

Financial statements

	Page
Purpose of financial statements.....	61
Prospective statement of comprehensive income .	62
Prospective statement of financial position.....	63
Prospective statement of cash flows.....	64
Summary of corporate services and internal business unit	65
Funding impact statements – council services	67



Purpose of financial statements

Prospective statement of comprehensive income

This statement discloses the net surplus or deficit and their components, arising from activities or events during the year that are significant for assessing past and future financial performance.

Prospective statement of financial position

Information about economic resources controlled by council and its capacity to modify those resources is useful in assessing council's ability to generate cash and/or provide services in the future. Information about the financing structure is useful in assessing future borrowing needs, and how future surpluses and cashflows may be distributed. The information is also useful in assessing how successful the council is likely to be in raising further finance.

Prospective statement of cash flows

This statement reflects council's prospective cash receipts and cash payments during the year and provides useful information about council's activities in generating cash through operations to:

- Repay debt; or
- Reinvest to maintain or expand operating capacity.

Statement of accounting policies

The accounting policies adopted by council can have a significant impact on financial and service performance, financial position and cash flows that are reported in its financial reports. Therefore, for an appreciation of those reports, users need to be aware of:

- a) the measurement system underlying preparation of financial reports; and
- b) the accounting policies followed in respect of individual items in the financial reports, especially where there are acceptable alternatives for dealing with such items; and
- c) any changes in the measurement system, assumptions or particular accounting policies.



Prospective statement of comprehensive income

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2014 Forecast \$	2015 Annual Plan \$
Income				
Rates revenue	71,682,000	73,518,000	75,134,000	76,270,000
Fees and charges	36,018,000	28,483,000	21,922,000	22,655,000
Subsidies and grants	4,174,000	1,180,000	3,942,000	3,449,000
Capital revenue	10,226,000	10,429,000	6,455,000	9,488,000
Total income	122,100,000	113,610,000	107,453,000	111,862,000
Expenditure				
Staff costs	37,935,000	35,604,000	35,854,000	34,089,000
Direct costs	40,795,000	46,954,000	42,836,000	41,531,000
Finance cost	10,102,000	9,385,000	9,331,000	9,878,000
Depreciation	26,434,000	26,298,000	27,383,000	27,404,000
Total expenditure	115,266,000	118,241,000	115,404,000	112,902,000
Interdepartmental charges				
Group overhead	-	-	-	-
Surplus / (Deficit) before taxation	6,834,000	(4,631,000)	(7,951,000)	(1,040,000)
Income tax expense	-	-	-	-
Surplus / (Deficit) after taxation	6,834,000	(4,631,000)	(7,951,000)	(1,040,000)
Other comprehensive income				
Gains on revaluation of PP&E	-	-	-	-
Total comprehensive income	6,834,000	(4,631,000)	(7,951,000)	(1,040,000)



Prospective statement of financial position

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2014 Forecast \$	2015 Annual Plan \$
Assets				
Current assets				
Cash and cash equivalents	1,841,000	5,901,000	1,000,000	1,000,000
Debtors and other receivables	17,986,000	18,500,000	23,389,000	23,389,000
Inventories	1,611,000	1,279,000	1,325,000	1,325,000
Total current assets	21,438,000	25,680,000	25,714,000	25,714,000
Non-current assets				
Property, plant and equipment	1,151,880,000	1,033,954,125	1,127,000,000	1,120,703,500
Intangible asset	4,029,000	2,804,000	3,600,000	3,600,000
Forestry assets	316,000	1,230,000	-	-
Other financial assets	2,092,000	2,147,000	3,570,000	3,570,000
Total non-current assets	1,158,317,000	1,040,135,125	1,134,170,000	1,127,873,500
Total assets	1,179,755,000	1,065,815,125	1,159,884,000	1,153,587,500
Liabilities				
Current liabilities				
Creditors and other payables	28,932,000	22,500,000	19,100,000	19,100,000
Borrowings	15,000,000	46,000,000	36,150,000	36,150,000
Provisions	604,000	604,000	750,000	750,000
Employee entitlements	5,508,000	5,339,000	5,300,000	5,300,000
Total current liabilities	50,044,000	74,443,000	61,300,000	61,300,000
Non-current liabilities				
Borrowings	162,392,000	124,001,000	133,525,000	137,756,000
Provisions	2,198,000	2,000,000	2,600,000	2,600,000
Employee entitlements	766,000	469,000	500,000	500,000
Total non-current liabilities	165,356,000	126,470,000	136,625,000	140,856,000
Total liabilities	215,400,000	200,913,000	197,925,000	202,156,000
Net assets	964,355,000	864,902,125	961,959,000	951,431,500
Equity	964,355,000	864,902,125	961,959,000	951,431,500



Prospective statement of cash flows

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2014 Forecast \$	2015 Annual Plan \$
Cash flows from operating activities				
Receipts from rates	71,919,000	73,518,385	75,134,901	76,270,500
Receipts from other revenue	36,800,000	29,663,000	25,864,710	26,104,000
Payments to suppliers and employees	(77,581,000)	(83,018,780)	(79,120,919)	(76,049,000)
Interest paid	(10,063,000)	(8,923,605)	(8,901,296)	(9,449,000)
Total cash flows from operating activities	21,075,000	11,239,000	12,977,396	16,876,500
Cash flows from investing activities				
Receipts from capital revenue	10,226,000	10,429,000	6,455,594	9,488,000
Proceeds from sale of property, plant and equipment	178,000	2,000,000	2,000,000	1,000,000
Purchase of property, plant and equipment	(36,358,000)	(31,496,000)	(28,892,743)	(31,595,500)
Total cash flows from investing activities	(25,954,000)	(19,067,000)	(20,437,149)	(21,107,500)
Cash flows from financing activities				
Proceeds from borrowing	29,879,000	26,887,000	43,609,753	40,381,000
Repayments of borrowings	(25,000,000)	(15,000,000)	(36,150,000)	(36,150,000)
Total cash flows from financing activities	4,879,000	11,887,000	7,459,753	4,231,000
Net increase / (decrease) in cash and cash equivalents	-	4,059,000	-	-
Cash and cash equivalents at the beginning of the year	1,841,000	1,842,000	1,000,000	1,000,000
Cash and cash equivalents at the end of the year	1,841,000	5,901,000	1,000,000	1,000,000



Summary of corporate services and internal business unit

Corporate Services activity statement

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2014 Forecast \$	2015 Annual Plan \$
Revenue				
Rates	4,340,880	-	-	-
Fees and charges	3,086,540	1,396,571	1,396,571	1,037,000
Subsidies and grants	-	-	-	-
Total income	7,427,420	1,396,571	1,396,571	1,037,000
Operating expenditure				
Staff costs	6,157,068	5,876,385	5,967,050	5,697,000
Direct costs	3,555,510	4,799,421	4,649,616	5,038,000
Finance cost	1,653,014	673,237	673,237	676,000
Depreciation	2,170,582	811,000	2,581,039	2,578,000
Group overhead (recovery)	(11,013,934)	(11,509,981)	(11,509,981)	(11,940,000)
Total operating expenditure	2,522,240	650,062	2,360,961	2,049,000
Operating net cost of service	4,905,180	746,509	(964,390)	(1,012,000)
Capital expenditure				
Capital acquisitions	(378,927)	-	(640,081)	(563,000)
Capital renewals	(983,932)	(1,563,000)	(1,220,410)	(1,087,000)
Depreciation	2,170,582	811,000	2,581,039	2,578,000
Capital funding				
Capital revenue	-	-	-	-
Asset proceeds	-	2,000,000	2,000,000	1,000,000
Net funding position	5,712,903	1,994,509	1,756,158	916,000

Capital expenditure

	\$
Core hardware replacements	661,000
Core software replacements	213,000
District wide orthophotography	91,000
Growth in hardware requirements	123,000
Geothermal reticulation of all RDC buildings in CDB for heating	350,000
Software development	212,000
Total	1,650,000



Summary of corporate services and internal business unit

Castlecorp activity statement

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2014 Forecast \$	2015 Annual Plan \$
Revenue				
Rates	-	-	-	-
Fees and charges	510,748	-	215,868	232,000
Subsidies and grants	-	-	-	-
Total income	510,748	-	215,868	232,000
Operating expenditure				
Staff costs	7,575,375	240,996	7,083,665	6,768,000
Direct costs	6,278,034	97,057	3,675,938	4,136,000
Finance cost	34,658	62,962	63,340	62,000
Depreciation	766,084	719,808	845,622	844,000
Group overhead (recovery)	(14,464,075)	(1,568,019)	(11,316,962)	(11,230,000)
Total operating expenditure	190,076	(447,196)	351,603	580,000
Operating net cost of service	320,672	447,196	(135,735)	(348,000)
Capital expenditure				
Capital acquisitions	-	-	-	-
Capital renewals	(675,248)	(1,167,000)	(1,166,335)	(496,000)
Depreciation	766,084	719,808	845,622	844,000
Capital funding				
Capital revenue	-	-	-	-
Asset proceeds	-	-	-	-
Net funding position	411,508	4	(456,448)	-

Capital expenditure

	\$
Corporate furniture, office equipment	10,000
Fleet purchases	664,000
Fleet sales	(178,000)
	496,000



Funding impact statements – council services

Roads and Footpaths

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2015 Annual Plan \$
Sources of operational funding			
General rates, uniform annual general charges, rate penalties	8,983,000	8,822,000	9,125,000
Targeted rated (other than a targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	3,782,284	1,050,769	3,244,000
Fees, charges and targeted rates for water supply	22,965	54,622	42,000
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	12,788,249	9,927,391	12,411,000
Application of operating funds			
Payments to staff and suppliers	1,687,009	7,076,647	6,232,000
Finance costs	2,002,966	818,645	873,000
Internal charges and overheads applied	6,505,046	2,519,372	2,718,000
Other operating funding applications	-	-	-
Total application of funds (B)	10,195,021	10,414,664	9,823,000
Surplus (deficit) of operating funding (A - B)	2,593,228	(487,273)	2,588,000
Sources of capital funding			
Subsidies and grants for capital expenditure	4,274,191	5,659,882	4,145,000
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	4,274,191	5,659,882	4,145,000
Application of capital funding			
Capital expenditure			
to meet additional demand	5,452,528	4,271,000	560,000
to improve levels of service			
to replace existing assets	5,005,014	5,174,000	4,994,000
increase (decrease) in reserves			
increase(decrease) in investments			
Total application of capital funding (D)	10,457,542	9,445,000	5,554,000
Surplus (deficit) from capital funding (C-D)	(6,183,351)	(3,785,118)	(1,409,000)
Funding balance ((A-B) + (C-D))	(3,590,123)	(4,272,391)	1,179,000



Funding impact statements – council services

Sewerage and Sewage

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2015 Annual Plan \$
Sources of operational funding			
General rates, uniform annual general charges, rate penalties	-	-	-
Targeted rated (other than a targeted rate for water supply)	10,432,000	10,971,000	12,664,000
Subsidies and grants for operating purposes	-	-	-
Fees, charges and targeted rates for water supply	847,545	803,850	516,000
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	11,279,545	11,774,850	13,180,000
Application of operating funds			
Payments to staff and suppliers	7,666,904	6,660,852	6,089,000
Finance costs	-	427,697	460,000
Internal charges and overheads applied	1,347,506	3,213,105	3,803,000
Other operating funding applications	-	-	-
Total application of funds (B)	9,014,410	10,301,654	10,352,000
Surplus (deficit) of operating funding (A - B)	2,265,135	1,473,196	2,828,000
Sources of capital funding			
Subsidies and grants for capital expenditure	245,906	2,396,362	4,185,000
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	245,906	2,396,362	4,185,000
Application of capital funding			
Capital expenditure			
to meet additional demand	6,140,991	1,579,000	12,030,000
to improve levels of service			
to replace existing assets	1,604,871	1,877,000	1,754,000
increase (decrease) in reserves			
increase(decrease) in investments			
Total application of capital funding (D)	7,745,862	3,456,000	13,784,000
Surplus (deficit) from capital funding (C-D)	(7,499,956)	(1,059,638)	(9,599,000)
Funding balance ((A-B) + (C-D))	(5,234,821)	413,558	(6,771,000)



Funding impact statements – council services

Stormwater and Land Drainage

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2015 Annual Plan \$
Sources of operational funding			
General rates, uniform annual general charges, rate penalties	4,289,000	4,497,000	5,719,000
Targeted rated (other than a targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees, charges and targeted rates for water supply	127,518	123,756	63,000
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	4,416,518	4,620,756	5,782,000
Application of operating funds			
Payments to staff and suppliers	591,785	903,661	876,000
Finance costs	739,379	1,039,781	831,000
Internal charges and overheads applied	1,365,253	991,810	1,364,000
Other operating funding applications	-	-	-
Total application of funds (B)	2,696,417	2,935,252	3,071,000
Surplus (deficit) of operating funding (A - B)	1,720,101	1,685,504	2,711,000
Sources of capital funding			
Subsidies and grants for capital expenditure	45,374	44,035	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	45,374	44,035	-
Application of capital funding			
Capital expenditure			
to meet additional demand	617,009	598,000	724,000
to improve levels of service			
to replace existing assets	1,783,574	1,729,000	1,675,000
increase (decrease) in reserves			
increase(decrease) in investments			
Total application of capital funding (D)	2,400,583	2,327,000	2,399,000
Surplus (deficit) from capital funding (C-D)	(2,355,209)	(2,282,965)	(2,399,000)
Funding balance ((A-B) + (C-D))	(635,108)	(597,461)	312,000



Funding impact statements – council services

Water

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2015 Annual Plan \$
Sources of operational funding			
General rates, uniform annual general charges, rate penalties	-	-	-
Targeted rated (other than a targeted rate for water supply)	4,045,000	7,403,000	6,870,000
Subsidies and grants for operating purposes	-	-	-
Fees, charges and targeted rates for water supply	5,412,348	826,035	214,000
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	9,457,348	8,229,035	7,084,000
Application of operating funds			
Payments to staff and suppliers	4,973,437	6,545,672	4,504,000
Finance costs	31,770	338,588	360,000
Internal charges and overheads applied	1,283,007	245,120	1,576,000
Other operating funding applications	-	-	-
Total application of funds (B)	6,288,214	7,129,380	6,440,000
Surplus (deficit) of operating funding (A - B)	3,169,134	1,099,655	644,000
Sources of capital funding			
Subsidies and grants for capital expenditure	3,029,988	618,780	47,000
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	3,029,988	618,780	47,000
Application of capital funding			
Capital expenditure			
to meet additional demand	3,894,729	2,267,000	485,000
to improve levels of service			
to replace existing assets	1,331,973	1,701,500	2,491,000
increase (decrease) in reserves			
increase(decrease) in investments			
Total application of capital funding (D)	5,226,702	3,968,500	2,976,000
Surplus (deficit) from capital funding (C-D)	(2,196,714)	(3,349,720)	(2,929,000)
Funding balance ((A-B) + (C-D))	972,420	(2,250,065)	(2,285,000)



Funding impact statements – council services

All other activities

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2015 Annual Plan \$
Sources of operational funding			
General rates, uniform annual general charges, rate penalties	43,933,000	41,825,000	41,892,000
Targeted rated (other than a targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	391,786	130,000	205,000
Fees, charges and targeted rates for water supply	29,608,165	26,675,396	21,820,000
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	73,932,951	68,630,396	63,917,000
Application of operating funds			
Payments to staff and suppliers	63,812,166	61,371,941	57,919,000
Finance costs	7,328,228	6,760,455	7,354,000
Internal charges and overheads applied	(10,500,812)	(6,969,407)	(9,459,000)
Other operating funding applications	-	-	-
Total application of funds (B)	60,639,582	61,162,989	55,814,000
Surplus (deficit) of operating funding (A - B)	13,293,369	7,467,407	8,103,000
Sources of capital funding			
Subsidies and grants for capital expenditure	2,631,253	1,710,566	1,111,000
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	2,000,000	1,000,000
Lump sum contributions	-	-	-
Total sources of capital funding (C)	2,631,253	3,710,566	2,111,000
Application of capital funding			
Capital expenditure			
to meet additional demand	5,748,196	6,276,000	1,642,000
to improve levels of service	14,504,895	16,505,500	16,154,000
to replace existing assets	(9,725,432)	(10,481,500)	(10,914,000)
increase (decrease) in reserves	-	-	-
increase(decrease) in investments	-	-	-
Total application of capital funding (D)	10,527,659	12,300,000	6,882,000
Surplus (deficit) from capital funding (C-D)	(7,896,406)	(8,589,434)	(4,771,000)
Funding balance ((A-B) + (C-D))	5,396,963	(1,122,027)	3,332,000



Funding impact statements – council services

All of Council

	LTP Year 3 2014/15 \$	2014 Annual Plan \$	2015 Annual Plan \$
Sources of operational funding			
General rates, uniform annual general charges, rate penalties	57,205,000	55,144,000	56,736,000
Targeted rated (other than a targeted rate for water supply)	14,477,000	18,374,000	19,534,000
Subsidies and grants for operating purposes	4,174,070	1,180,769	3,449,000
Fees, charges and targeted rates for water supply	36,018,541	28,483,659	22,655,000
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	111,874,611	103,182,428	102,374,000
Application of operating funds			
Payments to staff and suppliers	78,731,301	82,558,773	75,620,000
Finance costs	10,102,343	9,385,166	9,878,000
Internal charges and overheads applied	-	-	2,000
Other operating funding applications	-	-	-
Total application of funds (B)	88,833,644	91,943,939	85,500,000
Surplus (deficit) of operating funding (A - B)	23,040,967	11,238,489	16,874,000
Sources of capital funding			
Subsidies and grants for capital expenditure	10,226,712	10,429,625	9,488,000
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	2,000,000	1,000,000
Lump sum contributions	-	-	-
Total sources of capital funding (C)	10,226,712	12,429,625	10,488,000
Application of capital funding			
Capital expenditure			
to meet additional demand	21,853,453	14,991,000	15,441,000
to improve levels of service	14,504,895	16,505,500	16,154,000
to replace existing assets			
increase (decrease) in reserves			
increase(decrease) in investments			
Total application of capital funding (D)	36,358,348	31,496,500	31,595,000
Surplus (deficit) from capital funding (C-D)	(26,131,636)	(19,066,875)	(21,107,000)
Funding balance ((A-B) + (C-D))	(3,090,669)	(7,828,386)	(4,233,000)

