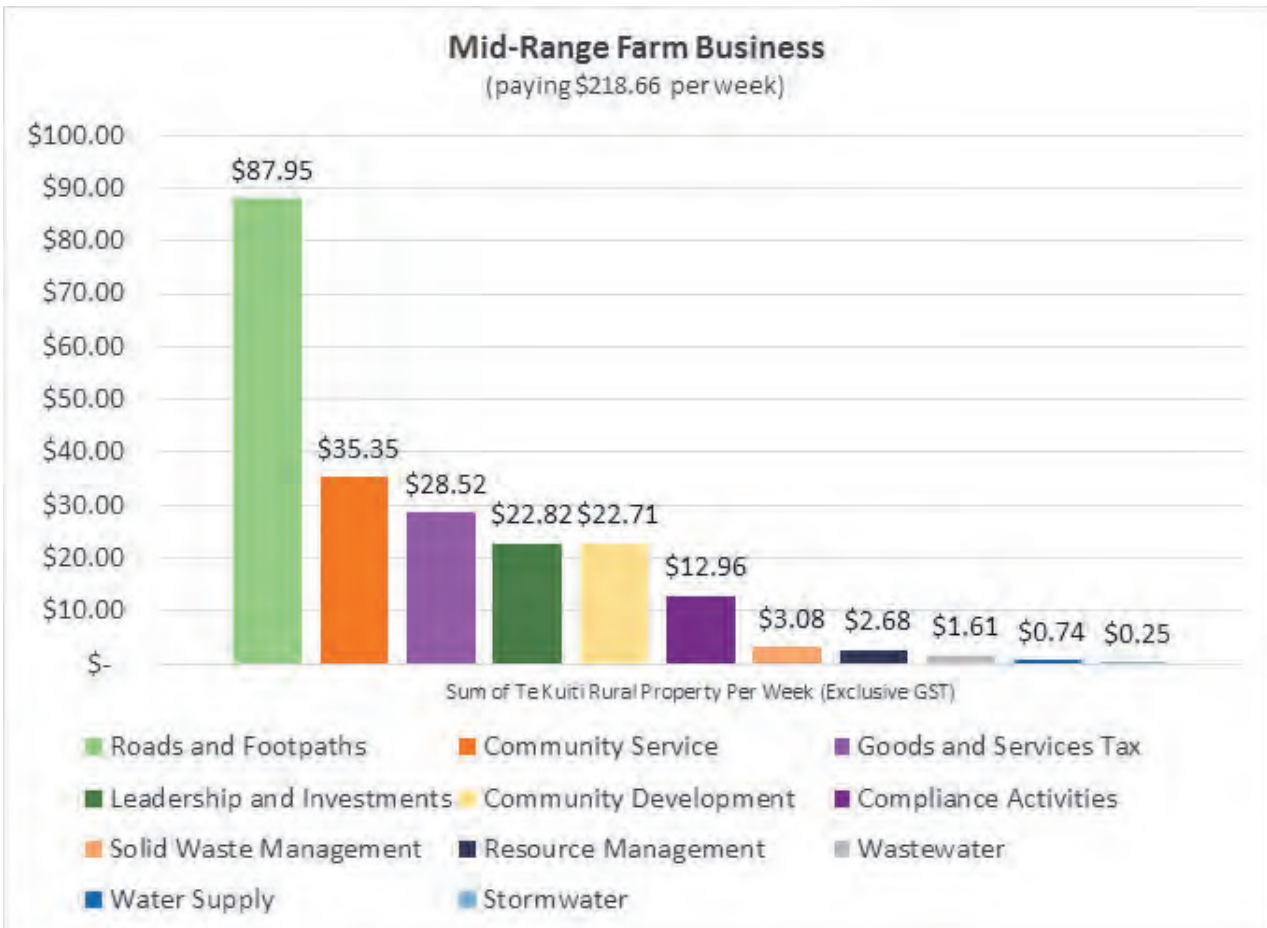
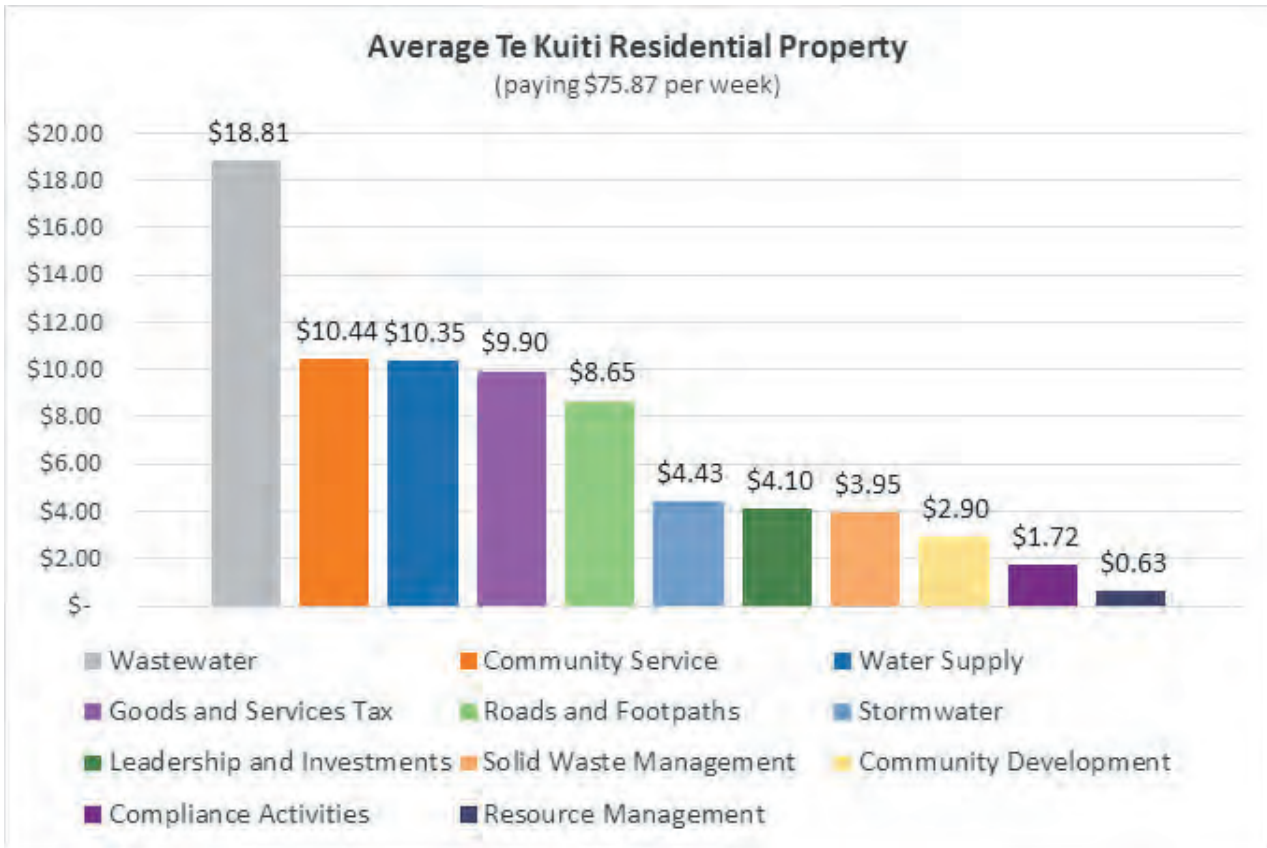
Overall Public Debt

Public debt is tracking below forecasts set in the LTP 2018-28. Debt is forecast in the Exceptions Annual Plan to be **\$44.1 million** at **30 June 2020** compared to \$48.1 million forecast in the LTP.



Where Your Rates are Spent

The following provides a summary of where rates are spent on a weekly basis using indicative residential and rural properties.





Te Kuiti sunrise

Section B: Groups of Activities

This section provides details on:

- Governance: Leadership and Investments
- Community Service
- Community Development
- Compliance
- Solid Waste Management
- Stormwater
- Resource Management
- Sewerage and the Treatment and Disposal of Sewage
- Water Supply
- Roads and Footpaths

Further details such as our levels of service are contained in the Long Term Plan 2018-28.

Key to Community Outcomes Symbols

			
Vibrant Communities	Effective Leadership	Sustainable Infrastructure	Thriving Business

Governance - Leadership and Investments

Leadership

This activity includes the preparation of policies that guides the strategic direction and strategic financial decisions. There are three main functions under the Leadership activity. These are Representation, Planning and Policy and Monitoring, and Investments.



Main Focus Areas for 2019/20

Draft, consult and adopt the Exceptions Annual Plan 2020-2021

Prepare Annual Report to demonstrate performance against the plans set in each Annual Plan

Conduct the Triennial Government Elections in October 2019

Prepare Triennial Agreements with Waikato and Manawatu - Wanganui Regional Councils no later than 1 March 2020

Undertake a review and update of Councils Governance Statement by February 2020 following each triennial election

Undertake a review of the Councils Code of Conduct by the end of November 2019 following each triennial election

Actively participate in the Waikato Mayoral Forum and Waikato Local Authority Shared Services (WLISS) to review/consider opportunities to collaborate in planning, purchasing and service delivery options

Review of Council's Investments

Digitisation of Building Consent Records



Visitors to the Great New Zealand Muster

Estimated Cost of Service Statement

LTP 2018/19 \$000's	GOVERNANCE: LEADERSHIP AND INVESTMENTS	LTP 2019/20 \$000's	EAP 2019/20 \$000's	VARIANCE to LTP \$000's
	Operating Income			
431	Representation	439	440	1
77	Investments	408	408	0
12	Treasury Management and Overhead Accounts	12	12	0
520	Total Operating Income	859	860	1
	Operating Expenditure			
767	Representation	761	809	48
920	Planning and Policy and Monitoring	943	1,008	65
583	Investments	521	488	(33)
12	Treasury Management and Overhead Accounts	12	12	0
2,282	Total Operating Expenditure	2,237	2,317	80
1,762	Net Operating Cost/(Surplus)	1,378	1,457	79
	Capital Expenditure			
0	Investments	41	41	0
860	Treasury Management and Overhead Accounts	917	877	(40)
860	Total Capital Expenditure	958	918	(40)
2,622	Net Expenditure for Activity	2,336	2,375	39
	Funded by			
0	External Loan Repayments	(350)	(350)	0
860	Reserves	918	858	(60)
994	General Rates	884	1,181	297
768	UAGC	884	686	(198)
2,622	Total Funding	2,336	2,375	39
489	Depreciation and Amortisation Expense	534	493	(41)

Variations from LTP 2018-28

The key variations in 2019/20 financial year compared to the corresponding year in the LTP 2018-28 are noted below. The variations are not considered material to the overall financial forecasts for the 2019/20 year presented in the LTP.

Operating Expenditure

- Operational expenditure for Representation is forecast to increase to fund election expenses, elected members costs and citizen awards ceremonies.
- Additional budgets have been also been included to provide a more useful Residents Satisfaction Survey system, risk management initiatives and WDC's share of the staged transition of the WLASS Transformation Project.
- Interest expenditure in the Investment activity is forecast to decrease due to a decrease in the forecast interest rate and a lower forecast public debt compared to LTP.

Capital Expenditure

- The purchase of mowing equipment forecast in the LTP is not required in 2019/20.

Funding Changes

- Reserves: A reduced level of reserve funding is forecast to fund capital expenditure.
- General Rate and UAGC: There is an increase in overall rates requirement for this activity. The general rate is forecast to increase compared to LTP as the 19/20 LTP budget did not reflect the overall funding adjustment between General Rate and UAGC.



Community Service

The Community Service Group consists of the following activities:

- Parks and Reserves, Public Amenities and Safety
- Recreation and Culture and Housing and Other Property

Main Focus Areas for 2019/20

Health and Safety improvement works and new runway at Te Kuiti Aerodrome

Continued maintenance of Brook Park

Assessment of all pontoons and jetties to inform maintenance and upgrade work programme

New Mokau toilets

Further planning for Te Kuiti Cemetery expansion

Seismic strengthening work on the Waitomo District Council administration building

Develop walking tracks strategy



Te Kuiti Cemetery

Estimated Cost of Service Statement

LTP 2018/19 \$000's	COMMUNITY SERVICE	LTP 2019/20 \$000's	EAP 2019/20 \$000's	VARIANCE to LTP \$000's
	Operating Income			
27	Parks and Reserves	27	25	(2)
303	Housing and Other Property	309	307	(2)
144	Recreation and Culture	147	144	(3)
214	Public Amenities	218	211	(7)
688	Total Operating Income	701	687	(14)
	Operating Expenditure			
731	Parks and Reserves	753	763	10
1,138	Housing and Other Property	1,154	1,205	51
1,272	Recreation and Culture	1,348	1,392	44
1,067	Public Amenities	1,070	1,021	(49)
150	Safety	153	210	57
4,358	Total Operating Expenditure	4,478	4,591	113
3,670	Net Operating Cost/(Surplus)	3,777	3,904	127
	Capital Expenditure			
207	Parks and Reserves	160	192	32
51	Housing and Other Property	50	142	92
191	Recreation and Culture	112	207	95
519	Public Amenities	616	460	(156)
968	Total Capital Expenditure	938	1,001	63
4,638	Net Expenditure for Activity	4,715	4,905	190
	Funded by			
402	Internal Loans	463	444	(19)
616	Reserves	525	655	130
1,541	General Rates	1,578	1,614	36
1,804	UAGC	1,875	1,920	45
4	Targeted Rate - Marokopa Hall	4	4	0
81	Targeted Services Rate - Rural	81	81	0
190	Targeted Services Rate - Urban	189	187	(2)
4,638	Total Funding	4,715	4,905	190
859	Depreciation and Amortisation Expense	892	948	56

Variations from LTP 2018-28

The key variations in 2019/20 financial year compared to the corresponding year in the LTP 2018-28 are noted below. The variations are not considered material to the overall financial forecasts for the 2019/20 year presented in the LTP.

Operating Expenditure

- Additional expenditure is forecast for Parks and Reserves for playground repairs and maintenance.
- Housing and Other Property expenditure is forecast to increase for additional maintenance costs associated with Piopio Hall and operating expenditure for Marokopa Holiday Park.
- Recreation and Culture expenditure is forecast to increase due to additional costs for Te Kuiti Aerodrome including building maintenance, demolishing unsafe structures and the development of a plan for the improvements to be made to the facility.
- Public Amenities expenditure is forecast to decrease due to reduced costs for the Operation Services Business Unit (OSBU).
- Safety expenditure is forecast to increase for costs associated with the shared service contract within the Waikato region and increased internal resourcing.
- Depreciation forecasts have increased due to revaluation increases and asset additions.

Capital Expenditure

- Additional Parks and Reserves budgets have been provided for the development of coastal reserves and Tainui Domain.
- In Housing and Other Property additional forecast expenditure has been included for further investigation and design of the Te Kuiti Holiday Park and for floor renewals at the Railway Station building.
- Additional capital budgets have been included to address health and safety at the Te Kuiti Aerodrome. The development of a new runway is also required after restricted access areas are created.
- Forecast capital expenditure for Public Amenities has reduced due to the budget of the new pedestrian footbridge for Te Kuiti being moved to Roads and Footpaths activity. Minor forecast capital expenditure has been included for security camera renewal and other minor renewals.

Funding Changes

- Internal Loans: Internal Loans have decreased due to the expenditure for the new pedestrian footbridge for Te Kuiti being transferred to the Roads and Footpaths activity. This is partly offset by additional internal loan funding for development of coastal reserves and Te Kuiti Holiday Park.
- General Rate and UAGC: There is an increase in General Rates and UAGC requirement for this activity.
- Reserves: Reserve funding is forecast to increase to fund capital expenditure for Te Kuiti Aerodrome and Railway Station Building renewals.

Community Development

The Community Development group involves the following activities:

- Community Support
- Tourism Development and District Promotion
- District Development
- Te Kuiti i-SITE Visitor Information Centre
- Library Services
- Customer Services

Main Focus Areas for 2019/20
Continue with the Vibrant Safe Waitomo initiative
Promote Economic Development in the Waitomo District in collaboration with Te Waka
District Promotion and Marketing
Continuation of Visitor Information i-SITE services and support for Events
Administration of grant funding as per the Community Development Fund Policy
Support of Waitomo District Youth Council and youth liaison
Involvement in the Hamilton and Waikato Regional Tourism Organisation
Promote and support an active and healthy community in partnership with Sport Waikato



Waitomo District Youth Council

Estimated Cost of Service Statement

LTP 2018/19 \$000's	COMMUNITY DEVELOPMENT	LTP 2019/20 \$000's	EAP 2019/20 \$000's	VARIANCE to LTP \$000's
	Operating Income			
2	Community Support	2	2	0
42	Community Development	42	27	(15)
44	Total Operating Income	44	29	(15)
	Operating Expenditure			
1,873	Community Support	1,462	1,889	427
867	Community Development	894	891	(3)
2,740	Total Operating Expenditure	2,356	2,780	424
	Net Operating Cost/(Surplus)			
2,696	Net Operating Cost/(Surplus)	2,312	2,751	439
	Capital Expenditure			
0	Community Development	2	2	0
0	Total Capital Expenditure	2	2	0
	Net Expenditure for Activity			
2,696	Net Expenditure for Activity	2,314	2,753	439
	Funded by			
1,000	Internal Loans	500	1,000	500
(1)	Reserves	(24)	2	26
923	General Rates	996	954	(42)
428	UAGC	485	435	(50)
16	Targeted Rate - Piopio Retirement	16	16	0
330	Targeted Rate - District Development	341	346	5
2,696	Total Funding	2,314	2,753	439
	Depreciation and Amortisation Expense			
17	Depreciation and Amortisation Expense	17	11	(6)

Variations from LTP 2018-28

The key variations in 2019/20 financial year compared to the corresponding year in the LTP 2018-28 are noted below. The variations are not considered material to the overall financial forecasts for the 2019/20 year presented in the LTP.

Operating Income

- Revenue for Community Development is forecast to decrease due to Visit Ruapehu assuming the lead role for the Timber Trail marketing which was previously held by WDC and therefore no revenue contribution will be received.

Operating Expenditure

- The increase in Community Support expenditure is due to the re-sequencing of the grant for the NKC Stadium with \$1M included in 2019/20 and \$500,000 in 2020/21 year. This is partly offset by a decrease in internal interest costs associated with the grant.
- District Development expenditure is forecast to reduce for the Timber Trial marketing due to the transfer of the lead role to Visit Ruapehu. The telecommunications initiative expenditure is also forecast to reduce due to uncertainty regarding Central Government priorities and intentions for this initiative.

Funding Changes

- Internal Loans: The increase in internal loans funding is for the grant for NKC stadium.
- Reserves: There has been a reduction in the transfer to reserves and there is no loan repayment requirement in 2019/20 year as no loan was raised in the previous year.
- General Rate and UAGC: There is a decrease in the overall rates requirement for this activity due mainly to the reduction in internal interest expenditure.
- Targeted Rates: The increase in the District Development Targeted Rate is due to increased costs for Event Co-ordination.



Compliance

The Compliance Group aims to ensure a healthy and safe environment for the community by providing the following services:

- Building Control
- Alcohol Licensing
- Environmental Health
- Bylaw Administration
- Animal and Dog Control



Main Focus Areas for 2019/20

Review of Compliance Schedules

Continue with implementation of Earthquake Prone Buildings pursuant to the Building Act 2004

Continue with implementation of legislation relating to pool barriers and pool fencing pursuant to the Building Act 2004

Monitoring of Freedom Camping

Estimated Cost of Service Statement

LTP 2018/19 \$000's	COMPLIANCE	LTP 2019/20 \$000's	EAP 2019/20 \$000's	VARIANCE to LTP \$000's
	Operating Income			
453	Compliance	460	458	(2)
453	Total Operating Income	460	458	(2)
	Operating Expenditure			
1,014	Compliance	1,056	1,225	169
1,014	Total Operating Expenditure	1,056	1,225	169
561	Net Operating Cost/(Surplus)	596	767	171
561	Net Expenditure for Activity	596	767	171
	Funded by			
0	Reserves	0	(137)	(137)
444	General Rates	469	708	239
117	UAGC	127	196	69
561	Total Funding	596	767	171
5	Depreciation and Amortisation Expense	5	6	1

Variations from LTP 2018-28

The key variations in 2019/20 financial year compared to the corresponding year in the LTP 2018-28 are noted below. The variations are not considered material to the overall financial forecasts for the 2019/20 year presented in the LTP.

Operating Expenditure

- Additional expenditure has been included for legal costs, internal resourcing and the implementation of an online building consenting system for Building Control Services and increased costs associated with the District Licensing Committee.
- Included within the Exceptions Annual Plan is expenditure for the monitoring of Freedom Camping activity within the district.

Funding Changes

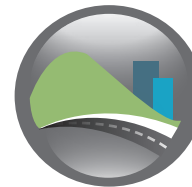
- Reserves: Additional funding is required to repay the overdrawn operational reserve for Compliance.
- General Rate and UAGC: There is an increase in the overall rates requirement for this activity due to increases in overall operating expenditure.



Solid Waste Management

There are four activities under this Group:

- Waste Minimisation
- Kerbside Recycling and Refuse Collection
- Waste Disposal.



Main Focus Areas for 2019/20

Continue with the resource consent process to extend capacity of the Waitomo District Landfill

Development of Waste Minimisation promotion programmes with the aim of reducing the amount of waste going to landfill. To be implemented within this planning cycle

Continue to meet WDC's obligations under Emissions Trading Scheme

Continue with updating the signage and fencing standards to improve accessibility, safety and presentation at the District Waste Transfer Stations

Continue to monitor and review the solid waste services in Mokau

Estimated Cost of Service Statement

LTP 2018/19 \$000's	SOLID WASTE MANAGEMENT	LTP 2019/20 \$000's	EAP 2019/20 \$000's	VARIANCE to LTP \$000's
	Operating Income			
137	Collection	140	140	0
983	Management	1,007	1,008	1
1,120	Total Operating Income	1,147	1,148	1
	Operating Expenditure			
334	Collection	343	337	(6)
1,719	Management	1,885	1,791	(94)
2,053	Total Operating Expenditure	2,228	2,128	(100)
933	Net Operating Cost/(Surplus)	1,081	980	(101)
	Capital Expenditure			
217	Management	1,046	1,046	0
217	Total Capital Expenditure	1,046	1,046	0
1,150	Net Expenditure for Activity	2,127	2,026	(101)
	Funded by			
0	Internal Loans	776	776	0
161	Reserves	171	171	0
8	General Rates	9	8	(1)
8	UAGC	9	8	(1)
37	Targeted Rate Collection - Mokau	38	37	(1)
27	Targeted Rate Collection - Piopio	27	27	0
104	Targeted Rate Collection - Te Kuiti	107	103	(4)
38	Targeted Rate Collection - Waitomo	39	38	(1)
767	Targeted Rate - Solid Waste Management	951	858	(93)
1,150	Total Funding	2,127	2,026	(101)
91	Depreciation and Amortisation Expense	93	97	4

Variations from LTP 2018-28

The key variations in 2019/20 financial year compared to the corresponding year in the LTP 2018-28 are noted below. The variations are not considered material to the overall financial forecasts for the 2019/20 year presented in the LTP.

Operating Expenditure

- The allocation of overhead costs has been reviewed and updated to more fairly reflect organisational changes. Overall, this has reduced costs for the Solid Waste function. Interest expenditure is also reduced for this activity.

Funding Changes

- Solid Waste Management Targeted Rate: There is a decrease in the rates requirement due to the overall decrease in operational expenditure.



Stormwater Drainage

The Stormwater Drainage Group of Activities provides for the collection, diversion, and disposal of surface water runoff.



Main Focus Areas for 2019/20

Completion of catchment assessment for Te Kuiti

Completion of annual renewals programme based on condition assessment

Updating catchment management plans

Ongoing monitoring and maintenance of stormwater exit and entry points

Estimated Cost of Service Statement

LTP 2018/19 \$000's	STORMWATER DRAINAGE	LTP 2019/20 \$000's	EAP 2019/20 \$000's	VARIANCE to LTP \$000's
	Operating Expenditure			
355	Urban	357	392	35
38	Rural	39	47	8
393	Total Operating Expenditure	396	439	43
393	Net Operating Cost/(Surplus)	396	439	43
	Capital Expenditure			
194	Urban	198	137	(61)
5	Rural	5	5	0
199	Total Capital Expenditure	203	142	(61)
592	Net Expenditure for Activity	599	581	(18)
	Funded by			
186	Reserves	187	126	(61)
368	Targeted Rate - Stormwater (Urban)	373	408	35
38	Targeted Rate - Stormwater (Rural)	39	47	8
592	Total Funding	599	581	(18)
180	Depreciation and Amortisation Expense	183	198	15

Variations from LTP 2018-28

The key variations in 2019/20 financial year compared to the corresponding year in the LTP 2018-28 are noted below. The variations are not considered material to the overall financial forecasts for the 2019/20 year presented in the LTP.

Operating Expenditure

- Depreciation and internal interest costs are forecast to increase, primarily due to expansion of the stormwater network with new assets completed in the 2018/19 year.

Capital Expenditure

- Forecast capital expenditure is less than LTP forecast as expenditure has been brought forward to 2018/19 for the stormwater improvements completed on Te Kumi Road.

Funding Changes

- Reserves: Reserve funding is reduced due to the decrease in capital expenditure.
- Stormwater Targeted Rate: There has been an increase in the overall rates requirement due to an increase in overall operating expenditure.



Resource Management

The Resource Management Activity involves the administration, application and enforcement of the Waitomo District Plan provisions including:

- Carrying out the functions, powers and duties under the Resource Management Act 1991, including processing resource consents
- Monitoring resource consents for compliance with conditions
- Making amendments to the District Plan.



Main Focus Areas for 2019/20

The main focus in this planning cycle is to continue the review of the Waitomo District Plan as required by the Resource Management Act 1991. A number of workstreams related to the District Plan Review are underway, including the development of town concept plans / structure plans for five towns.

Estimated Cost of Service Statement

LTP 2018/19 \$000's	RESOURCE MANAGEMENT	LTP 2019/20 \$000's	EAP 2019/20 \$000's	VARIANCE to LTP \$000's
	Operating Income			
85	District Plan Administration	87	190	103
85	TOTAL OPERATING INCOME	87	190	103
	Operating Expenditure			
298	District Plan Administration	305	372	67
660	District Planning	603	582	(21)
958	Total Operating Expenditure	908	954	46
873	Net Operating Cost/(Surplus)	821	764	(57)
873	Net Expenditure for Activity	821	764	(57)
	Funded by			
633	Internal Loans	553	542	(11)
(32)	Reserves	(64)	(36)	28
136	General Rates	166	129	(37)
136	UAGC	166	129	(37)
873	Total Funding	821	764	(57)
0	Depreciation and Amortisation Expense	0	0	0

Variations from LTP 2018-28

The key variations in 2019/20 financial year compared to the corresponding year in the LTP 2018-28 are noted below. The variations are not considered material to the overall financial forecasts for the 2019/20 year presented in the LTP.

Operating Income

- Revenue is forecast to increase to cover the costs associated with the processing of more complex resource consents applications.

Operating Expenditure

- Forecast expenditure for District Plan Administration, which includes the granting and review of resource consents, is expected to increase due to more complex resource consent applications being processed, however the increased cost is offset by recovery of that cost from applicants.
- Internal interest expenditure is less than the LTP as the internal loans raised to date for the development of the district plan were less than forecast.

Funding Changes

- Reserves: Reserve transfers are reduced due to the reduction in internal loan repayments.
- General Rate and UAGC: There is a decrease in overall rates requirement for this activity due to the increase in other operating revenue.



Sewerage and the Treatment and Disposal of Sewage

The Sewerage Group provides for the environmentally safe collection, treatment and disposal of the District's sewage wastes. Sewerage (or waste water) schemes are provided by Council at Te Kuiti, Piopio, Benneydale, and Te Waitere.

Main Focus Areas for 2019/20

Continue reticulation renewals at Benneydale and Te Kuiti

Replacement of aeration equipment at the Te Kuiti Waste Water Treatment Plant

Focus on risk identification and management

Undertake a condition assessment of Te Kuiti Wastewater Treatment Pond embankment



Reticulation renewals Hinerangi Street



Te Kuiti Wastewater Treatment Plant

Estimated Cost of Service Statement

LTP 2018/19 \$000's	SEWERAGE AND TREATMENT AND DISPOSAL OF SEWAGE	LTP 2019/20 \$000's	EAP 2019/20 \$000's	VARIANCE to LTP \$000's
	Operating Income			
850	Te Kuiti	871	873	2
1	Benneydale	1	1	0
9	Piopio	9	8	(1)
860	Total Operating Income	881	882	1
	Operating Expenditure			
2,705	Te Kuiti	2,771	2,707	(64)
54	Te Waitere	55	54	(1)
168	Benneydale	172	177	5
296	Piopio	301	303	2
5	Waitomo	5	5	0
3,228	Total Operating Expenditure	3,304	3,246	(58)
2,368	Net Operating Cost/(Surplus)	2,423	2,364	(59)
	Capital Expenditure			
622	Te Kuiti	488	338	(150)
0	Te Waitere	15	15	0
52	Benneydale	54	54	0
19	Piopio	30	30	0
693	Total Capital Expenditure	587	437	(150)
3,061	Net Expenditure for Activity	3,010	2,801	(209)
	Funded by			
622	Internal Loans	488	216	(272)
(64)	Reserves	(21)	100	121
1,978	Targeted Rate - Te Kuiti	2,006	1,974	(32)
163	Targeted Rate - Trade Waste Contribution	169	165	(4)
20	Targeted Rate - Te Waitere	20	17	(3)
118	Targeted Rate - Benneydale	120	113	(7)
224	Targeted Rate - Piopio	228	216	(12)
3,061	Total Funding	3,010	2,801	(209)
778	Depreciation and Amortisation Expense	796	830	34

Variations from LTP 2018-28

The key variations in 2019/20 financial year compared to the corresponding year in the LTP 2018-28 are noted below. The variations are not considered material to the overall financial forecasts for the 2019/20 year presented in the LTP.

Operating Expenditure

- Compared to the LTP, costs for internal Operational Services Business Unit (OSBU) costs is forecast to decrease for Te Kuiti.
- Internal interest is forecast to decrease primarily due to a decrease in forecast interest rate and a lower level of public debt compared to LTP.
- There is also an increase in forecast depreciation expenditure for Benneydale and Piopio.

Capital Expenditure

- Forecast capital expenditure is less for Te Kuiti Sewerage as expenditure has been brought forward from LTP 2019/20 to 2018/19 for the Taupiri Street sewer renewals.

Funding Changes

- Internal Loans: Internal loan funding is forecast to reduce as more reserve funding has been used to fund capital expenditure.
- Reserves: Additional reserve funding will be used to fund capital expenditure compared to LTP.
- Sewerage Targeted Rate: There has been a decrease in the overall rate requirement for this activity as forecast operating costs have decreased.



Water Supply

The Water Supply activity provides for the environmentally safe collection, treatment and reticulation of Council’s public water supplies to New Zealand drinking water standards. Water supply schemes are provided by Council at Te Kuiti, Benneydale, Piopio and Mokau.

Main Focus Areas for 2019/20

- Mokau Water Treatment Plant filtration system upgrade
- Minor capital works identified from asset data and during network inspections
- Water safety plans that focus on risk identification and asset management processes
- Further investigation into Te Kuiti alternative water source
- Backflow preventer improvements for Te Kuiti, Mokau, and Piopio
- New pumping line to reservoir for Piopio



Mokau water storage dam



UV Filtration at Te Kuiti Water Treatment Plant

Estimated Cost of Service Statement

LTP 2018/19 \$000's	WATER SUPPLY	LTP 2019/20 \$000's	EAP 2019/20 \$000's	VARIANCE to LTP \$000's
	Operating Expenditure			
2,031	Te Kuiti	2,089	1,914	(175)
377	Mokau	388	388	0
368	Piopio	396	391	(5)
182	Benneydale	185	183	(2)
5	Waitomo	5	5	0
2,963	Total Operating Expenditure	3,063	2,881	(182)
2,963	Net Operating Cost/(Surplus)	3,063	2,881	(182)
	Capital Expenditure			
406	Te Kuiti	381	380	(1)
115	Mokau	76	76	0
339	Piopio	216	216	0
4	Benneydale	4	4	0
864	Total Capital Expenditure	677	676	(1)
3,827	Net Expenditure for Activity	3,740	3,557	(183)
	Funded by			
859	Internal Loans	673	594	(79)
270	Reserves	280	278	(2)
1,181	Targeted Rate - Te Kuiti	1,272	1,162	(110)
288	Targeted Rate - Mokau	270	241	(29)
322	Targeted Rate - Piopio	300	271	(29)
157	Targeted Rate - Benneydale	146	130	(16)
750	Metered Water Rates	799	881	82
3,827	Total Funding	3,740	3,557	(183)
638	Depreciation and Amortisation Expense	658	602	(56)

Variations from LTP 2018-28

The key variations in 2019/20 financial year compared to the corresponding year in the LTP 2018-28 are noted below. The variations are not considered material to the overall financial forecasts for the 2019/20 year presented in the LTP 2018-28.

Operating Expenditure

- Internal interest is forecast to decrease due to a decrease in the forecast interest rate and a lower forecast public debt compared to LTP.
- Operating expenditure is expected to decrease compared to LTP due to a decrease in internal Operational Services Business Unit (OSBU) costs for Te Kuiti.
- Depreciation expenditure is also forecast to decrease for Te Kuiti.

Funding Changes

- Internal Loans: Internal loan funding is forecast to reduce as more reserve funding has been used to fund capital expenditure.
- Reserve funding of capital expenditure is forecast to increase however has been offset mainly by a reduction in reserve funding forecast for operating expenditure.
- Water Supply Targeted Rate: The targeted rates requirement for this activity has decreased due to a decrease in overall operating expenditure.
- Metered Water Rates: Metered water rates is forecast to increase across schemes due to the phasing of the uniform targeted rates for water supply services.

Piopio water reservoir (old and new)



Roads and Footpaths

Council manages and maintains the District's road network, identifies the need for and undertakes maintenance, operations and renewals of the roading network and footpaths and ancillary systems such as signs and road markings.

The scope of the activities covered by the Roads and Footpaths Group relates to:

- Roads (excluding State Highways)
- Footpaths
- Bridges
- Traffic services
- Carparking, and
- Traffic safety programmes.



Main Focus Areas for 2019/20

A significant programme of footpath renewals and new footpaths

Minor bridge structural component renewals

Speed Limit Review and implementation project

Road rehabilitation capital works

New pedestrian footbridge for Te Kuiti



Mangatao Road

Estimated Cost of Service Statement

LTP 2018/19 \$000's	ROADS AND FOOTPATHS	LTP 2019/20 \$000's	EAP 2019/20 \$000's	VARIANCE to LTP \$000's
	Operating Income			
9,237	Subsidised Roads	9,717	10,569	852
97	Unsubsidised Roads	99	97	(2)
9,334	Total Operating Income	9,816	10,666	850
	Operating Expenditure			
9,728	Subsidised Roads	9,797	9,546	(251)
203	Unsubsidised Roads	218	226	8
9,931	Total Operating Expenditure	10,015	9,772	(243)
597	Net Operating Cost/(Surplus)	199	(894)	(1,093)
	Capital Expenditure			
6,293	Subsidised Roads	6,794	7,995	1,201
160	Unsubsidised Roads	164	166	2
6,453	Total Capital Expenditure	6,958	8,161	1,203
7,050	Net Expenditure for Activity	7,157	7,267	110
	Funded by			
418	Internal Loans	424	746	322
(779)	External Loan Repayments	(789)	(649)	140
1,863	Reserves	2,031	1,922	(109)
94	UAGC	93	90	(3)
8	Targeted Services Rate - Rural	11	12	1
66	Targeted Services Rate - Urban	89	98	9
5,380	Targeted Rate - District Roding Rate	5,298	5,048	(250)
7,050	Total Funding	7,157	7,267	110
2,848	Depreciation and Amortisation Expense	2,812	2,771	(41)

Variations from LTP 2018-28

The key variations in 2019/20 financial year compared to the corresponding year in the LTP 2018-28 are noted below. The variations are not considered material to the overall financial forecasts for the 2019/20 year presented in the LTP.

Operating Income

- Subsidy revenue is forecast to increase compared to LTP due to anticipated funding for replacement of the new pedestrian footbridge for Te Kuiti.

Operating Expenditure

- Operating expenditure is forecast to decrease compared with LTP due to a reduced costs in internal Rooding Business Unit and Rooding Administration.
- Internal interest expenditure is forecast to reduce due to a decrease in forecast interest rate and a lower forecast public debt compared to LTP.

Capital Expenditure

- Additional budget has been included for the new pedestrian footbridge for Te Kuiti.

Funding Changes

- Internal Loans: Internal loans are forecast to increase due to an additional internal loan being raised to fund the local share of the new pedestrian footbridge for Te Kuiti.
- Reserves: Reserve funding is forecast to decrease as more of the accelerated NZTA subsidy revenue has been applied to fund capital expenditure and rates revenue has been transferred to reserve to make good an overdrawn reserve.
- External Loan Repayments: The portion of accelerated NZTA subsidy revenue applied to debt reduction is forecast to decrease as some of the additional subsidy revenue will be utilised to fund expenditure.
- District Rooding Targeted Rate: The district rooding rate is forecast to decrease as the overall operating costs of this activity have decreased.



Marokopa

Section C: Financial Information

- Introduction
- Funding Impact Statement
- Rating Maps
- Reserve Funds
- Accounting Policies
- Rating Base Information
- Exceptions Annual Plan Disclosure Statement

Introduction

This section outlines Council's financial position for the 2019/20 financial year. The information that follows shows the impact of the measures Council has taken as it moves to a sustainable financial plan.

Summary Cost of Service Statement for All of Council

LTP 2018/19 \$000's		LTP 2019/20 \$000's	EAP 2019/20 \$000's	VARIANCE to LTP \$000's
	Operating Income			
520	Leadership	859	860	1
688	Community Service	701	687	(14)
44	Community Development	44	29	(15)
453	Compliance	460	458	(2)
1,120	Solid Waste Management	1,147	1,148	1
0	Stormwater Drainage	0	0	0
85	Resource Management	87	190	103
860	Sewerage	881	882	1
0	Water Supply	0	0	0
9,334	Roads and Footpaths	9,816	10,666	850
13,104	Total Operating Income	13,995	14,920	925
	Operating Expenditure			
2,282	Leadership	2,237	2,317	80
4,358	Community Service	4,478	4,591	113
2,740	Community Development	2,356	2,780	424
1,014	Compliance	1,056	1,225	169
2,053	Solid Waste Management	2,228	2,128	(100)
393	Stormwater Drainage	396	439	43
958	Resource Management	908	954	46
3,228	Sewerage	3,304	3,246	(58)
2,963	Water Supply	3,063	2,881	(182)
9,931	Roads and Footpaths	10,015	9,772	(243)
29,920	Total Operating Expenditure	30,041	30,333	292
16,816	Net Operating Cost/(Surplus)	16,046	15,413	(633)
	Capital Expenditure			
860	Leadership	958	918	(40)
968	Community Service	938	1,001	63
0	Community Development	2	2	0
0	Compliance	0	0	0
217	Solid Waste Management	1,046	1,046	0
199	Stormwater Drainage	203	142	(61)
0	Resource Management	0	0	0
693	Sewerage	587	437	(150)
864	Water Supply	677	676	(1)
6,453	Roads and Footpaths	6,958	8,161	1,203
10,254	Total Capital Expenditure	11,369	12,383	1,014

Summary Cost of Service Statement for All of Council

LTP 2018/19 \$000's		LTP 2019/20 \$000's	EAP 2019/20 \$000's	VARIANCE to LTP \$000's
27,070	Net Expenditure for Activity	27,415	27,796	381
	Funded by			
3,934	Internal Loans	3,877	4,318	441
(779)	External Loan Repayments	(1,139)	(999)	140
3,859	Reserves	4,003	3,939	(64)
4,046	General Rates	4,102	4,594	492
3,355	UAGC	3,639	3,464	(175)
12,655	Targeted Rates	12,933	12,480	(453)
27,070	Total Funding	27,415	27,796	381
5,905	Depreciation and Amortisation Expense	5,990	5,956	(33)

Prospective Statement of Comprehensive Revenue and Expense For Years Ending 30 June

LTP 2018/19 \$000's		LTP 2019/20 \$000's	EAP 2019/20 \$000's
	Revenue		
19,725	Rates Revenue excluding metered water rates	20,303	20,087
750	Metered Water rates from non exchange transactions	799	881
9,266	Subsidies and grants	9,741	10,577
0	Investment Income	350	350
35	Interest revenue from exchange transactions	14	14
3,186	Fees and charges	3,260	3,355
198	Other revenue including gains/(losses)	202	194
33,160	Total Revenue and Gains/(Losses)	34,669	35,458
	Expenditure		
5,499	Employee benefit expenses	5,609	5,690
5,905	Depreciation and amortisation expense	5,990	5,956
2,597	Finance costs	2,638	2,035
15,919	Other expenses	15,804	16,652
29,920	Total Expenditure	30,041	30,333
3,240	Surplus/(Deficit)	4,628	5,125
	Other Comprehensive Revenue and Expense		
0	Gains/(Losses) on revaluation of property, plant and equipment	5,222	6,004
0	Total Other Comprehensive Revenue and Expense	5,222	6,004
3,240	Total Comprehensive Revenue and Expense for the year	9,850	11,129

Prospective Statement of Changes in Equity For Years Ending 30 June

LTP 2018/19 \$000's		LTP 2019/20 \$000's	EAP 2019/20 \$000's
	Total Equity		
301,503	Opening Balance at 1 July	304,743	318,213
0	Revaluation of Property, plant and equipment	5,222	6,004
0	Net Income recognised directly in equity	5,222	6,004
3,240	Net Surplus/(Deficit) for the year	4,628	5,125
3,240	Total Recognised Income for the years ended 30 June	4,628	5,125
3,240	Total Comprehensive Revenue & Expense for the year	9,850	11,129
304,743	Balance at 30 June	314,593	329,342

Prospective Statement of Financial Position as at 30 June

LTP 2018/19 \$000's		LTP 2019/20 \$000's	EAP 2019/20 \$000's
	Equity		
215,202	Accumulated Funds	220,052	220,986
12,065	Council Created Reserves	11,842	14,609
4,504	Available for Sale Reserves	4,504	11,804
(1,563)	Hedging Reserves	(1,563)	(1,616)
74,535	Revaluation Reserve	79,758	83,559
304,743	Total Equity	314,593	329,342
	Current Assets		
298	Cash and Cash Equivalents	373	537
3	Other Financial Assets	3	3
49	Inventory	50	84
395	Receivables Under Exchange Transactions	403	531
5,966	Receivables Under Non Exchange Transactions	6,091	4,801
6,711	Total Current Assets	6,920	5,956
	Current Liabilities		
4,109	Payables and Deferred Revenue Under Exchange Transactions	4,194	3,718
526	Payables and Deferred Revenue Under Non Exchange Transactions	540	878
15,000	Current Portion of Borrowings	20,000	24,140
26	Provisions	27	3
549	Employee Entitlements	561	616
608	Derivative Financial Instruments	608	605
20,818	Total Current Liabilities	25,930	29,960
(14,107)	Net Working Capital	(19,010)	(24,004)
	Non Current Assets		
347,181	Property, Plant and Equipment	357,552	361,134
525	Intangible Assets	438	1,076
750	Investment Property	750	788
407	Other Financial Assets	404	410
4,520	Investment in CCO & Civic Financial Services Ltd	4,520	11,820
353,383	Total Non Current Assets	363,664	375,228
	Non Current Liabilities		
32,565	Borrowings	28,073	20,000
940	Provisions	960	750
1,028	Derivative Financial Instruments	1,028	1,132
34,533	Total Non Current Liabilities	30,061	21,882
304,743	Net Assets	314,593	329,342

Prospective Cashflow Statement For Years Ending 30 June

LTP 2018/19 \$000's		LTP 2019/20 \$000's	EAP 2019/20 \$000's
	Cashflows from Operating Activities		
	Cash forecast to be provided from:		
19,803	Rates Revenue (including penalties)	20,323	20,968
9,266	Subsidies and Grants	9,741	10,577
0	Investment Income	350	350
542	Property Rentals	512	503
130	Petroleum Tax	133	125
35	Interest Revenue	14	14
3,383	Receipts from other revenue	3,462	2,921
33,159		34,535	35,458
	Cash forecast to be applied to:		
21,151	Payments to Suppliers and Employees	20,727	22,063
233	Elected Members	237	280
2,597	Interest Paid on Borrowings	2,638	2,035
23,981		23,602	24,378
9,178	Net Cash Inflows from Operating Activities	10,933	11,080
	Cashflows from Investing Activities		
	Cash forecast to be provided from:		
375	Repayment of Advance	0	0
3	Repayment of Advance to Community Groups	3	4
378		3	4
	Cash forecast to be applied to:		
9,937	Purchase and development of Property, Plant and Equipment	11,067	12,100
317	Purchase of Intangible Assets	302	283
10,254		11,369	12,383
(9,876)	Net Cash Outflow from Investing Activities	(11,366)	(12,379)
	Cashflows from Financing Activities		
	Cash forecast to be provided from:		
25,773	Proceeds from Borrowings	25,508	21,299
25,773		25,508	21,299
	Cash forecast to be applied to:		
25,000	Repayment of Borrowings	25,000	20,000
25,000		25,000	20,000
773	Net Cash Inflows from Financing Activities	508	1,299
75	Net increase/(decrease) in cash, cash equivalents and bank overdrafts	75	0
223	Cash, cash equivalents and bank overdrafts at the beginning of the year	298	537
298	Cash, cash equivalents and bank overdrafts at the end of the year	373	537
	Balance at end of the year represented by:		
298	Cash at Bank and In Hand	373	537

Prospective Statement of Reserve Fund Movements For Years Ending 30 June

LTP 2018/19 \$000's		LTP 2019/20 \$000's	EAP 2019/20 \$000's
12,270	Opening Balance	12,065	14,741
(205)	Transfer to/(from) Reserves	(223)	(132)
12,065	Closing Balance	11,842	14,609

Note: Reserves are not necessarily matched by available cash. Reserves form part of Council's total equity which is matched by net assets (i.e. assets less liabilities, both current and non-current).

The use of reserves as a funding tool will therefore result in either a decrease in available cash, or, where cash is not available, an increase in the Council's total debt facilities.

Prospective Statement of Public Debt For Years Ending 30 June

LTP 2018/19 \$000's		LTP 2019/20 \$000's	EAP 2019/20 \$000's
46,792	Opening Balance	47,565	42,841
25,773	Loans Raised	25,508	21,299
(25,000)	Loans Repaid	(25,000)	(20,000)
47,565	Closing Balance	48,073	44,140

Note: Loans raised or repaid in the Public Debt, Cashflow and Statement of Financial Position Prospective Statements are based on budgeted cashflow requirements, which includes working capital considerations, and do not equate to either the internal loans drawn or the external loan repayments shown in the Funding Impact Statement or the Summary of Cost of Service Statements.

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

LTP 2018/19 \$000's		LTP 2019/20 \$000's	EAP 2019/20 \$000's
3,240	Surplus/(Deficit) from Prospective Comprehensive Revenue and Expense Statement	4,628	5,125
16,816	Net Operating Cost from Estimated Revenue and Expense Statement for All Council Activities	16,046	15,413
	Plus Rates Revenue		
4,046	General Rates	4,102	4,594
3,355	UAGC	3,639	3,464
12,655	Targeted Rate	12,933	12,480
3,240	Net Surplus/(Deficit)	4,628	5,125
0	Closing Balance	0	0

Forecast Capital Expenditure

LTP 2018/19 \$000's		LTP 2019/20 \$000's	EAP 2019/20 \$000's	VARIANCE to LTP \$000's
	Governance: Leadership and Investments			
0	Investments	41	41	0
860	Corporate Support	917	877	(40)
860		958	918	(40)
	Community Service			
207	Parks and Reserves	160	192	32
51	Housing and Other Property	50	142	92
191	Recreation and Culture	112	207	95
519	Public Amenities	616	460	(156)
968		938	1,001	63
	Community Development			
0	District Development	2	2	0
0		2	2	0
	Solid Waste Management			
217	Landfill Management	1,046	1,046	0
217		1,046	1,046	0
	Stormwater Drainage			
194	Te Kuiti Stormwater	198	137	(61)
5	Rural Stormwater	5	5	0
199		203	142	(61)
	Sewerage			
622	Te Kuiti Sewerage	488	338	(150)
0	Te Waitere Sewerage	15	15	0
52	Benneydale Sewerage	54	54	0
19	Piopio Sewerage	30	30	0
693		587	437	(150)
	Water Supply			
406	Te Kuiti Water	381	380	(1)
115	Mokau Water	76	76	0
339	Piopio Water	216	216	0
4	Benneydale Water	4	4	0
864		677	676	(1)
	Roads and Footpaths			
6,293	Subsidised Roads	6,794	7,995	1,201
160	Unsubsidised Roads	164	166	2
6,453		6,958	8,161	1,203
10,254	Total Capital and Renewal Expenditure	11,369	12,383	1,014

Funding Impact Statement

Introduction

Council is required under clause 20 of Schedule 10 of the Local Government Act 2002 (LGA) to adopt a Funding Impact Statement.

The Funding Impact Statement provides a summary of Council's funding sources and how the funds are to be applied, as well as the detailed rate requirement for the 2019/20 financial year.

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

Rates Remissions and Postponements

Remissions

Council has developed a rates remissions policy as per LGA (section 102 (3)(a), 108 and 109) and Local Government (Rating) Act 2002 (Section 85). Remissions categories include Properties Used Jointly as a Single Unit, Community Organisations, Penalties, Financial Hardship, Organisations Providing Care for the Elderly, Clubs and Societies, New Residential Subdivisions, Council Properties, Maori Freehold Land, Cases of Land Affected by Natural Calamity, New Businesses and Rates and/or Penalties following a rating sale or abandoned land sale. The value of these rates remissions is \$300,000 for the 2019/20 year.

Postponements

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

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

The Council has resolved that the basis of calculating liability for the Uniform Annual General Charge (UAGC) and for certain targeted fixed rates (TFRs), will be the number of 'separately used or inhabited parts' (SUIPs) of rating units.

Council sets TFRs in all rating areas of the District on a SUIP basis for provision of:

- Water Supplies
- Sewerage Systems
- Solid Waste Management
- Solid Waste Collection
- Unsubsidised Roothing
- Aquatic Centre
- Marokopa Community Centre
- Rural Stormwater

Definition of SUIP

A separately used or occupied part of a rating unit includes any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or in-

habit that part by virtue of a tenancy, lease, licence, or other agreement, or any part or parts of a rating unit that are used or occupied by the ratepayer for more than one single use. This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner.

For the avoidance of doubt, a rating unit that has only one use (i.e. does not have separate parts or is vacant land) is treated as being one SUIP.

1. Statement of Funding Sources

The table on the following page provides a summary of the funding sources for the 2019/20 year. Council's Revenue and Financing Policy and work programmes form the basis for the funding forecasts. The table is produced on a GST exclusive basis.

The Statement of Funding Sources and the associated Funding Impact Statement provide for an overall funding adjustment. That adjustment is made after consideration of the overall impact on the community (as provided for by section 101 (3) (b) of the LGA) and applies to the 2019/20 financial year. This adjustment results in the transfer of \$247,500* from the Uniform Annual General Charge to the General Rate in an effort to maintain a funding equity between urban and rural ratepayers within the Waitomo District and their respective contribution to those services with a high element of public good. The above adjustment is reflected in the Estimated Cost of Service Statements.

Explanation of Rates adjustment between General Rate and UAGC

	Year 2019/20	
	General Rate \$000's	UAGC \$000's
Rate requirement before application of Section 101 (3)(b) adjustment	4,347	3,712
*Section 101(3)(b) Adjustment	247	(247)
Subtotal	4,594	3,465
Add – GST @ 15%	690	519
Total Requirement (inc GST) (as per Sections 3 and 4 – Funding Impact Statement)	5,284	3,984

2. Funding Cap for Uniform Charges

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

Council is not in breach of the Funding Cap for this Exceptions Annual Plan. The uniform charges for 2019/20 are 23.6% of the total rates revenue (24.9% before Section 101 (3) (b) adjustment).

Statement of Funding Sources

LTP 2018/19 \$000's		LTP 2019/20 \$000's	EAP 2019/20 \$000's	VARIANCE to LTP \$000's
	Targeted Rates and Service Charges			
2,503	Sewerage	2,543	2,485	(58)
1,948	Water	1,988	1,804	(184)
750	Metered Water Rate	799	881	82
345	Targeted Services Rate	370	378	8
330	District Development Rate	341	346	5
16	Piopio Retirement Village Contribution	16	16	0
5,380	District Roding Rate	5,298	5,048	(250)
767	Solid Waste Management	951	858	(93)
206	Solid Waste Collection	211	205	(6)
406	Stormwater	412	455	43
4	Marokopa Community Centre	4	4	0
12,655	Forecast Total Targeted Rates and Service Charges	12,933	12,480	(453)
3,355	UAGC	3,639	3,464	(175)
4,046	General Rates	4,102	4,594	492
20,056	Forecast Total Rates Requirement	20,674	20,538	(136)
	<i>Percentage Rates Increase</i>	<i>3.08%</i>	<i>2.40%</i>	
	Other Revenue Sources			
9,266	Subsidies	9,741	10,577	836
0	Investment Income	350	350	0
35	Interest Revenue	14	14	0
420	Rates Penalties Revenue	428	430	2
3,383	Fees and Charges	3,462	3,549	87
13,104	Total Other Revenue	13,995	14,920	925
	Other Funding Sources			
3,935	Internal Loans Raised	3,876	4,318	442
3,935	Total Other Funding Sources	3,876	4,318	442
37,095	Total Funding Sources	38,545	39,776	1,231
29,920	Operating Expenditure	30,041	30,333	292
10,254	Capital Expenditure	11,369	12,383	1,014
3,206	Internal Loan Repayments	3,315	3,116	(199)
779	External Loan Repayments	1,139	999	(140)
(7,064)	Reserve Transfers	(7,319)	(7,055)	264
37,095	Total Funding Used	38,545	39,776	1,231

3.0 GENERAL RATE

Description and Use

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

The General Rate will contribute to the funding of:

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

Requirement in 2019/20 (incl. GST)

General Rate	Rate per \$100 capital value	Total Revenue Requirement (\$000)
All rating units in the District	0.15229	5,284

4.0 UNIFORM ANNUAL GENERAL CHARGE

Description and Use

Council will set a Uniform Annual General Charge (UAGC) per separately used or inhabited part of a rating unit across the District under Section 15(1)

(b) of the LGRA. The rationale for use of the UAGC is contained in the Revenue and Financing Policy.

The UAGC will contribute to the funding of:

- Governance: Leadership and Investments
- Parks and Reserves
- District Libraries
- Aquatic Centre
- Arts, Culture and Heritage
- Other Land and Buildings
- Public Amenities
- Leased Reserves
- Elderly Persons Housing
- Community Halls
- Cemeteries
- Aerodrome
- Community Support
- Emergency Management
- Compliance

- Resource Management
- Waste Minimisation
- Subsidised Rooding

Requirement in 2019/20 (incl. GST)

Uniform Annual General Charge	Charge per SUIP	Total Revenue Requirement (\$000)
All rating units in the district.	\$703	3,984

5.0 TARGETED RATES

Description and Use

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

5.1 Targeted Rates Differentiated on Location

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

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

Te Kuiti Urban Rating Area	All rating units situated within the Te Kuiti Urban Ward (Refer to Revenue and Financing Policy (RFP) for further details)
Te Kuiti Urban and Periphery Rating Area	All rating units situated within a 5km radius, all around, from the Information Centre (deemed to be the centre of town), in Te Kuiti. (Refer to RFP for further details)
Rural Rating Area	All rating units situated within the Rural Ward (Refer to RFP for further details)
Piopio Township	All rating units connected or with the ability to connect to the Piopio Sewerage System (Refer to RFP for further details)
Piopio Wider Benefit Rating Area	All rating units situated in the rural areas around Piopio Township (excluding Rating units/SUIP's connected or with the ability to connect to the Piopio Sewerage System) that are deemed to indirectly benefit from the Piopio Sewerage reticulation network. (Refer to RFP for further details)
Marokopa Community Centre Rating Area	Any separately used or inhabited part of a rating unit within the defined Marokopa Community Centre area (as contained in the RFP)

Targeted Services TFR

Description and Use

Council will set a Targeted Services TFR per separately used or inhabited part of a rating unit in the District, differentiated by rating areas, to part fund the Unsubsidised Roading Activity and part fund the Aquatic Centre Activity. The rating areas for the purpose of assessing the Targeted Services TFR will be the Te Kuiti Urban and Periphery Rating Area and Rating Units in the District not in the Te Kuiti Urban and Periphery Rating area.

Requirement in 2019/20 (incl. GST)

Targeted Services (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Te Kuiti Urban and Periphery Rating Area	\$137	328
Rating Units in the District not in the Te Kuiti Urban and Periphery Rating Area	\$32	106

(b) Piopio Retirement Village Contribution - TFR

Description and Use

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

Requirement in 2019/20 (incl. GST)

Piopio Retirement Village Contribution (TFR)	Charge Per Rating Unit	Total Revenue Requirement (\$000)
Piopio Wider Benefit Rating Area and Piopio Township	\$24	18

(c) Rural Stormwater TFR

Description and Use

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

Requirement in 2019/20 (incl. GST)

Rural Stormwater (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Rural Rating Area	\$15	54

(d) Te Kuiti Urban Stormwater TFR and Targeted Rate.

Description and Use

(i) Council will set a TFR per rating unit in the Te Kuiti Urban Rating Area to partly fund the Urban Stormwater Activity.

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

Requirement in 2019/20 (incl. GST)

Urban Stormwater (TFR)	Charge per rating unit	Total Revenue Requirement (\$000)
Te Kuiti Urban Rating Area	\$163	295

Urban Stormwater Targeted Rate (TR)	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
Te Kuiti Urban Rating Area (excluding rating units not using network)	0.03768	174

5.2 Marokopa Community Centre TFR

Description and Use

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

Requirement in 2019/20 (incl. GST)

Marokopa Community Centre (TFR)	Charge Per SUIP	Total Revenue Requirement (\$000)
Marokopa Community Centre Rating Area	\$22	5

5.3 Water Rates

Description and Use

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

The TFR is set per separately used or inhabited part of a rating unit within Te Kuiti and Rural Communities (Piopio, Benneydale and Mokau), with liability calculated based on whether the SUIP is connected, or merely serviceable (Serviceable means the rating unit is within 100m of water main and practicably serviceable in the opinion of Council).

Requirement in 2019/20 (incl. GST)

Water Supply (TFR)	Charge		Total Revenue Requirement (\$000)
	Per connected SUIP	Per serviceable SUIP	
Te Kuiti	\$575	\$288	1,214
Piopio	\$1,103	\$552	276
Benneydale	\$1,103	\$552	133
Mokau	\$1,103	\$552	244

Council will set a TR per cubic metre of water consumed over and above an annual consumption of 292m³ per SUIP, differentiated by supply area that has been fitted with a water meter and/or is defined as having an extraordinary supply (in accordance with Council's Water Services Bylaw).

Requirement in 2019/20 (incl. GST)

Water Supply Rate (TR)	2019/20 Charge per cubic metre (including GST) above 292m ³
Te Kuiti	\$2.53
Piopio	\$3.59
Benneydale	\$4.83
Mokau	\$6.03
Total Revenue Requirement (\$000)	1,013

Metered Water Supply Due Dates

	Reading Period	Due Date
Te Kuiti Meat Companies	Monthly	15 th of the month following invoice
Te Kuiti, Piopio, Mokau and Benneydale	Jul-Dec 2019 Jan-Jun 2020	15 th of the month following invoice

5.4 District Wide Benefit Rate for Water Supply

Description and Use

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

Requirement in 2019/20 (incl. GST)

District Wide Benefit Rate Water Supply (TFR)	Charge per rating unit	Total Revenue Requirement (\$000)
All Rating Units in the District	\$44	208

5.5 Sewerage Rates

Description and Use

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

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

Requirement in 2019/20 (incl. GST)

Sewerage (TFR)	Charge		Total Revenue Requirement (\$000)
	Per connected SUIP	Per serviceable SUIP	
Benneydale	\$1,028	\$514	115
Te Waitere	\$1,028	\$514	17
Te Kuiti	\$1,028	\$514	1,750
Piopio	\$1,028	\$514	222

Sewerage rates for non-residential properties in Te Kuiti

Description and Use

For all non-residential properties in Te Kuiti, Council will assess a Targeted Fixed Rate per SUIP set on a differential basis based on the following categories:

- **Category 1** - All Businesses
- **Category 2** - Education & Community Childcare, Places of Worship, Marae, Clubs and Societies and Emergency Services. This category consists of organisations that are generally deemed 'not for profit'. For avoidance of doubt, Category 2 only covers properties with uses listed within this category and no others.
- **Category 3** - Government Department use, Rest Homes and Hospitals.

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

Requirement in 2019/20 (incl. GST)

Base Charge:

Non-Residential Targeted Rate (TFR)	Base Charge per SUIP (up to 4 pans)	Per serviceable SUIP	Total Revenue Requirement (\$000)
Category 1	\$514	\$514	107
Category 2	\$514	\$514	23
Category 3	\$1,028	\$514	19

Pan Charge:

Non-Residential Targeted Rate (TFR)	Number of pans	Charge per pan (pan charge)	Total Revenue Requirement (\$000)
Category 1	5 th pan and over	\$720	76
Category 2	5-10 Pans	\$309	3
	Over 10 Pans	\$206	25
Category 3	5 th pan and over	\$720	44

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

5.6 Trade Waste Contribution - TFR

Description and Use

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

Requirement in 2019/20 (incl. GST)

Trade Waste Contribution (TFR)	Charge Per rating unit	Total Revenue Requirement (\$000)
All Rating Units in the District	\$40	190

5.7 District Wide Benefit Rate for Sewerage

Description and Use

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

Requirement in 2019/20 (incl. GST)

District Wide Benefit Rate Sewerage (TFR)	Charge Per Rating Unit	Total Revenue Requirement (\$000)
All rating units in the District	\$56	267

5.8 District Roading Rate

Description and Use

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

Requirement in 2019/20 (incl. GST)

District Roading Rate (TR)	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
All rating units in the District	0.16731	5,805

5.9 Solid Waste Collection Rate

Description and Use

Council will set a TFR per separately used or inhabited part of a rating unit to which Council provides a kerbside collection and recycling service differentiated by service areas where Council operates kerbside collection and kerbside recycling services (Te Kuiti, Piopio, Mokau (including Awakino) communities and Waitomo Village and some surrounding parts).

Requirement in 2019/20 (incl. GST)

Solid Waste Collection (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Te Kuiti	\$59	120
Waitomo	\$66	43
Piopio	\$131	31
Mokau	\$137	42

5.10 Solid Waste Management Rate

Description and Use

Council will set a TFR per separately used or inhabited part of a rating unit District wide to part fund the activity of solid waste management.

Requirement in 2019/20 (incl. GST)

Solid Waste Management (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
All rating units in the District	\$175	987

5.11 District Development Rate

Description and Use

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

Requirement in 2019/20 (incl. GST)

District Development Rate (TR)	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
Commercial and Industrial Businesses	0.05126	199
Rural Businesses	0.00894	199

6.0 RATES PAYMENTS

Pursuant to Section 24 of the Local Government (Rating) Act 2002, rates for the financial year commencing **1 July 2019** will be payable in four equal instalments with the due dates for payment being:

1st Instalment	30 August 2019 (Friday)
2nd Instalment	29 November 2019 (Friday)
3rd Instalment	28 February 2020 (Friday)
4th instalment	29 May 2020 (Friday)

Note

The due date for payment of each instalment is the last working day in each of the months specified above.

Rates payments will be allocated to the oldest debt first.

Penalties

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

- (a) A penalty charge of 10 percent (10%) on any part of an instalment that has been assessed for the financial year commencing 1 July 2019 and which remains unpaid after 5pm on the due date for payment of that instalment, to be added on the penalty dates below:

Instalment 1	3 September 2019
Instalment 2	3 December 2019
Instalment 3	3 March 2020
Instalment 4	3 June 2020

- (b) A further penalty charge of 10 percent (10%) on any part of any rates assessed before 1 July 2019 that remains unpaid on 1 July 2019, to be added on 5 July 2019.
- (c) No penalties will be charged where a ratepayer is paying rates by direct debit or where there is an approved payment arrangement in place.

Rates Examples 2018/19

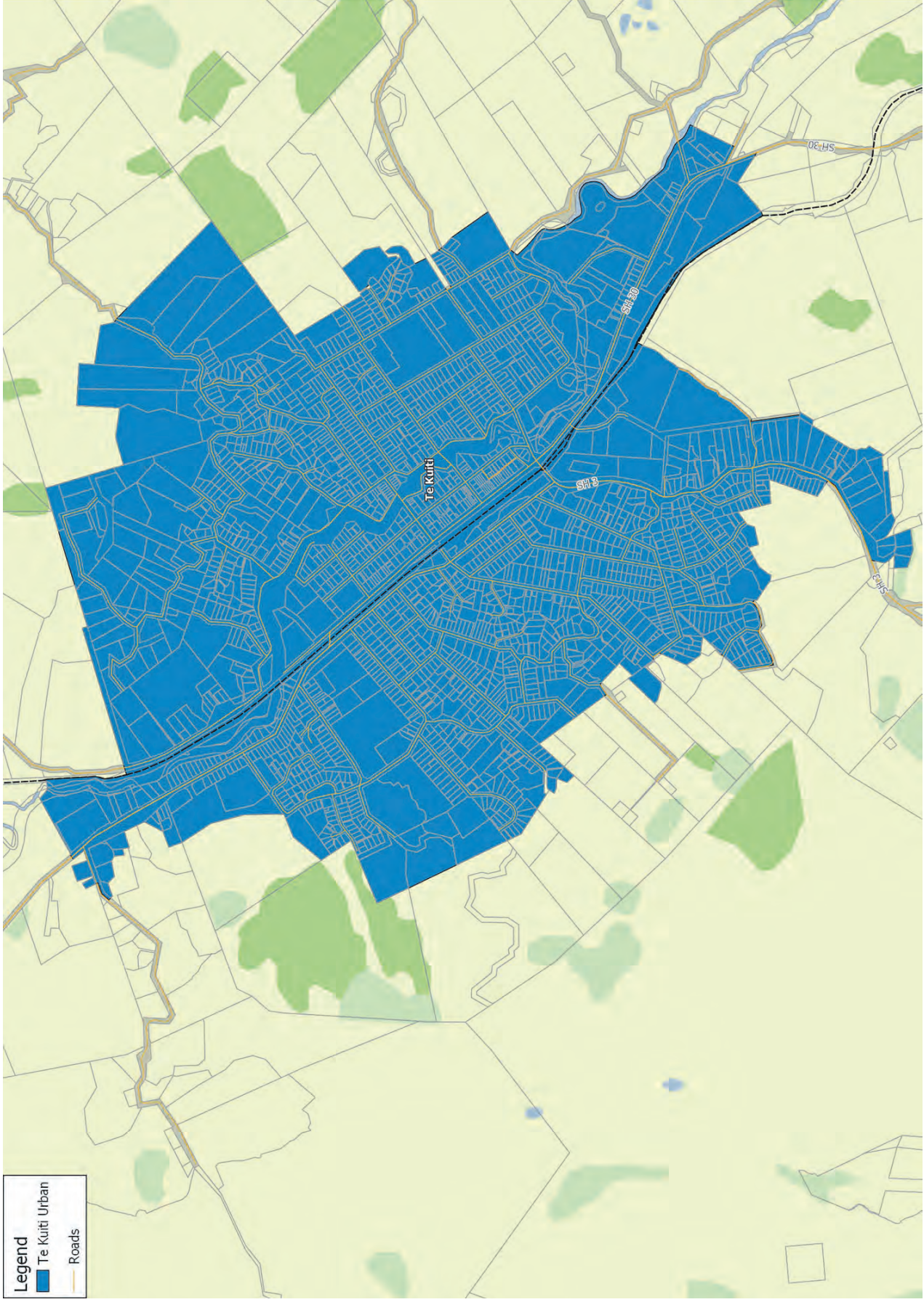
(Including GST) Capital Value \$ as at September 2015

	Te Kuiti Residential \$170,000 2018/19	Te Kuiti Commercial \$275,000 2018/19 3 pans	Te Kuiti Wider Rating Area \$630,000 2018/19	Waitomo Commercial \$1,100,000 2018/19 (2 parts)	Benneydale Residential \$40,000 2018/19	Piopio Residential \$130,000 2018/19	Piopio Wider Rating Area \$385,000 2018/19	Mokau Residential \$350,000 2018/19	Drystock Rural \$3,070,000 2018/19	Dairy Farm Rural \$5,510,000 2018/19 (4 parts)	Te Waitere Residential \$270,000 2018/19
Uniform Annual General Charge (UAGC)	687	687	687	1,374	687	687	687	687	687	2,748	687
General Rate	270	436	999	1,745	63	206	611	555	4,870	8,740	428
District Roading Rate	359	580	1,329	2,320	84	274	812	738	6,475	11,621	569
Targeted Services Rate (Urban)	124	124	124	0	0	0	0	0	0	0	0
Targeted Services Rate (Rural)	0	0	0	64	32	32	32	32	32	128	32
District Development Rate - Commercial	0	157	0	626	0	0	0	0	0	0	0
District Development Rate - Rural Business	0	0	0	0	0	0	0	0	297	533	0
District Benefit Water	48	48	48	48	48	48	48	48	48	48	48
District Benefit Sewerage	57	57	57	57	57	57	57	57	57	57	57
Stormwater Urban Fixed Charge	159	159	0	0	0	0	0	0	0	0	0
Stormwater Urban Capital Value	78	126	0	0	0	0	0	0	0	0	0
Stormwater (Rural)	0	0	12	24	12	12	12	12	12	48	12
Water Supply (Te Kuiti and Rural Communities)	586	586	0	0	1,340	1,340	0	1,340	0	0	0
Sewerage (Uniform)	1,039	519	0	0	1,039	1,039	0	0	0	0	1,039
Piopio Retirement Village Contribution	0	0	0	0	0	23	23	0	0	0	0
Te Kuiti Trade Waste Contribution	40	40	40	40	40	40	40	40	40	40	40
Solid Waste Management - District	158	158	158	316	158	158	158	158	158	632	158
Solid Waste Collection & Recycling	59	59	68	0	0	132	0	139	0	272	0
Marokopa Community Centre	0	0	0	0	0	0	0	0	22	0	0
Total Rates (Actual) 2018/19	3,664	3,736	3,522	6,614	3,560	4,048	2,480	3,806	12,698	24,867	3,070

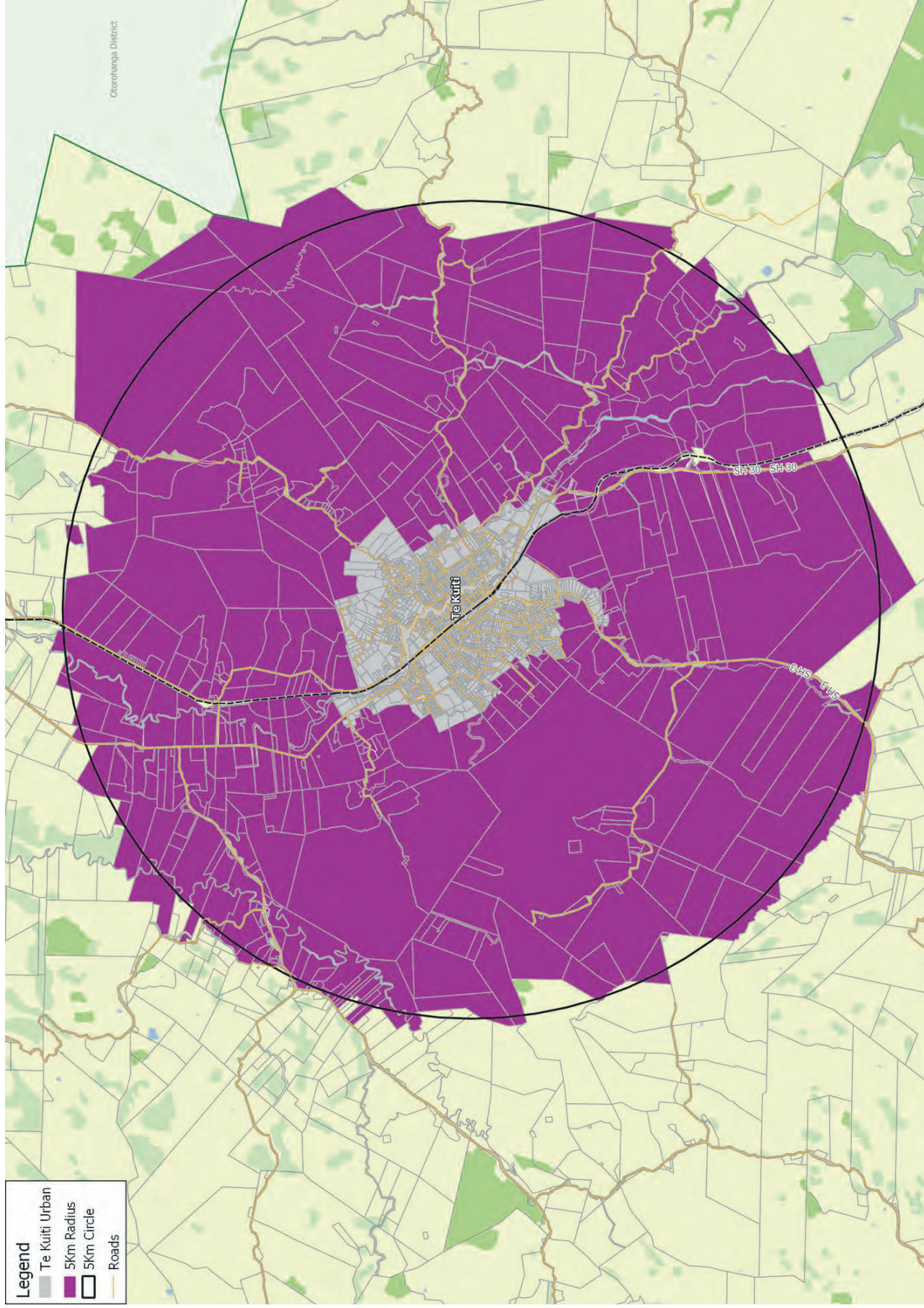
Rates Examples 2019/20

(Including GST) Capital Value \$ as at September 2018	Te Kuiti Residential	Te Kuiti Commercial	Te Kuiti Wider Rating Area	Waitomo Commercial	Benneydale Residential	Piopio Residential	Piopio Wider Rating Area	Mokau Residential	Drystock Rural	Dairy Farm Rural	Te Waitere Residential
	\$270,000 2019/20	\$330,000 2019/20 3 pans	\$810,000 2019/20	\$1,590,000 2019/20 (2 parts)	\$60,000 2019/20	\$205,000 2019/20	\$460,000 2019/20	\$385,000 2019/20	\$3,130,000 2019/20	\$5,850,000 2019/20 (4 parts)	\$270,000 2019/20
Uniform Annual General Charge (UAGC)	703	703	703	1,406	703	703	703	703	703	2,812	703
General Rate	411	503	1,234	2,421	91	312	701	586	4,767	8,909	411
District Roading Rate	452	552	1,355	2,660	100	343	770	644	5,237	9,788	452
Targeted Services Rate (Urban)	137	137	137	0	0	0	0	0	0	0	0
Targeted Services Rate (Rural)	0	0	0	64	32	32	32	32	32	128	32
District Development Rate - Commercial	0	169	0	815	0	0	0	0	0	0	0
District Development Rate - Rural Business	0	0	0	0	0	0	0	0	280	523	0
District Benefit Water	44	44	44	44	44	44	44	44	44	44	44
District Benefit Sewerage	56	56	56	56	56	56	56	56	56	56	56
Stormwater Urban Fixed Charge	163	163	0	0	0	0	0	0	0	0	0
Stormwater Urban Capital Value	102	124	0	0	0	0	0	0	0	0	0
Stormwater (Rural)	0	0	15	30	15	15	15	15	15	60	15
Water Supply (Te Kuiti and Rural Communities)	575	575	0	0	1,103	1,103	0	1,103	0	0	0
Sewerage (Uniform)	1,028	514	0	0	1,028	1,028	0	0	0	0	1,028
Piopio Retirement Village Contribution	0	0	0	0	0	24	24	0	0	0	0
Te Kuiti Trade Waste Contribution	40	40	40	40	40	40	40	40	40	40	40
Solid Waste Management - District	175	175	175	350	175	175	175	175	175	700	175
Solid Waste Collection & Recycling	59	59	66	132	0	131	0	137	0	264	0
Marokopa Community Centre	0	0	0	0	0	0	0	0	22	0	0
Proposed Total Rates 2019/20	3,945	3,814	3,825	8,018	3,387	4,006	2,560	3,535	11,371	23,324	2,956
Total Rates (Actual) 2018/19	3,664	3,736	3,522	6,614	3,560	4,048	2,480	3,806	12,698	24,867	3,070
Change (%)	7.7%	2.1%	8.6%	21.2%	-4.9%	-1.0%	3.2%	-7.1%	-10.5%	-6.2%	-3.7%

Te Kuiti Urban Rating Area



Te Kuiti Urban and Periphery Rating Area



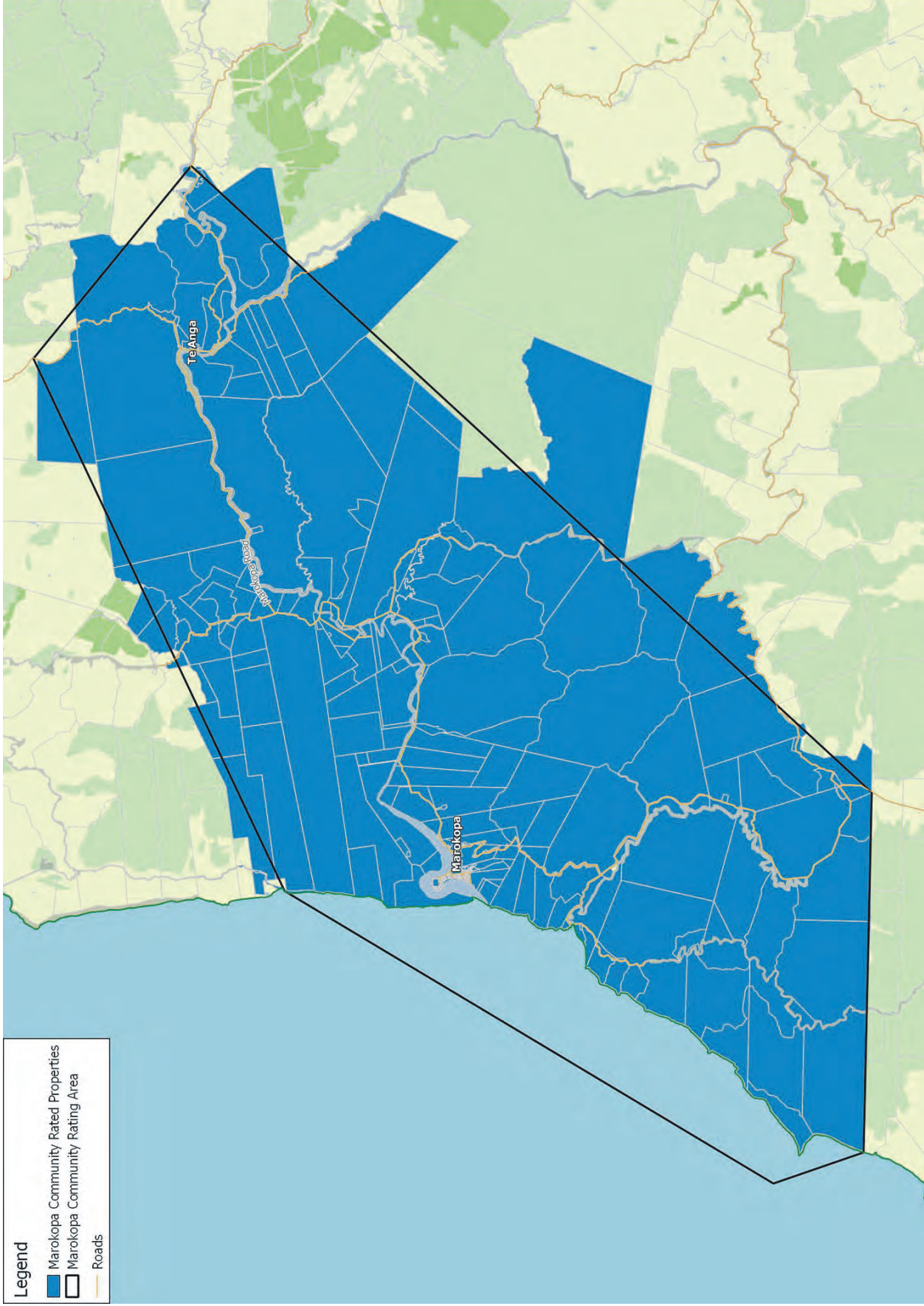
Rural Rating Area



Piopio Wider Benefit Rating Area



Marokopa Community Centre Rating Area



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

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

Waitomo District Council: Funding Impact Statement for 2019/20 for Whole of Council	LTP 2018/19 \$000's	LTP 2019/20 \$000's	EAP 2019/20 \$000's
Sources of operating funding			
General Rates, uniform annual general charges, rates penalties	7,822	8,170	8,488
Targeted Rates	12,654	12,932	12,480
Subsidies and grants for operating purposes	4,510	4,616	4,581
Fees and charges	3,199	3,232	3,299
Interest and Dividends from Investments	35	364	364
Local authorities fuel tax, fines, infringement fees and other receipts	186	190	209
Total operating funding (A)	28,406	29,504	29,421
Applications of Operating Funding			
Payments to staff and suppliers	21,480	21,491	22,430
Finance costs	2,597	2,638	2,035
Other operating funding applications	0	0	0
Total applications of Operating Funding (B)	24,077	24,129	24,465
Surplus (deficit) of operating funding (A-B)	4,329	5,375	4,956
Sources of capital funding			
Subsidies and grants for capital expenditure	4,754	5,164	5,996
Development and financial contributions	0	0	0
Increase (decrease) in debt	3,934	3,877	4,318
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	41
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	8,688	9,041	10,355
Applications of capital funding			
Capital Expenditure - to meet additional demand	0	0	0
Capital Expenditure - to improve the level of service	1,012	898	1,339
Capital Expenditure - to replace existing assets	9,242	10,472	11,044
Increase (decrease) in reserves	2,763	3,046	2,928
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	13,017	14,416	15,311
Surplus (deficit) of capital funding (C-D)	(4,329)	(5,375)	(4,956)
Funding Balance ((A-B) + (C-D))	0	0	0

Waitomo District Council: Funding Impact Statement for 2019/20 for Governance: Leadership and Investments	LTP 2018/19 \$000's	LTP 2019/20 \$000's	EAP 2019/20 \$000's
Sources of operating funding			
General Rates, uniform annual general charges, rates penalties	2,183	2,197	2,297
Targeted Rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	65	26	25
Internal charges and overheads recovered	19,372	19,902	19,517
Local authorities fuel tax, fines, infringement fees and other receipts	35	364	364
Total operating funding (A)	21,655	22,489	22,203
Applications of Operating Funding			
Payments to staff and suppliers	8,618	8,759	8,992
Finance costs	2,572	2,613	2,035
Internal charges and overheads applied	9,975	10,232	10,313
Other operating funding applications	0	0	0
Total applications of Operating Funding (B)	21,165	21,604	21,340
Surplus (deficit) of operating funding (A-B)	490	885	863
Sources of capital funding			
Subsidies and grants for capital expenditure	0	41	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	41
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	0	41	41
Applications of capital funding			
Capital Expenditure - to meet additional demand	0	0	0
Capital Expenditure - to improve the level of service	245	297	337
Capital Expenditure - to replace existing assets	615	661	581
Increase (decrease) in reserves	(370)	(32)	(14)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	490	926	904
Surplus (deficit) of capital funding (C-D)	(490)	(885)	(863)
Funding Balance ((A-B) + (C-D))	0	0	0

Waitomo District Council: Funding Impact Statement for 2019/20 for Community Service	LTP 2018/19 \$000's	LTP 2019/20 \$000's	EAP 2019/20 \$000's
Sources of operating funding			
General Rates, uniform annual general charges, rates penalties	3,344	3,454	3,534
Targeted Rates	274	274	272
Subsidies and grants for operating purposes	1	1	1
Fees and charges	526	537	523
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	3
Total operating funding (A)	4,145	4,266	4,333
Applications of Operating Funding			
Payments to staff and suppliers	1,599	1,661	1,754
Finance costs	0	0	0
Internal charges and overheads applied	1,899	1,925	1,889
Other operating funding applications	0	0	0
Total applications of Operating Funding (B)	3,498	3,586	3,643
Surplus (deficit) of operating funding (A-B)	647	680	690
Sources of capital funding			
Subsidies and grants for capital expenditure	160	163	160
Development and financial contributions	0	0	0
Increase (decrease) in debt	402	463	444
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	562	626	604
Applications of capital funding			
Capital Expenditure - to meet additional demand	0	0	0
Capital Expenditure - to improve the level of service	172	87	432
Capital Expenditure - to replace existing assets	797	851	569
Increase (decrease) in reserves	240	368	293
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	1,209	1,306	1,294
Surplus (deficit) of capital funding (C-D)	(647)	(680)	(690)
Funding Balance ((A-B) + (C-D))	0	0	0

Waitomo District Council: Funding Impact Statement for 2019/20 for Community Development	LTP 2018/19 \$000's	LTP 2019/20 \$000's	EAP 2019/20 \$000's
Sources of operating funding			
General Rates, uniform annual general charges, rates penalties	1,351	1,481	1,389
Targeted Rates	346	357	362
Subsidies and grants for operating purposes	0	0	0
Fees and charges	42	42	27
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	2	2	2
Total operating funding (A)	1,741	1,882	1,780
Applications of Operating Funding			
Payments to staff and suppliers	1,968	1,524	1,992
Finance costs	0	0	0
Internal charges and overheads applied	755	815	777
Other operating funding applications	0	0	0
Total applications of Operating Funding (B)	2,723	2,339	2,769
Surplus (deficit) of operating funding (A-B)	(982)	(457)	(989)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	1,000	500	1,000
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	1,000	500	1,000
Applications of capital funding			
Capital Expenditure - to meet additional demand	0	0	0
Capital Expenditure - to improve the level of service	0	0	0
Capital Expenditure - to replace existing assets	0	2	2
Increase (decrease) in reserves	18	41	9
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	18	43	11
Surplus (deficit) of capital funding (C-D)	982	457	989
Funding Balance ((A-B) + (C-D))	0	0	0

Waitomo District Council: Funding Impact Statement for 2019/20 for Compliance	LTP 2018/19 \$000's	LTP 2019/20 \$000's	EAP 2019/20 \$000's
Sources of operating funding			
General Rates, uniform annual general charges, rates penalties	561	596	904
Targeted Rates	0	0	0
Subsidies and grants for operating purposes	3	1	1
Fees and charges	433	442	430
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	17	17	27
Total operating funding (A)	1,014	1,056	1,362
Applications of Operating Funding			
Payments to staff and suppliers	238	260	334
Finance costs	0	0	0
Internal charges and overheads applied	771	791	885
Other operating funding applications	0	0	0
Total applications of Operating Funding (B)	1,009	1,051	1,219
Surplus (deficit) of operating funding (A-B)	5	5	143
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	0	0	0
Applications of capital funding			
Capital Expenditure - to meet additional demand	0	0	0
Capital Expenditure - to improve the level of service	0	0	0
Capital Expenditure - to replace existing assets	0	0	0
Increase (decrease) in reserves	5	5	143
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	5	5	143
Surplus (deficit) of capital funding (C-D)	(5)	(5)	(143)
Funding Balance ((A-B) + (C-D))	0	0	0

Waitomo District Council: Funding Impact Statement for 2019/20 for Solid Waste Management	LTP 2018/19 \$000's	LTP 2019/20 \$000's	EAP 2019/20 \$000's
Sources of operating funding			
General Rates, uniform annual general charges, rates penalties	17	17	16
Targeted Rates	972	1,162	1,063
Subsidies and grants for operating purposes	0	0	0
Fees and charges	1,083	1,110	1,111
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	36	37	37
Total operating funding (A)	2,108	2,326	2,227
Applications of Operating Funding			
Payments to staff and suppliers	1,315	1,480	1,481
Finance costs	25	25	0
Internal charges and overheads applied	623	630	550
Other operating funding applications	0	0	0
Total applications of Operating Funding (B)	1,963	2,135	2,031
Surplus (deficit) of operating funding (A-B)	145	191	196
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	776	776
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	0	776	776
Applications of capital funding			
Capital Expenditure - to meet additional demand	0	0	0
Capital Expenditure - to improve the level of service	0	0	0
Capital Expenditure - to replace existing assets	217	1,046	1,046
Increase (decrease) in reserves	(72)	(79)	(74)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	145	967	972
Surplus (deficit) of capital funding (C-D)	(145)	(191)	(196)
Funding Balance ((A-B) + (C-D))	0	0	0

Waitomo District Council: Funding Impact Statement for 2019/20 for Storm-water	LTP 2018/19 \$000's	LTP 2019/20 \$000's	EAP 2019/20 \$000's
Sources of operating funding			
General Rates, uniform annual general charges, rates penalties	0	0	0
Targeted Rates	406	412	455
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	406	412	455
Applications of Operating Funding			
Payments to staff and suppliers	120	119	121
Finance costs	0	0	0
Internal charges and overheads applied	92	94	120
Other operating funding applications	0	0	0
Total applications of Operating Funding (B)	212	213	241
Surplus (deficit) of operating funding (A-B)	194	199	214
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	0	0	0
Applications of capital funding			
Capital Expenditure - to meet additional demand	0	0	0
Capital Expenditure - to improve the level of service	0	0	0
Capital Expenditure - to replace existing assets	199	204	142
Increase (decrease) in reserves	(5)	(5)	72
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	194	199	214
Surplus (deficit) of capital funding (C-D)	(194)	(199)	(214)
Funding Balance ((A-B) + (C-D))	0	0	0

Waitomo District Council: Funding Impact Statement for 2019/20 for Resource Management	LTP 2018/19 \$000's	LTP 2019/20 \$000's	EAP 2019/20 \$000's
Sources of operating funding			
General Rates, uniform annual general charges, rates penalties	272	332	258
Targeted Rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	85	87	190
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	357	419	448
Applications of Operating Funding			
Payments to staff and suppliers	321	230	296
Finance costs	0	0	0
Internal charges and overheads applied	638	678	658
Other operating funding applications	0	0	0
Total applications of Operating Funding (B)	959	908	954
Surplus (deficit) of operating funding (A-B)	(602)	(489)	(506)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	633	553	542
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	633	553	542
Applications of capital funding			
Capital Expenditure - to meet additional demand	0	0	0
Capital Expenditure - to improve the level of service	0	0	0
Capital Expenditure - to replace existing assets	0	0	0
Increase (decrease) in reserves	31	64	36
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	31	64	36
Surplus (deficit) of capital funding (C-D)	602	489	506
Funding Balance ((A-B) + (C-D))	0	0	0

Waitomo District Council: Funding Impact Statement for 2019/20 for Sewerage	LTP 2018/19 \$000's	LTP 2019/20 \$000's	EAP 2019/20 \$000's
Sources of operating funding			
General Rates, uniform annual general charges, rates penalties	0	0	0
Targeted Rates	2,503	2,543	2,485
Subsidies and grants for operating purposes	0	0	0
Fees and charges	860	881	882
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	3,363	3,424	3,367
Applications of Operating Funding			
Payments to staff and suppliers	1,291	1,313	1,314
Finance costs	0	0	0
Internal charges and overheads applied	1,160	1,196	1,102
Other operating funding applications	0	0	0
Total applications of Operating Funding (B)	2,451	2,509	2,416
Surplus (deficit) of operating funding (A-B)	912	915	951
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	622	488	216
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	622	488	216
Applications of capital funding			
Capital Expenditure - to meet additional demand	0	0	0
Capital Expenditure - to improve the level of service	0	0	0
Capital Expenditure - to replace existing assets	694	587	437
Increase (decrease) in reserves	840	816	730
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	1,534	1,403	1,167
Surplus (deficit) of capital funding (C-D)	(912)	(915)	(951)
Funding Balance ((A-B) + (C-D))	0	0	0

Waitomo District Council: Funding Impact Statement for 2019/20 for Water Supply	LTP 2018/19 \$000's	LTP 2019/20 \$000's	EAP 2019/20 \$000's
Sources of operating funding			
General Rates, uniform annual general charges, rates penalties	0	0	0
Targeted Rates	2,699	2,787	2,685
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding (A)	2,699	2,787	2,685
Applications of Operating Funding			
Payments to staff and suppliers	1,058	1,084	1,073
Finance costs	0	0	0
Internal charges and overheads applied	1,267	1,320	1,206
Other operating funding applications	0	0	0
Total applications of Operating Funding (B)	2,325	2,404	2,279
Surplus (deficit) of operating funding (A-B)	374	383	406
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	859	673	594
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	859	673	594
Applications of capital funding			
Capital Expenditure - to meet additional demand	0	0	0
Capital Expenditure - to improve the level of service	382	285	339
Capital Expenditure - to replace existing assets	480	392	337
Increase (decrease) in reserves	371	379	324
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	1,233	1,056	1,000
Surplus (deficit) of capital funding (C-D)	(374)	(383)	(406)
Funding Balance ((A-B) + (C-D))	0	0	0

Waitomo District Council: Funding Impact Statement for 2019/20 for Roads and Footpaths	LTP 2018/19 \$000's	LTP 2019/20 \$000's	EAP 2019/20 \$000's
Sources of operating funding			
General Rates, uniform annual general charges, rates penalties	94	93	90
Targeted Rates	5,454	5,397	5,158
Subsidies and grants for operating purposes	4,507	4,615	4,578
Fees and charges	105	107	112
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	130	133	140
Total operating funding (A)	10,290	10,345	10,078
Applications of Operating Funding			
Payments to staff and suppliers	4,952	5,061	5,073
Finance costs	0	0	0
Internal charges and overheads applied	2,131	2,141	1,928
Other operating funding applications	0	0	0
Total applications of Operating Funding (B)	7,083	7,202	7,001
Surplus (deficit) of operating funding (A-B)	3,207	3,143	3,077
Sources of capital funding			
Subsidies and grants for capital expenditure	4,594	4,960	5,836
Development and financial contributions	0	0	0
Increase (decrease) in debt	418	424	746
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	5,012	5,384	6,582
Applications of capital funding			
Capital Expenditure - to meet additional demand	0	0	0
Capital Expenditure - to improve the level of service	213	229	231
Capital Expenditure - to replace existing assets	6,240	6,729	7,930
Increase (decrease) in reserves	1,766	1,569	1,498
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	8,219	8,527	9,659
Surplus (deficit) of capital funding (C-D)	(3,207)	(3,143)	(3,077)
Funding Balance ((A-B) + (C-D))	0	0	0

Statement of Reserve Funds

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

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

1. OPERATIONAL RESERVES

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

This occurs when:

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

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

For example, the balance in an operational reserve will determine whether more or less income is required in the subsequent year's budget to clear that balance.

Council ensures that rates collected for a particular activity from an identified group of ratepayers are used only for that activity and for the benefit of that identified ratepayer group.

2. DEPRECIATION RESERVES

The Council sets aside accumulated funds from rates in specific Depreciation Reserves to fund repayments on loans raised for capital expenditure and to maintain the service capacity and integrity of assets throughout their useful lives.

Each major activity e.g. water, roading, wastewater, stormwater, solid waste, etc. has its own Depreciation Reserve so that the funds from each can be applied to the appropriate activity.

Council ensures that funds accumulated for a particular activity from an identified group of ratepayers can only be used for that activity and for the benefit of that identified ratepayer group.

The purpose of accumulating specific Depreciation Reserves is to ensure that Council's ability to provide services to the District's communities is maintained.

3. INVESTMENT REVALUATION RESERVES

Council's investment activities include its subsidiary companies Inframax Construction Ltd, 22 quarries throughout the District, and Housing and Other Property.

Council is obliged to periodically review the value of its investment in each of these activities. Investment revaluation reserves are therefore created when the value of Council's investment either increases or decreases as a result of that revaluation.

Revaluations of investments do not form part of the Revaluation Reserve shown in the Public Equity section of the Statement of Financial Position.

The balances held in an investment revaluation reserve are not utilised in any way other than to recognise movements in the value of Council's investments.

They would only be realised as a component of the surplus or deficit should Council ever resolve to dispose of a particular investment.

4. SPECIAL PURPOSE RESERVES

There are two special purpose reserves;

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

Prospective Statement of Reserve	Projected Reserve Balance 30 June 2019 \$000s	Forecast Reserve Deposits \$000s	Forecast Reserve Withdrawals \$000s	Projected Reserve Balance 30 June 2020 \$000s
Operational Reserves (1) (Debits = reserves in funds, Credits = overdrawn reserves)				
Leadership and Investments				
Leadership	(172)	20	0	(152)
Investments	573	0	0	573
	401	20	0	421
Community Service				
Parks and Reserves	529	0	0	529
Housing and Other Property	834	0	(25)	809
Recreation and Culture - Library	(184)	20	0	(164)
Recreation and Culture - Aquatic Centre	(119)	0	0	(119)
Recreation and Culture - Arts and Culture	224	0	0	224
Recreation and Culture - Aerodrome	131	0	0	131
Public Amenities	314	0	0	314
Safety	400	0	0	400
	2,129	20	(25)	2,124
Community Development				
Community Development	268	0	0	268
	268	0	0	268
Compliance				
Compliance	(288)	137	0	(151)
	(288)	137	0	(151)
Solid Waste Management				
Collection	116	8	0	124
Management - Landfill and Transfer Stations	547	64	0	611
Management - Waste Minimisation	(40)	0	0	(40)
	623	72	0	695
Stormwater				
Te Kuiti Stormwater	(113)	16	0	(97)
Rural Stormwater	170	0	0	170
	57	16	0	73
Resource Management				
Resource Management	140	0	0	140
	140	0	0	140
Sewerage				
Waitomo Sewerage	(20)	0	(5)	(25)
Te Kuiti Sewerage	3,690	305	0	3,995
Te Waitere Sewerage	41	0	(37)	4
Benneydale Sewerage	(297)	0	(63)	(360)
Piopio Sewerage	301	0	(80)	221
	3,715	305	(185)	3,835
Water Supply				
Te Kuiti Water	(893)	188	0	(705)
Mokau Water	(626)	0	(127)	(753)
Piopio Water	(612)	0	(96)	(708)
Benneydale Water	(70)	0	(44)	(114)
Waitomo Water	(31)	0	(5)	(36)
	(2,232)	188	(272)	(2,316)
Roads and Footpaths				
Subsidised Roads	(761)	70	0	(691)
Unsubsidised Roads	472	0	(20)	452
	(289)	70	(20)	(239)
Corporate Support				
Gratuities	71	0	0	71
Long Service Leave	26	0	0	26
Natural Disaster	426	0	0	426
	523	0	0	523
Total Operational Reserves	5,047	828	(502)	5,373

Prospective Statement of Reserve Funds	Projected Reserve Balance 30 June 2019 \$000s	Forecast Reserve Deposits \$000s	Forecast Reserve Withdrawals \$000s	Projected Reserve Balance 30 June 2020 \$000s
Depreciation Reserves (2)				
Leadership and Investments				
Investments	(2)	0	0	(2)
	(2)	0	0	(2)
Community Service				
Parks and Reserves	(201)	68	(114)	(247)
Housing and Other Property - Housing	218	18	(18)	218
Housing and Other Property - Community Halls	810	3	(3)	810
Housing and Other Property - Other Land and Buildings	326	118	(62)	382
Housing and Other Property - Railway Station Building	(74)	13	(108)	(169)
Recreation and Culture - Library	537	98	(64)	571
Recreation and Culture - Aquatic Centre	(81)	31	(43)	(93)
Recreation and Culture - Arts and Culture	59	194	(45)	208
Recreation and Culture - Aerodrome	(63)	33	(97)	(127)
Public Amenities	126	120	(72)	174
	1,657	696	(626)	1,727
Community Development				
I-SITE	42	10	(7)	45
	42	10	(7)	45
Compliance				
Animal Control	(44)	6	(1)	(39)
	(44)	6	(1)	(39)
Solid Waste Management				
Management - Landfill and Transfer Stations	(665)	97	(283)	(851)
	(665)	97	(283)	(851)
Stormwater Drainage				
Te Kuiti Stormwater	396	189	(157)	428
Rural Stormwater	29	9	(6)	32
	425	198	(163)	460
Sewerage				
Te Kuiti Sewerage	415	670	(613)	472
Te Waitere Sewerage	(2)	2	0	0
Benneydale Sewerage	181	44	(68)	157
Piopio Sewerage	95	113	(91)	117
	689	829	(772)	746
Water Supply				
Te Kuiti Water	454	280	(260)	474
Mokau Water	(130)	80	(78)	(128)
Piopio Water	147	72	(108)	111
Benneydale Water	160	40	(25)	175
	631	472	(471)	632
Roads and Footpaths				
Subsidised Roads	6,221	2,713	(2,893)	6,041
Unsubsidised Roads	120	59	(31)	148
	6,341	2,772	(2,924)	6,189
Corporate Support				
Corporate Support	84	306	(629)	(239)
Plant	104	186	(249)	41
	188	492	(878)	(198)
Total Depreciation Reserves	9,262	5,572	(6,125)	8,709

Prospective Statement of Reserve Funds	Projected Reserve Balance 30 June 2019 \$000s	Forecast Reserve Deposits \$000s	Forecast Reserve Withdrawals \$000s	Projected Reserve Balance 30 June 2020 \$000s
Investment Revaluation Reserves (3)				
Community Service				
Housing and Other Property - Other Land and Buildings	288	0	0	288
	288	0	0	288
Total Investment Revaluation Reserves	288	0	0	288
Special Purpose Reserves (4)				
Community Development				
District Development	16	0	0	16
	16	0	0	16
Solid Waste Management				
Carbon Credits Reserve	16	319	(250)	85
Waste Minimisation Reserve	112	26	0	138
	128	345	(250)	223
Total Special Purpose Reserves	432	345	(250)	527
Total Council Created Reserves	14,741	6,745	(6,877)	14,609
Net Movement in All Council Created Reserves			(132)	

Reconciliation of Prospective Reserve Funding to Estimated Cost of Service Statements (\$'000's)	Estimated Cost of Service Statements						Prospective Statement of Reserve Funds			
	Total Movement (to)/from Reserves	Plus Depreciation and Amortisation Charged to Retained Earnings	Plus Carbon credits Surrendered Charged to Retained Earnings	Less External Loan Repayments	Less Internal Loan Repayments	Transfer to Corporate Support Reserves	Total Net Movement	Projected Opening Reserve Balance at 30 June 2019	Prospective Closing Balance 30 June 2020	Net Movement in Reserves
Activity										
Leadership and Investments	(858)	493			0	385	20	(399)	(419)	(20)
Community Service	(655)	948			(228)		65	(4,074)	(4,139)	(65)
Community Development	(2)	11			(6)		3	(326)	(329)	(3)
Compliance	137	6			(1)		142	332	190	(142)
Solid Waste Management	(171)	97	319		(264)		(19)	(86)	(67)	19
Stormwater Drainage	(126)	198			(21)		51	(482)	(533)	(51)
Resource Management	36				(36)		0	(140)	(140)	0
Sewerage	(100)	830			(552)		178	(4,403)	(4,581)	(178)
Water Supply	(278)	602			(408)		(84)	1,600	1,684	84
Roads and Footpaths	(1,922)	2,771		649	(1,601)		(103)	(6,053)	(5,950)	103
Corporate Support						(385)	(385)	(710)	(325)	385
Grand Total	(3,939)	5,956	319	649	(3,117)	0	(132)	(14,741)	(14,609)	132
Total Movement in Council Created Reserves										132

Accounting Policies

Statement of Responsibility

The Exceptions Annual Plan 2019/20 was adopted by Council on 28 May 2019.

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

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

The Council, who are authorised to do so, believe the assumptions underlying the Prospective Financial Statements are appropriate and as such, adopted the Exceptions Annual Plan 2019/20 on 28 May 2019.

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

Statement of Accounting Policies

Reporting Entity

Waitomo District Council is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's activities is the LGA and the Local Government (Rating) Act 2002.

The Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return.

The financial information contained within the Exceptions Annual Plan 2019/20 may not be appropriate for purposes other than those described.

Basis of Preparation

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

Statement of Compliance

The prospective financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 (LGA), which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The prospective financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

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

Presentation Currency and Rounding

The reporting period for these prospective financial statements is the year ending 30 June 2020. The prospective financial statements are presented in New Zealand dollars, rounded to the nearest thousand (\$000's), unless otherwise stated.

Measurement Basis

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

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

Revenue

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

Revenue is recognised to the extent that is probable that the economic benefits will flow to the Council and the revenue can be reliably measured.

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

Exchange transactions

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

Non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange

transaction, the Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange.

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

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

The following specific recognition criteria must also be met before revenue is recognised.

Rates Revenue

Rates are set annually by resolution from the Council and relate to a particular financial year. All ratepayers are invoiced within the financial year for which the rates have been set. Rates arising from late payment penalties are recognised when rates become overdue. Rates revenue is classified as non-exchange revenue.

New Zealand Transport Agency (NZTA) roading subsidies

The Council receives funding assistance from NZTA, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled. NZTA subsidies are classified as non-exchange revenue.

Other Subsidies and Grants received

Other subsidies and grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grants are satisfied. Other grants received classified as non-exchange revenue.

Fees, Levies & Charges

Other fees, levies and charges are recognised as revenue when the obligation to pay arises or, in the case of licence fees, upon renewal of the licence. Fees, levies and charges are classified as non-exchange revenue.

Interest revenue

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

Sale of Goods

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

Property Rental Revenue

Rental revenue arising on property owned by the Council is accounted for on a straight-line basis over the lease term. Property rental revenue is generally classified as non-exchange with the exception of certain market based lease rentals.

Donated, subsidised or vested assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised when the control of the asset is transferred to Council. The fair value of this asset is recognised as revenue, unless there is a use or return condition attached to the asset and is classified as non-exchange revenue.

Expenditure

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

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 the 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 Council's decision.

Borrowing Costs

Borrowing costs are recognised in the period in which they are incurred.

Depreciation and Amortisation

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

Income Tax

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year plus any adjustments to income tax payable in respect of prior years. Current tax

is calculated using tax rates (and tax laws) that have been enacted or substantially enacted at balance date.

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

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

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

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

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly into equity.

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Inventory

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

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

Financial Assets

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

costs are recognised in the surplus or deficit.

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

Financial assets are classified into the following categories for the purpose of measurement:

- financial assets at fair value through surplus or deficit,
- loans and receivables, and
- available for sale.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

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

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

The three categories of financial assets are:

1. Financial Assets at Fair Value Through Surplus or deficit

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

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

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

Derivative financial instrument assets are included in this class.

2. Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted

in an active market. Loans and receivables are classified as Receivables in the Prospective Statement of Financial Position.

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

Loans made 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. The difference between the face value and present value of expected future cash flows of the loan is recognised in the surplus or deficit. The loans are subsequently measured at amortised cost using the effective interest method.

A provision for impairment of receivables is established when there is objective evidence that the Council will

not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

3. Available for Sale

Available for sale financial assets are those that are designated into the category at initial inception and are not classified in any of the other categories above. They are included in non current assets unless management intends to dispose of or realise the investment within 12 months of balance date. The council includes the following in this category:

- Investments that the Council intends to hold long-term but which may be realised before maturity; and
- Shareholdings that the Council holds for strategic purposes. The Council's investment in Inframax Construction Limited is included in this category.

After initial recognition these investments are measured at their fair value through surplus or deficit.

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

Impairment of Financial Assets

Financial assets are assessed for any evidence of impairment at each balance date. Any impairment losses are recognised in the surplus or deficit.

Loans and receivables

Impairment is established when there is evidence that the Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired. The amount of the impairment is the difference between the assets carrying value and the present value of estimated future cash flows, discounted using the original effective interest rate.

Available for sale

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

If impairment evidence exists for available for sale assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment losses on that financial asset already recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Derivative Financial Instruments

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

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

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

The Council designates certain derivatives as either:

- hedges of highly probable forecast transactions (cash flow hedge) or
- derivatives that do not qualify for hedge accounting.

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

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

the remaining maturity of the hedges items is less than 12 months.

Cashflow hedge

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

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

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

Derivatives that do not qualify for hedge accounting

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

Payables

Payables are recognised at their face value when the Council becomes obligated to make future payments resulting from the purchase of goods or services.

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

Exchange transactions

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

Payables from exchange transactions include payables to suppliers, retention monies and payables for elected members and directors fees.

Non-exchange transactions

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

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

Non exchange payables include payables for GST, deposits and bonds held and deferred grant revenue.

Borrowings

Borrowings are initially recognised at their fair value net of transaction costs. After initial recognition, all borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Borrowings are classified as current liabilities unless Council has unconditional right to defer settlement of the liability for at least 12 months after balance date.

Good and Service Tax (GST)

All items in the prospective financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or prospective to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the prospective Statement of Financial Position.

Commitments and contingencies are disclosed exclusive of GST.

Provisions

A provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

Landfill Post Closure Costs

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

The provision is a measure based on the present value of future cash flows expected to be incurred, taking into account future events including legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure. Amounts provided for landfill post closure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalised landfill asset are depreciated over their useful lives.

Employee Entitlements

Short-Term Employee Entitlements

Employee benefits expected to be settled within 12 months after the end of the period which the employee renders the related service are measured 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 entitlements expected to be settled within 12 months, and sick leave.

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

Leases

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.

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

A finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

Operating leases

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.

Property, Plant and Equipment

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

Operational assets

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

Infrastructural assets

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

Restricted assets

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

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non exchange transaction, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus or deficit. When revalued assets are sold, the amounts included in the property revaluation reserves in respect of those assets are transferred to accumulated funds.

Subsequent Costs

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

The costs of day to day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, land under roads and work in progress, and those assets in the tables below that are not depreciated, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives .

Operational Assets

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

Operational Buildings	15 - 100 years
Plant and Equipment	4 - 13 years
Motor Vehicles	5 - 7 years
Furniture and Fittings	5 - 30 years
Computers	4 - 5 years
Library Books	7 years
Archive Books	Not depreciated

Infrastructural Assets

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

Roads and Footpaths

Pavement Formation	Not depreciated
Pavement subbase	25 - 115 years or Not depreciated
Pavement Base	25 - 120 years or Not depreciated
Sealed Surface	2 - 16 years
Metal Surface	Not depreciated
Bridges and Major Culverts	30 - 100 years
Retaining walls and other structures	20 - 100 years

Footpaths and footpath crossings	18 - 80 years
Drainage and Culverts	20 - 80 years
Kerbs and Channels	80 years
Stormwater Channels	Not depreciated
Road Shoulders	Not depreciated
Guard Rails	15 - 50 years
Street Lights	20 years
Street Poles	30 - 60 years
Road Signs	15 years
Sign Posts	Not depreciated
Resource Consents	5 - 35 years

Water Supply Assets

Pipes	60 - 120 years
Fire Hydrants and Valves	75 years
Meters	30 years
Tobies	60 years
Pump Stations	20 - 100 years
Dam Structures	100 years
Reservoirs Structures	80 years
Treatment Plants	5 - 100 years
Resource Consents	11 - 100 years or Not depreciated

Waste Water Assets

Pipes	50 - 120 years
Manholes	100 years
Separator Tanks	50 years
Pump Stations	15 - 100 years
Treatment Plants	15 - 100 years
Resource Consents	15 - 35 years

Stormwater Assets

Pipes	60 - 120 years
Manholes and Cesspits	100 years
Resource Consents	20 years

Solid Waste Assets

Landfill Cells and Earthworks	Not Depreciated
Buildings and Shelters	10 - 60 years
Oxidation Ponds	80 years
Roading & Driveways	8 - 80 years
Weighbridges & Automatic Gates	15 - 50 years
Bins and Containers	15 - 80 years
Retaining Walls	25 - 100 years
Fencing and Other Assets	15 - 35 years

Resource Consents	30 - 34 years
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The depreciation rates are applied at a component level and are dependent on the remaining useful life of each component. The residual value and useful life of an asset is reviewed and adjusted where applicable at each balance date.

Restricted Assets

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

Restricted Buildings	15 - 100 years
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Revaluations

Land and buildings (operational and restricted) and infrastructural assets (except for land under roads) are revalued with sufficient regularity to ensure that their carrying value does not materially differ from fair value and at least every three years. The carrying values of revalued items are assessed annually to ensure that they do not differ materially from fair value. If there is a material difference, then the off cycle asset class is revalued.

Revaluations of property, plant and equipment are on a class of asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to a property revaluation reserve in equity for that class of asset. Where this should result in a debit balance in the revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then in other comprehensive revenue and expense.

Revaluation of Restricted Assets

Land and buildings in restricted assets are subject to either restrictions on use, or disposal, or both. This includes restrictions from legislation (such as land declared as a reserve under the Reserves Act 1977), or other restrictions (such as land or buildings under a bequest or donation that restricts the purpose for which the assets can be used).

Intangible Assets

Computer Software

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

Carbon Credits

Purchased carbon credits are recognised at cost on acquisition. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Amortisation

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

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

Computer software	2 to 5 years	20% to 50%
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Non-current Assets Held For Sale

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

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value less costs to sell are recognised up to the level of any impairment losses that have been previously recognised.

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

Investment in Unlisted Shares

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

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

Investment Property

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

Investment property is measured initially at its cost, including transaction costs. After initial recognition, it is measured at fair value, determined annually by an independent valuer. Gains or losses arising from a change in fair value are recognised within surplus or deficit.

Cost Allocation

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

Impairment of Property, Plant and Equipment and Intangible assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Property, plant and equipment and intangible assets that have a finite useful life are reviewed annually 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.

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

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

Value in use for non cash generating assets

Non cash generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use cash generating assets

Cash generating assets are those assets that are held with the primary objective of generating a commercial return.

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

Equity

Equity is the community's interest in the Council, and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components :

- accumulated funds,
- other reserves and
- property revaluation reserves.

Other Reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of net assets or equity have been assigned. Reserves may be legally restricted or created by the Council.

Restricted reserves are those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. Also included in restricted reserves are reserves restricted by Council decision. Transfers to and from these reserves are at the discretion of the Council.

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

Available for sale reserves consists of valuation gains associated with Council's investments, classified as available for sale.

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

Property Revaluation Reserves

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

Emissions Trading Scheme (ETS)

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

Critical Accounting Estimates and Judgements

The preparation of prospective financial statements using PBE standards requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided in the relevant accounting policy. The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates. Further information around assumptions used in the EAP can be found under in the LTP 2018-2028.

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

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

Landfill Aftercare Provision

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

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

Infrastructural Assets

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

- The physical deterioration and condition of an asset. For example the Council could be carrying an asset at an amount that does not reflect its actual condition . This is particularly so for those assets, which are not visible,

for example stormwater, wastewater and water supply pipes situated underground . This risk is minimised by the Council performing a combination of physical inspections and condition modelling assessments of underground assets;

- Estimating any obsolescence or surplus capacity of an asset; and;
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit.

To minimise this risk the Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives the Council further assurance over its useful life estimates.

Infrastructural assets are revalued on a 3 yearly basis by an independent valuer.

Property, plant and equipment useful lives and residual values

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

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

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

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

Valuation of Investment in Inframax Construction Limited

The investment of Inframax Construction Ltd was revalued at 30 June 2018 resulting in a gain in valuation of \$7.3 million.

The valuation report indicated a value between \$10.6 million and \$12.9 million for the investment. Council conservatively recognised the investment at \$11.8 million. It has been assumed that there has been no change in the value of the investment in Inframax Construction Ltd over the life of the plan.

Experienced independent valuers perform the valuation of the investment in Inframax Construction Ltd. There are a number of estimates and assumptions used when performing the valuation of an investment. These include assessing a suitable level of earnings and capitalising the earnings using a market-derived multiple. The valuation is also prepared using information from historical financial performance and four year financial forecasts.

Comparatives

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

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

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

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

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

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

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

It is a requirement of the Local Government Act 2002 to present prospective financial statements that span 1 year and include them within the Exceptions Annual Plan. This provides an opportunity for ratepayers and residents to review the projected financial results and position of the Council. Prospective financial statements are revised annually to reflect updated assumptions and costs.

(iii) Bases for assumptions, risks and uncertainties

The financial information has been prepared on the basis of best estimate assumptions as the future events which the Council expects to take place. The Council has considered factors that may lead to a material difference between information in the prospective financial statements and actual results.

These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined within this Exceptions Annual Plan.

(iv) Cautionary Note

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

(v) Other Disclosures

The prospective financial statements were authorised for issue on 28 May 2019 by Waitomo District Council.

The Council is responsible for the prospective financial statements presented, including the assumptions underlying prospective financial statements and all other disclosures. The Information for the EAP is prospective and as such contains no actual operating results.

Rating base information

The projected number of rating units within our district at 30 June 2019 is 5,873.

The projected total capital value of rating units within our District at 30 June 2019 is \$3,617,012,400.

The projected total land value of rating units within our District at 30 June 2019 is \$2,283,931,100.

Exceptions Annual Plan disclosure statement for the year ending 30 June 2020

What is the purpose of this statement?

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

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

Benchmark		Planned	Met [Yes/No]
Rates affordability benchmark			
• income	The quantified limit is total rates revenue will be limited to an average of 75% of total operating expenditure.	68%	Yes
• increases	The quantified limit is total rate increases will be limited to a cap of the forecast Local Government Cost Index for the year plus 2%.	2.4%	Yes
Debt affordability benchmark	The quantified limit is total borrowing cost will not exceed 10% of total revenue.	6%	Yes
Debt affordability benchmark	The quantified limit is the ratio of net interest to total revenue will not exceed 20%.	6%	Yes
Debt affordability benchmark	The quantified limit is that total borrowings must not exceed 20% of total assets.	12%	Yes
Debt affordability benchmark	The quantified limit is that net debt will not exceed 170% of total (cash) revenue.	77%	Yes
Debt affordability benchmark	The quantified limit is that net interest will not exceed 20% of annual rates.	10%	Yes
Balanced budget benchmark	100%	117%	Yes
Essential services benchmark	100%	214%	Yes
Debt servicing benchmark	10%	6%	Yes

Notes

1. Rates affordability benchmark

- i. For this benchmark:
 - (a) the Council's planned rates income for the year is compared with a quantified limit on rates contained in the financial strategy included in the Council's Long-Term Plan; and
 - (b) the Council's planned rates increases for the year are compared with a quantified limit on rates increases for the year contained in the financial strategy included in the Council's Long-Term Plan.
- ii. The Council meets the rates affordability benchmark if:
 - (a) its planned rates income for the year equals or is less than each quantified limit on rates; and
 - (b) its planned rates increases for the year equal or are less than each quantified limit on rates increases.

2. Debt affordability benchmark

- i. For this benchmark, the Council's planned borrowing is compared with quantified limits on borrowing contained in the financial strategy included in the Council's Long-Term Plan.
- ii. The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing

3. Balanced budget benchmark

- i. For this benchmark, the Council’s planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).
- ii. The council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

4. Essential services benchmark

- i. For this benchmark, the Council’s planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.
- ii. The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

5. Debt servicing benchmark

- i. For this benchmark, the Council’s planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).
- ii. Because Statistics New Zealand projects that the council’s population will grow slower than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.

Benchmarking Graphs

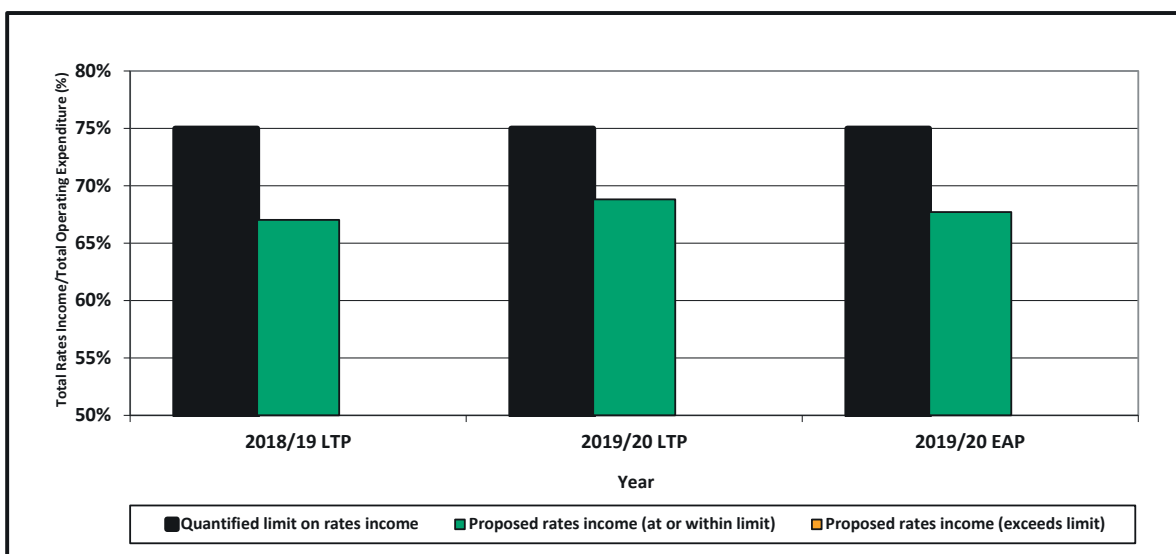
The sections below provide graphs and additional commentary on the results shown in the statement. Where there is a limit that’s been set, this is shown in the graphs as a black bar.

Rates affordability benchmarks

The Financial Strategy, contained in the LTP, sets limits on the amount that our rating income can increase each year and how much our rates income can be.

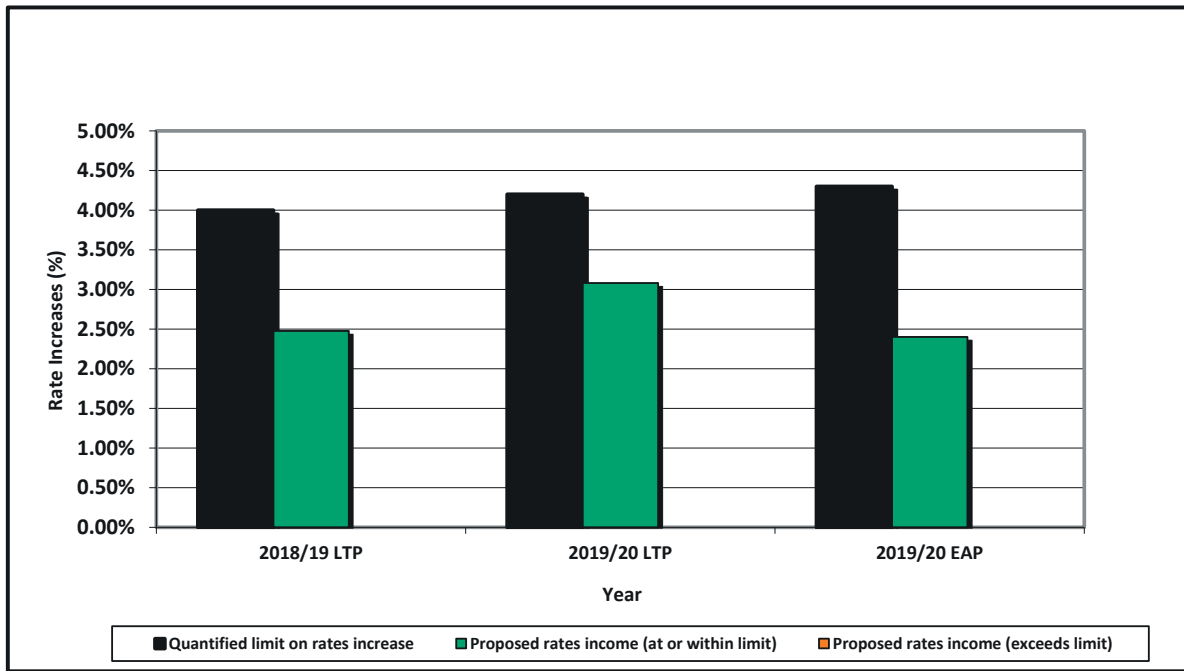
1. Rates (income) affordability

The 2019/20 planned rates revenue in the Exceptions Annual Plan is below the limits we set in our LTP. The rates income affordability limit is that total rates revenue is limited to 75% of total operating expenditure. The planned rates revenue to expenditure is 68% for the 2019/20 year.



2. Rates (increases) affordability

The 2019/20 planned overall rates increase in the Exceptions Annual Plan is below the limit we set in our LTP. The rates increase limit is set at LGCI + 2%. This means our rates should not increase by more than 4.3% from the 2018/19 year to the 2019/20 year. The planned rates increase for 2019/20 is 2.4%. This is substantially lower than the 3.08% increase forecast in the LTP.

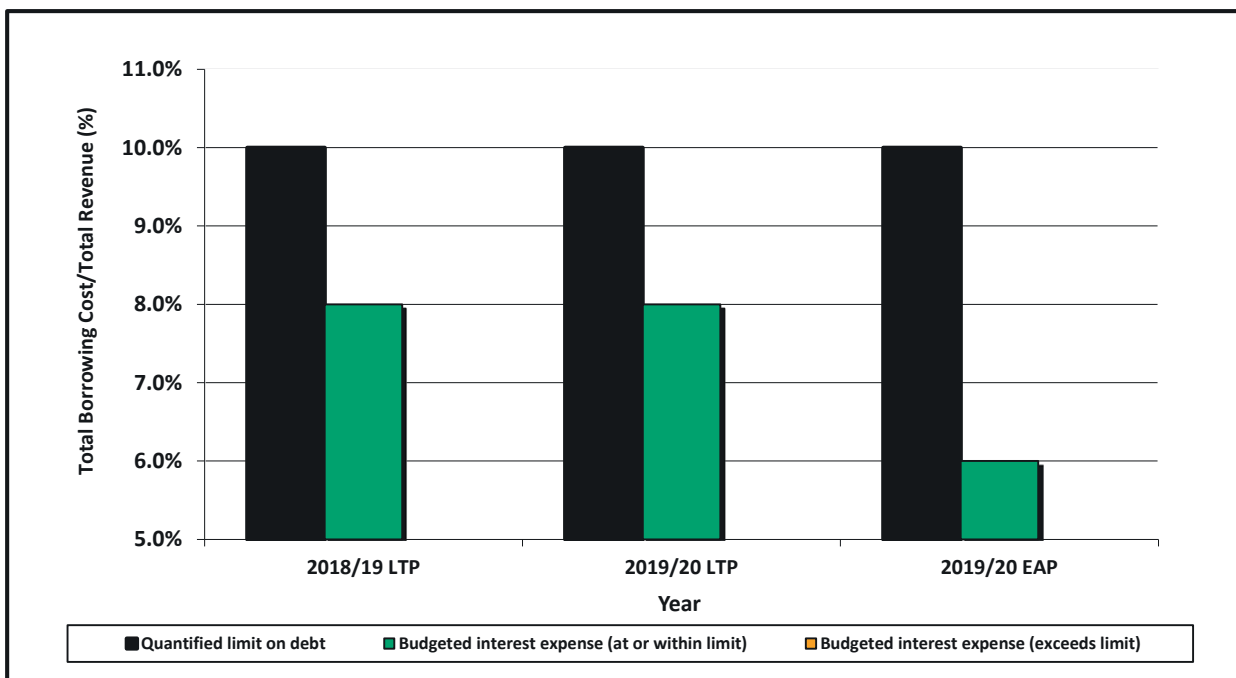


Debt affordability benchmarks

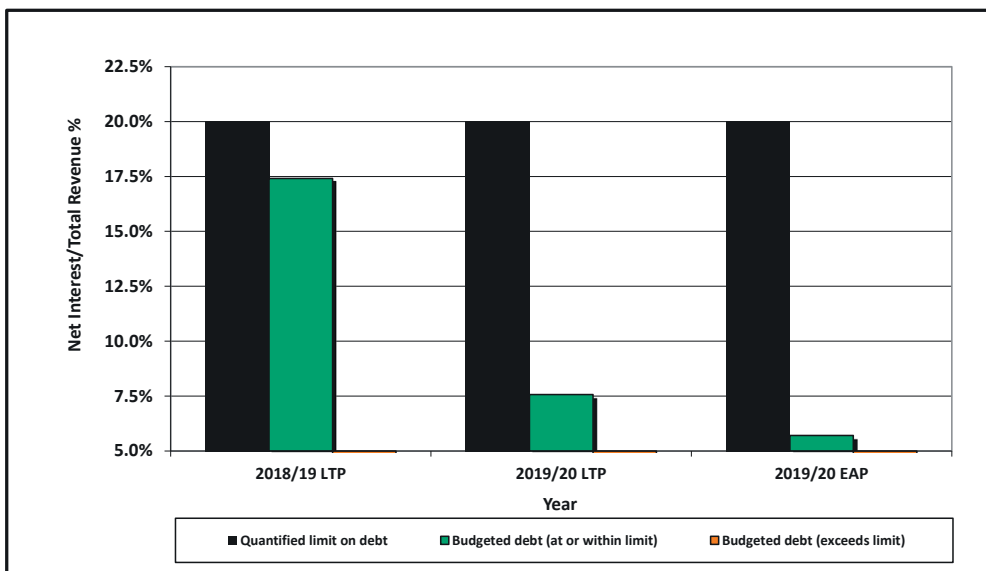
The Finance Strategy, contained in the LTP, sets the limits on borrowing. Council meets its debt affordability benchmarks if its planned borrowing is within each quantified limit.

The 2019/20 planned debt levels are well within the quantified limits for each of the five measures and also below the original forecast for 2019/20 in our LTP.

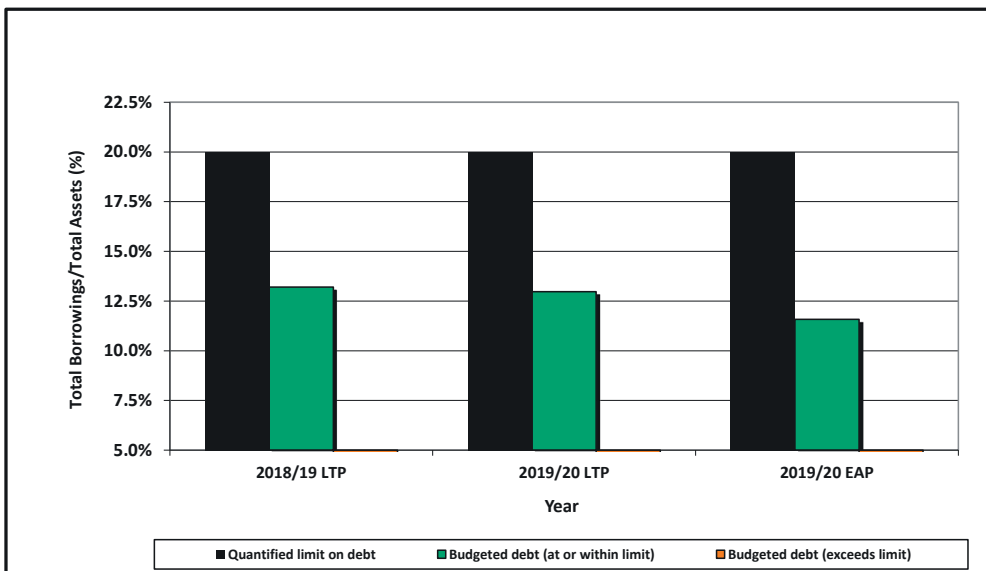
1 . Total borrowing cost to total revenue



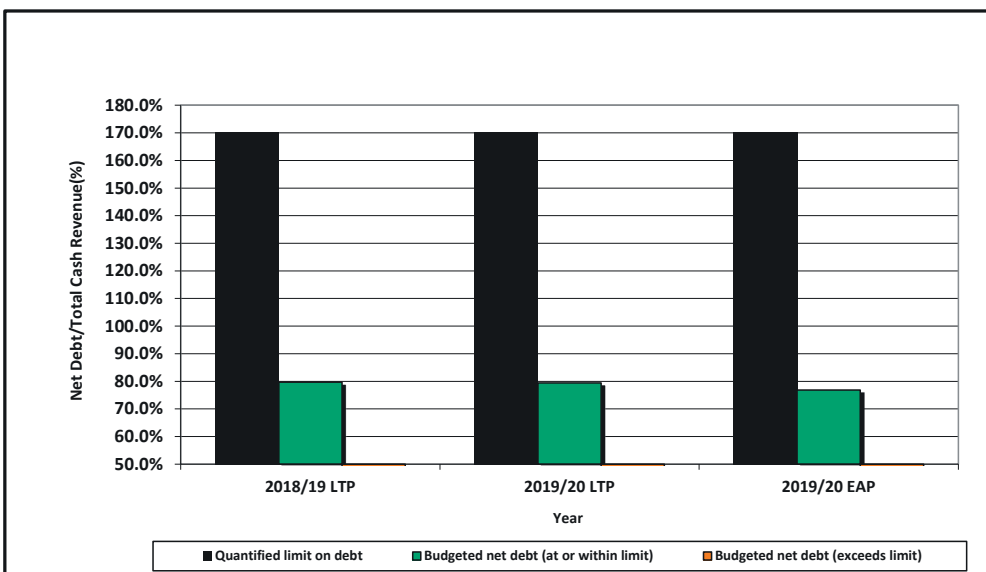
2. Net interest to total revenue



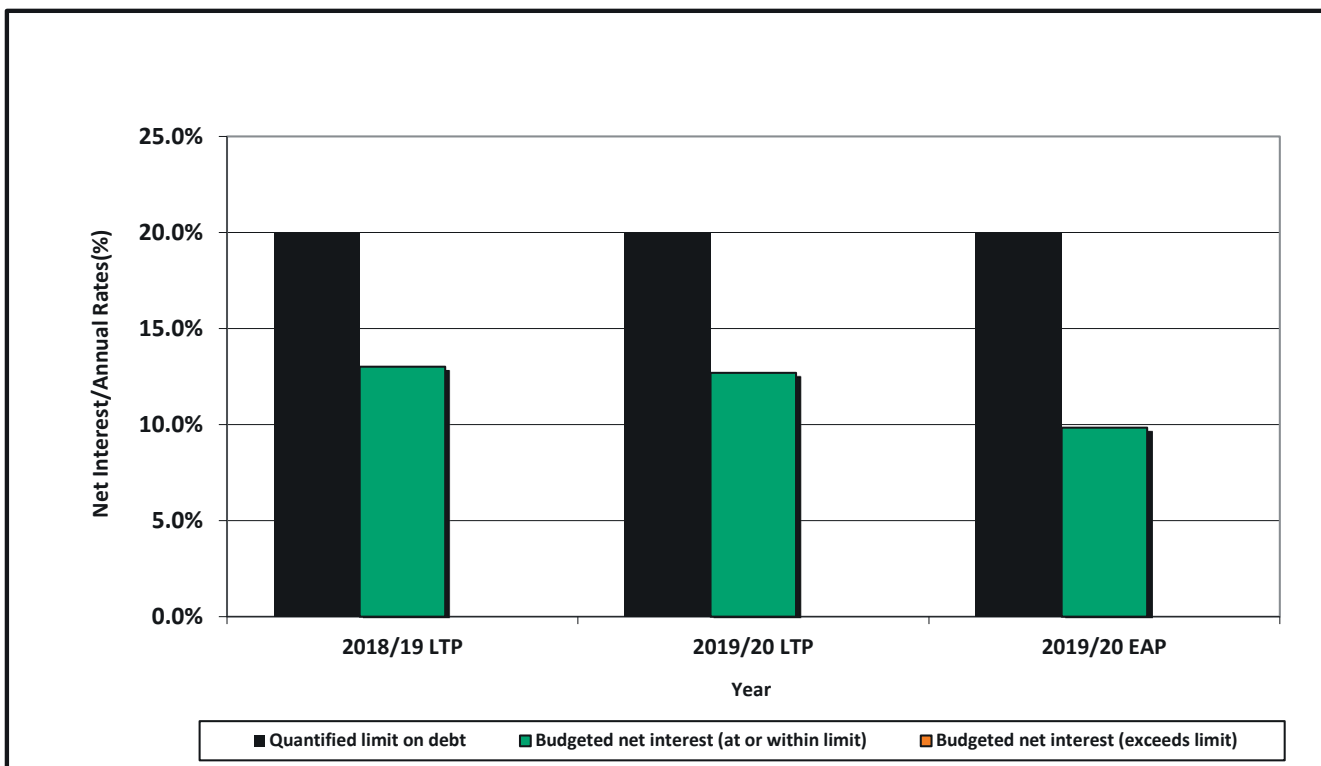
3. Total borrowings to total assets



4. Net debt to total cash revenue

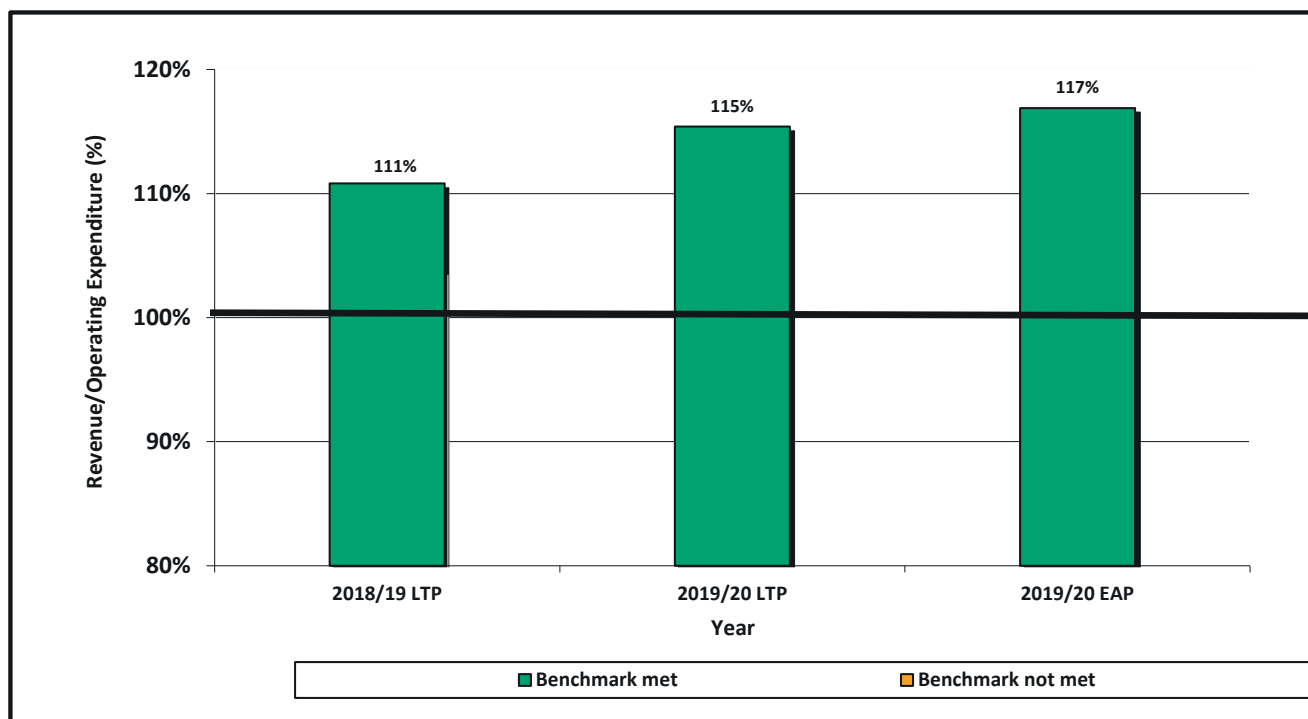


5. Net interest to Annual rates revenue



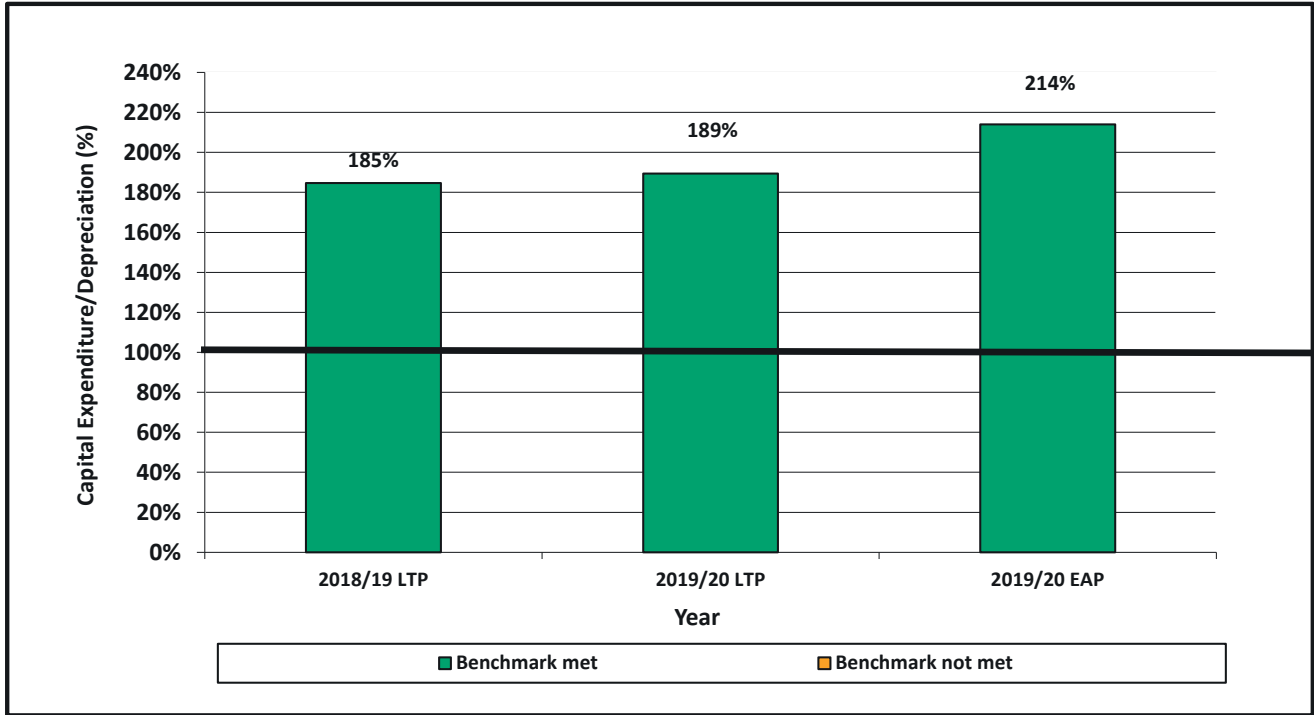
Balanced budget benchmark

For this benchmark, our planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant and equipment) is presented as a proportion of our planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment). This benchmark is met if our revenue equals or is greater than our operating expenses. For 2019/20 our planned revenue is forecast to be 17% greater than our expenditure and is more than was forecast in the LTP.



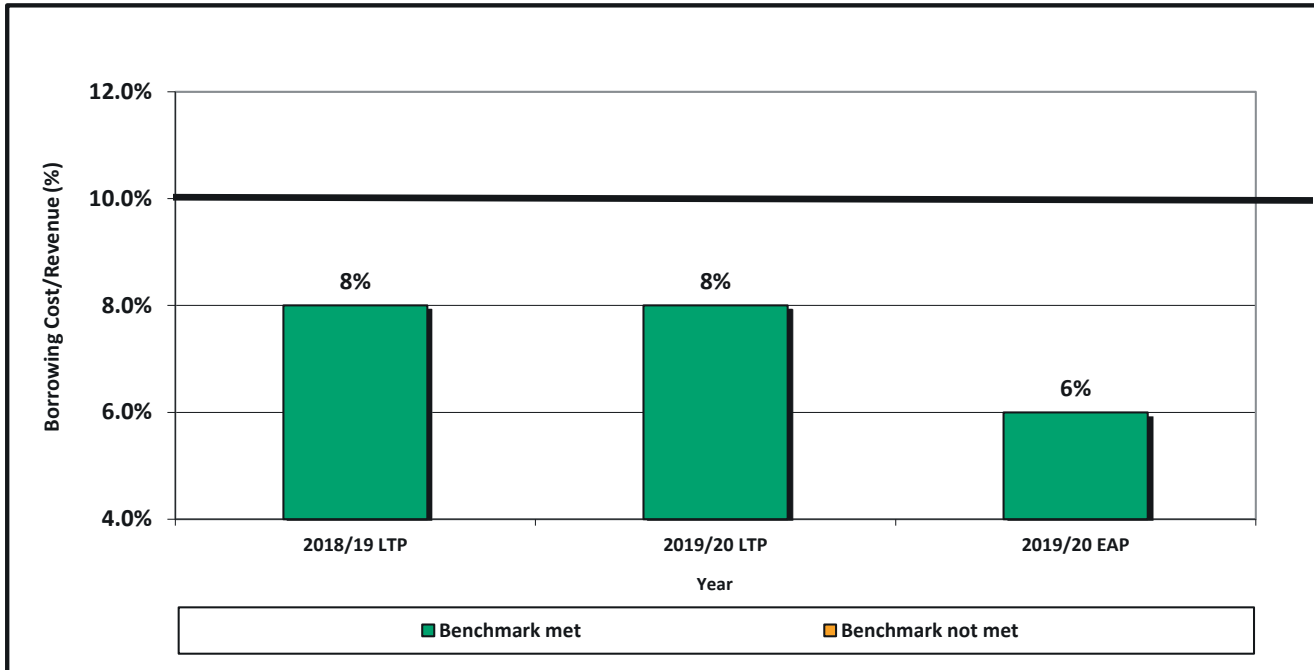
Essential services benchmark

For this benchmark, our planned capital expenditure on network services is presented as a proportion of expected depreciation on network services. This benchmark is met if our planned capital expenditure on network services equals or is greater than expected depreciation on network services. For 2019/20 our planned capital expenditure significantly exceeds this benchmark.



Debt servicing benchmark

For this benchmark our planned borrowing costs must be equal to or less than 10% of our planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant and equipment). We have met this benchmark for 2019/20 with planned borrowing costs at 6%.



Glossary

Terms used in the Exceptions Annual Plan

Activity	The goods or services that WDC provides to the Community.
Annual Report	A document that WDC prepares each year which provides the public with information on the performance of the WDC during the year (in both financial and non-financial terms).
Assets	Assets are things that WDC owns, such as roads, parks, buildings and cash holdings.
Asset Management Plan	A planning document that combines management, financial, strategic and engineering techniques to ensure an asset continues to provide the desired level of service to its customers at the lowest long term cost.
Capital Expenditure	The term used to describe expenditure on assets (land, infrastructure, plant and equipment) that will provide benefit to the Community for a period greater than 12 months.
Capital Value	The sum of the unimproved value (land value), and the value of the improvements is equal to the capital value of the land.
Community	A network of people and organisations linked together by common factors. This might refer to a network of people linked by place (that is, a geographic community), common interest or identity (for example, a Hapu, a voluntary organisation or society), or an administrative community (such as a District).
Community Outcomes	The Outcomes that Council aims to achieve in meeting the current and future needs of its communities for good quality infrastructure, local public services and performance of regulatory functions. These outcomes inform the development of WDC's planning and co-ordinate the activities and planning of all sectors of the community.
Corporate Support	Used to describe the inputs that are used by all of WDC's activities.
Council	The seven elected members that form the governing body of WDC
Current Assets	Assets that can be readily converted to cash, or will be used up during the year. These include cash, stock, debtors, and operational investments.
Current Liabilities	Creditors and other liabilities due for payment within the financial year.
Development Expenditure	A form of capital expenditure that refers to an investment in an asset to improve its value. The investment in the asset results in the asset's condition being better than when it was first purchased, or built by WDC. This does not include renewing old assets to their original state; these are classed as renewal works.
Exceptions Annual Plan	A document adopted by WDC in each of the years between LTPs which sets out the budget and sources of funding for the year and reports on any exceptions from those forecast in the LTP.
Infrastructural Assets	Fixed utility systems that provide a continuing service to the Community and are not generally regarded as tradable. WDC's infrastructural assets consist of roads and footpaths, water supply systems, sewerage systems, stormwater systems and Solid Waste Management systems (e.g transfer stations and the Waitomo District Landfill).
Key Performance Indicators	Targets set by WDC to enable the Community to monitor WDC's progress towards agreed outcomes each year. A table of performance measures is provided in each activity section.
Levels of Service	Operational levels of service are stated in the activity sections of the Waitomo District Council's Long Term Plan (LTP)
Level of Service Expenditure	A form of capital expenditure that refers to an investment in an asset to improve its value as a result of improving the service that the asset provides to the community. The level of service investment in the asset results in the asset's condition being better than when it was first purchased or built by WDC. This does not include improvements to assets as a result of increased need or demand for that asset due to growth, this is classed as Development Expenditure; or renewal of old assets to their original state, which is classed as Renewal Expenditure.
Local Government Act 2002	The Key legislation that defines the regulations and responsibilities for local authorities.
2018-28 Long Term Plan	A plan covering a period of 10 years (2018-2028), developed by the WDC and describing what the WDC will do to contribute to the achievement of Community Outcomes. An LTP describes what the WDC will do over the ten year period, why it plans to do these things, how much these things will cost including how they will be funded and how success will be judged.
Operating Expenditure	The expenditure required to meet the costs of normal day-to-day services provided by WDC. This includes expenditure resulting from inputs on such items as contract costs, materials, electricity and plant hire.
Operating Revenue	Money earned through WDC activities in return for service provided, or by way of a grant or subsidy to ensure particular services or goods are provided. Examples include New Zealand Transport Agency (NZTA) Financial Assistance Rates (FAR) subsidies, rental income and fees and charges.
Operating Surplus	An accounting term meaning the excess of income over expenditure. Income and expenditure in this context excludes "capital" items such as the receipt of repayment of intergeneration loans, the cost of capital works and transfers to and from reserves. An operating surplus is inclusive of non-cash items such as income and expenditure owing but not paid (debtors and creditors) and depreciation.
Outputs	Goods and services the WDC will produce or provide to achieve agreed outcomes.
Renewal Expenditure	A form of capital expenditure that describes WDC's ongoing programme of works, which is aimed at maintaining the District's assets in a good condition by 'renewing' them back to their original state.
Separately Used or Inhabited Part/SUIP	A separately used or occupied part of a rating unit includes any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement, or any part or parts of a rating unit that are used or occupied by the ratepayer for more than one single use. This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner. For the avoidance of doubt, a rating unit that has only one use (i.e. does not have separate parts or is vacant land) is treated as being one SUIP.
Stakeholders	People, groups and or organisations that have an interest in what happens in the District.
Statement of Financial Position	Also referred to as a Balance Sheet. The name of this financial table has been changed as required by the accounting standards for PBE
Strategic Goals	WDC has set Strategic Goals for each of its activities. These goals are targeted at ensuring WDC's work programmes are promoting the achievement of Community Outcomes. The goals are long-term and in most cases will take many years to achieve.
Sustainable Development	Development that meets the needs of the present without compromising the reasonably foreseeable needs of future generations.
Targeted Rates	Targeted Rates are rates set to fund a particular activity or group of activities, and may be set and assessed on a particular category or categories of rating units.
Uniform Annual General Charge	A Uniform Annual General charge that is levied on all separately used or inhabited parts of a rating unit in the District.
Waitomo District Council	The organisation established to administer WDC affairs, conduct operations and bring effect to WDC policy and strategies.

Acronyms used in this document:

AMP	Asset Management Plan
Capex	Capital Expenditure
CCO	Council Controlled Organisation
CCTO	Council Controlled Trading Organisation
COs	Community Outcomes
DDR	District Development Rate
DLC	District Licensing Committee
DWS	Drinking Water Standards 2005 (Revised 2008)
EAP	Exceptions Annual Plan
ETS	Emissions Trading Scheme
FAR	Financial Assistance Rates
FRN	Floating Rate Notes
ICL	Inframax Construction Limited
ISBU	Internal Services Business Unit
JMA	Joint Management Agreement
KPI	Key Performance Indicator
LGA 2002	Local Government Act 2002
LGRA	Local Government (Rating) Act 2002
LGCI	Local Government Cost Index
LIM	Land Information Memorandum
LoS	Level of Service
LTP	Long Term Plan
MoH	Ministry of Health
NAASRA	National Association of Australian State Roading Authorities
NKC	North King Country
NZTA	New Zealand Transport Agency
NZWS	New Zealand Waste Strategy
Opex	Operational Expenditure
OSBU	Operated Services Business Unit
PBE	Public Benefit Entity
PWBRA	Piopia Wider Benefit Rating Area
RFS	Request for Service - Waitomo District Council's service request system.
RSS	Resident Satisfaction Survey
RTO	Regional Tourism Organisation
SCADA	Supervisory Control and Data Acquisition
SUIP	Separately Used or Inhabited Part of a Rating Unit
SWaMMP	Solid Waste (Activity) Management and Minimisation Plan
SWSS	Sanitary Waste Subsidy Scheme
TKWTP	Te Kuiti Water Treatment Plant
TKWWTP	Te Kuiti Waste Water Treatment Plant
TP	Treasury Policy
TFR	Targeted Fixed Rate
TR	Targeted Rate
UAGC	Uniform Annual General Charge
WDC	Waitomo District Council
WDHB	Waikato District Health Board
WINZ	Water Information New Zealand
WCLASS	Waikato Local Authority Shared Services Ltd
WMF	Waikato Mayoral Forum
WRC	Waikato Regional Council (formally known as Environment Waikato)