

# Financial Strategy

## Summary

The Financial Strategy guides Council's financial direction, including information around revenue, expenditure, rating, debt and investments.

The full strategy is included in Section Four of this document.

A key part of the Council's consideration of the Long Term Plan has been the affordability for the community of the plan's work programme. The Council continues to face financial pressures while maintaining levels of service and meeting environmental, legislative and community demands.

The Financial Strategy has been prepared taking into account the Council's starting financial position and the factors that are expected to influence its financial position over the next 10 years. These include:

- Population growth and changing land use
- Inflation and known cost increases
- Asset development and renewal expenditure
- NZTA financial assistance
- Major Council projects (e.g. upgrading community facilities, drinking water standards upgrades)

Key levels of service issues over the next 10 years include:

- Regulatory framework for stormwater
- Drinking Water Standards
- Change in demands on road network
- Sustainable Transport/Active Transport
- Legislative change
- Community expectations and changes in demand
- Ageing infrastructure
- Earthquake strengthening of facilities

The Council will continue to maintain and renew our assets for current and future generations while providing the services that the community enjoy. The implications of this strategy, combined with the requirement for prudent financial management, the necessity to manage a complex array of operations and assets with long lives, and continuing improvements in required levels of service stemming from either legislative change or community demand means that there is little room for further significant projects within the next 10 years.

The Council has designed its financial policies to be prudent and fair to current and future ratepayers. Current ratepayers pay for the services they have available to them now, including a contribution to the cost of replacing the infrastructure they use. All ratepayers, current and future, pay for the costs involved in improving the quality of services.

This approach will maintain the Council's sound financial position over the next 10 years and provide a sound base for maintaining the wellbeing of future generations.

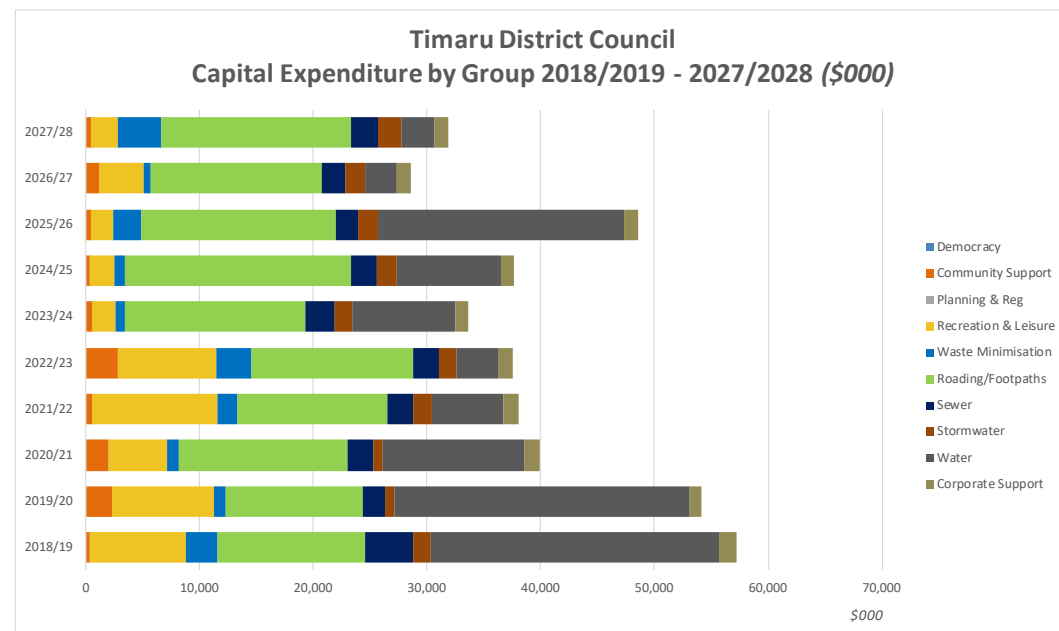
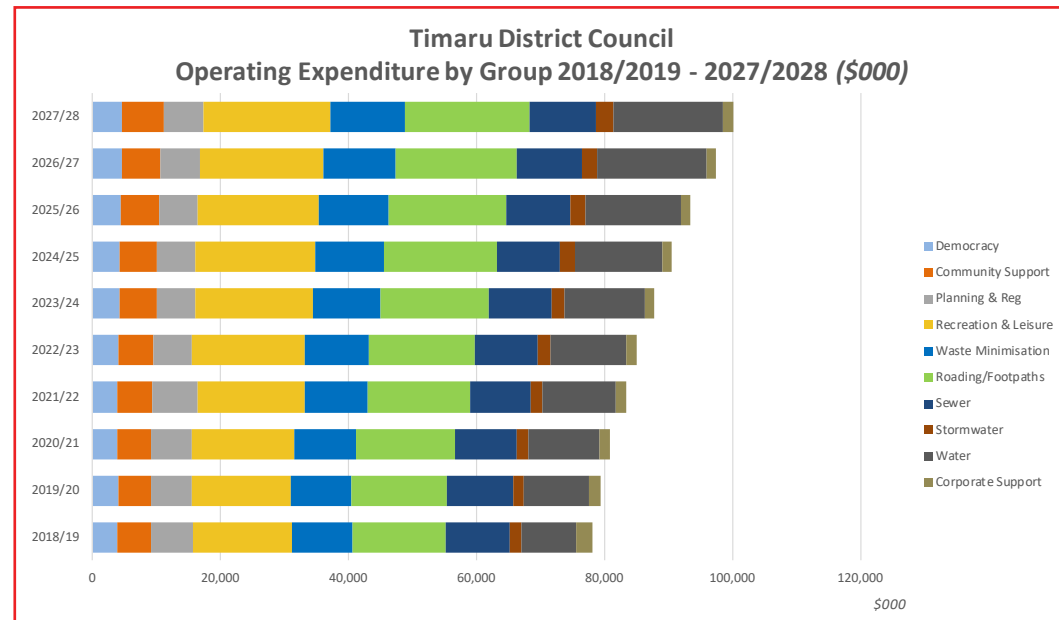
The next section summarises the key forecast financial numbers of Council over the LTP period.

# Financial Strategy

## Expenditure

Key points are:

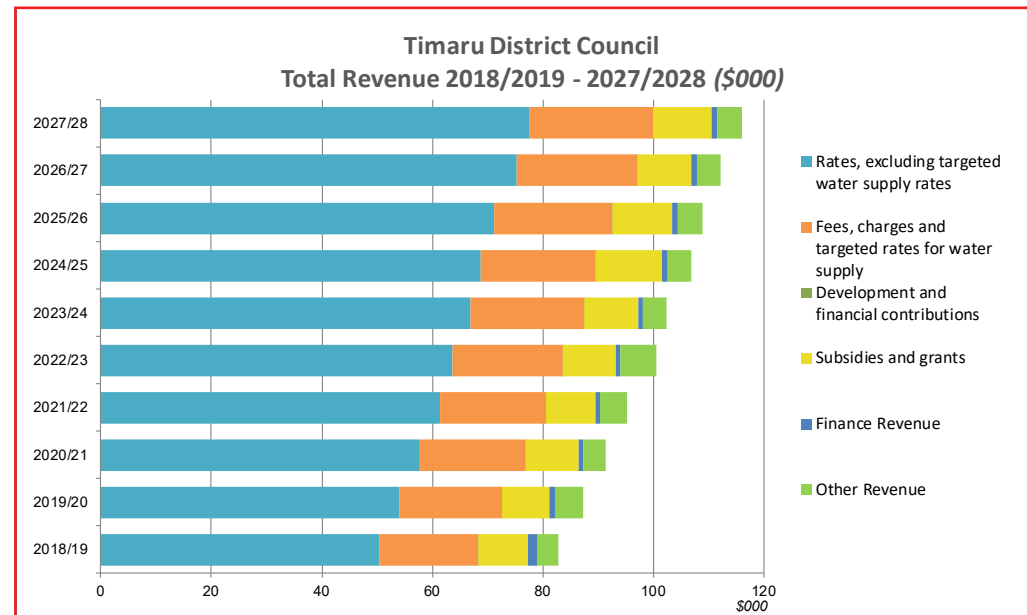
- In total, Council plans to spend over ~~\$1.31.28~~ **\$1.31.28** billion over the next ten years. The graph illustrates where this will be spent across Council activities.
- By far the majority will be spent on core services, such as roading, sewer and water supplies.
- Around ~~\$893876~~ **\$893876**M will be spent on operating expenditure, costs associated with running the day to day of Council activities and facilities, such as maintenance, labour, depreciation, electricity and so on.
- Around \$407M will be spent on capital expenditure, such as replacing worn out pipes, new roads and building new facilities.



## Revenue

Key points are:

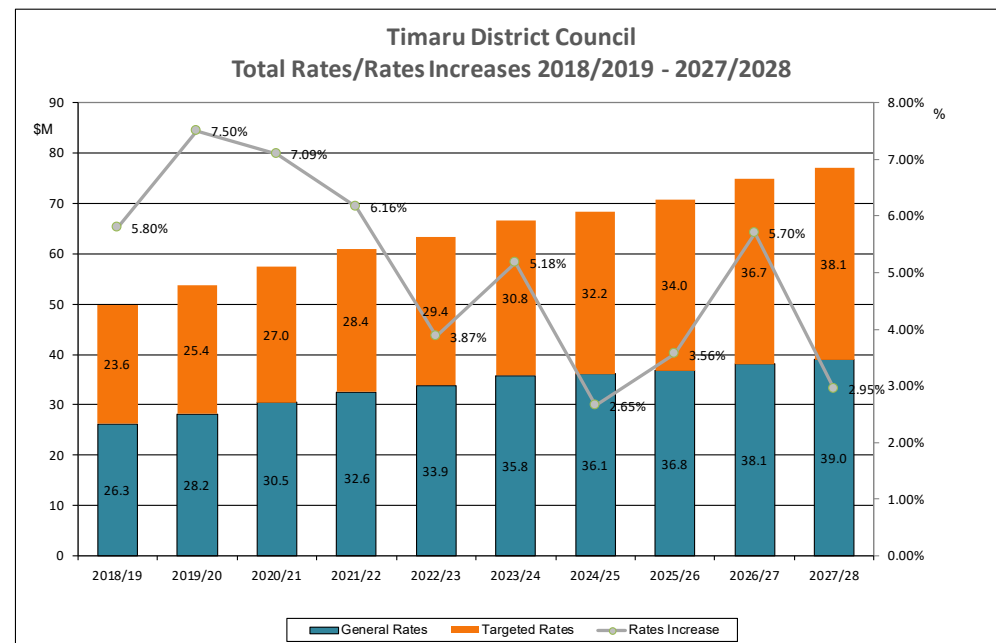
- A number of sources will be used to pay for Council expenditure.
- Rates will provide over half the funding annually.
- Other sources such as NZTA financial assistance, fees and charges (or revenue from exchange transactions), interest, dividends and other income will provide the remainder.
- Council's overall income and expenditure includes the annual impact of inflation, of around 2-2.7% annually based on Council assumptions



## Rates

Key points are:

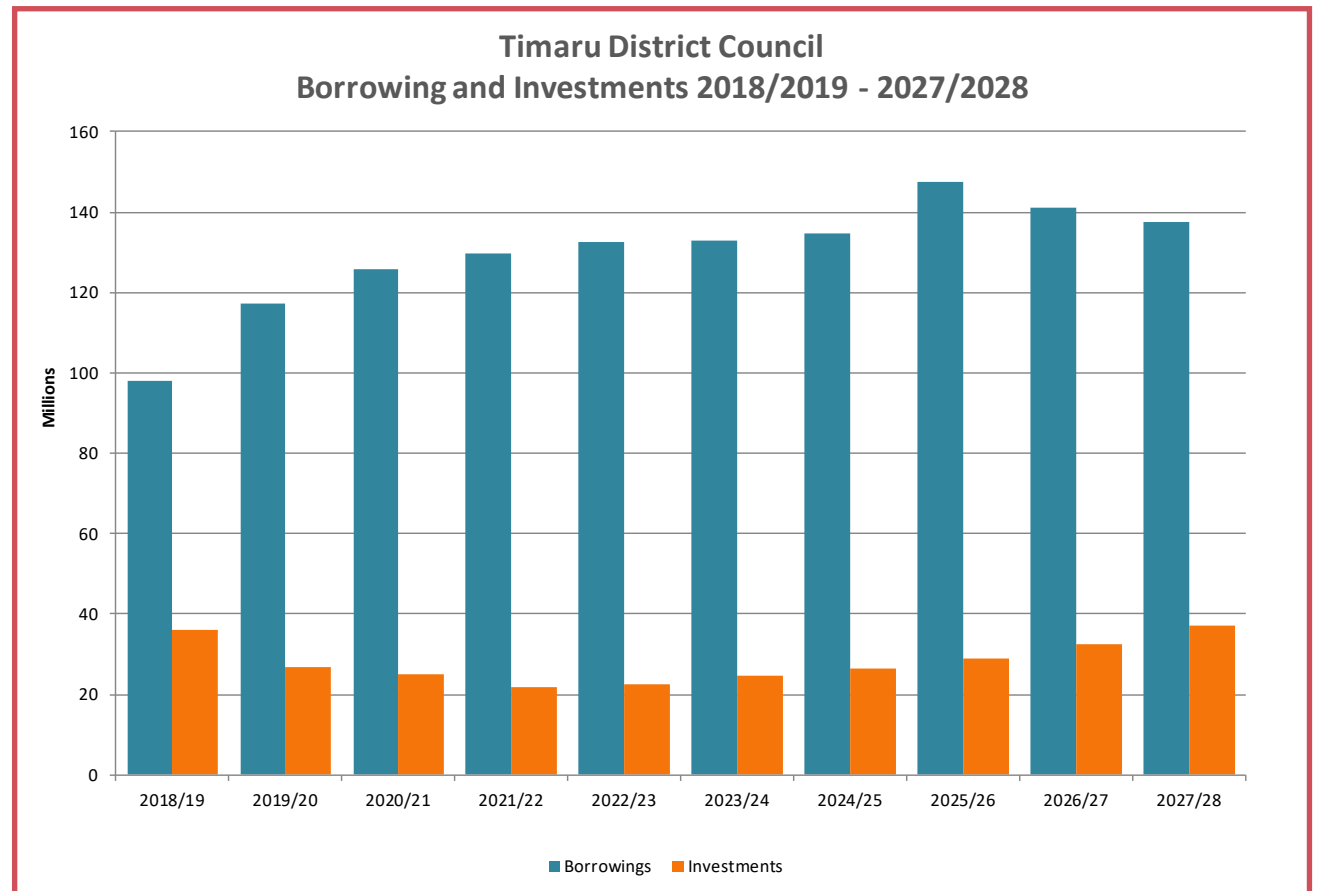
- Funding sourced from rates, will increase to around \$77M by 2027/28 (including the impact of inflation).
- Rates are forecast to rise over this period by 50%.
- Annual rate increases are forecast to vary between 2.6% to 7.5% over this period.
- Rates as a percentage of total Council income will vary between 60-66%.
- Targeted rates (e.g. Water supply charge, Sewer charge) will represent just under half of annual rates income, with General Rates (e.g. Uniform Annual General Charge, General Rate) covering the remainder



## Borrowings and Investments

Key points are:

- Council debt will increase to around \$14762M by 2025/26, and then will begin to reduce
- The value of Council investments will be \$4036M, in 2018/19 and ~~increase~~ reduce to around \$2937M in 2027/28
- During the 10 year period, the Council will remain within its ratios for borrowing relative to assets and revenue, and interest relative to revenue
- Debt is used to fund asset development expenditure proposed within the plan



# Community Support

## Funding Impact Statement

	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Budget 2019/20 \$'000	Budget 2020/21 \$'000	Budget 2021/22 \$'000	Budget 2022/23 \$'000	Budget 2023/24 \$'000	Budget 2024/25 \$'000	Budget 2025/26 \$'000	Budget 2026/27 \$'000	Budget 2027/28 \$'000
<b>Sources Of Operating Funding</b>											
General Rates, Uniform annual general charges, rates penalties	2,651	2,855	2,916	3,058	3,170	3,190	3,381	3,450	3,516	3,590	3,926
Targeted Rates (other than a targeted rate for water supply)											
Subsidies and grants for operating purposes	322	287	288	289	291	292	294	295	297	299	301
Fees charges and targeted rates for water supply	1,746	1,915	1,962	2,000	2,031	2,103	2,183	2,242	2,304	2,371	2,442
Internal charges and overheads recovered											
Local authorities fuel tax, fines, infringement fees and other receipts	29	29	29	29	29	29	29	29	29	29	29
<b>Total Operating Funding</b>	<b>4,748</b>	<b>5,086</b>	<b>5,195</b>	<b>5,376</b>	<b>5,521</b>	<b>5,614</b>	<b>5,888</b>	<b>6,017</b>	<b>6,146</b>	<b>6,290</b>	<b>6,698</b>
<b>Applications Of Operating Funding</b>											
Payments to staff and suppliers	3,654	3,783	3,856	3,924	4,001	4,096	4,185	4,292	4,420	4,509	4,791
Finance costs	201	145	134	201	227	281	345	344	330	355	383
Internal charges and overheads applied	522	634	631	617	628	637	648	659	672	684	698
Other operating funding applications											
<b>Total Applications Of Operating Funding</b>	<b>4,378</b>	<b>4,562</b>	<b>4,620</b>	<b>4,742</b>	<b>4,856</b>	<b>5,013</b>	<b>5,178</b>	<b>5,295</b>	<b>5,422</b>	<b>5,548</b>	<b>5,873</b>
<b>Surplus/(Deficit) Of Operating Funding</b>	<b>371</b>	<b>524</b>	<b>575</b>	<b>634</b>	<b>665</b>	<b>601</b>	<b>710</b>	<b>721</b>	<b>724</b>	<b>741</b>	<b>826</b>
<b>Sources Of Capital Funding</b>											
Subsidies and grants for capital expenditure											
Development and financial contributions											
Increase/(decrease) in debt	75	(1,961)	1,860	1,502	(152)	2,218	(309)	(309)	(309)	535	(335)
Gross proceeds from the sale of assets											
Lump sum contributions											
Other dedicated capital funding											
<b>Total Sources Of Capital Funding</b>	<b>75</b>	<b>(1,961)</b>	<b>1,860</b>	<b>1,502</b>	<b>(152)</b>	<b>2,218</b>	<b>(309)</b>	<b>(309)</b>	<b>(309)</b>	<b>535</b>	<b>(335)</b>
<b>Applications Of Capital Funding</b>											
Capital expenditure											
- to meet additional demand	76	38	1,037	851	89	16	17	17	18	18	19
- to improve the level of service	933	189	1,170	1,006	280	196	153	161	169	174	179
- to replace existing assets	116	117	112	131	126	2,551	309	108	222	924	263
Increase/(decrease) in reserves	(679)	(1,780)	115	147	17	56	(78)	126	6	160	30
Increase/(decrease) of investments											
<b>Total Applications Of Capital Funding</b>	<b>446</b>	<b>(1,437)</b>	<b>2,435</b>	<b>2,136</b>	<b>512</b>	<b>2,819</b>	<b>401</b>	<b>412</b>	<b>415</b>	<b>1,276</b>	<b>490</b>
<b>Surplus/(Deficit) Of Capital Funding</b>	<b>(371)</b>	<b>(524)</b>	<b>(575)</b>	<b>(634)</b>	<b>(665)</b>	<b>(601)</b>	<b>(710)</b>	<b>(721)</b>	<b>(724)</b>	<b>(741)</b>	<b>(826)</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Recreation and Leisure

## Funding Impact Statement

	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Budget 2019/20 \$'000	Budget 2020/21 \$'000	Budget 2021/22 \$'000	Budget 2022/23 \$'000	Budget 2023/24 \$'000	Budget 2024/25 \$'000	Budget 2025/26 \$'000	Budget 2026/27 \$'000	Budget 2027/28 \$'000
<b>Sources Of Operating Funding</b>											
General Rates, Uniform annual general charges, rates penalties	11,972	12,498	12,907	13,418	13,809	14,876	15,513	15,770	15,985	16,314	16,751
Targeted Rates (other than a targeted rate for water supply)											
Subsidies and grants for operating purposes	59	75	30	2	2	2	2	2	2	2	2
Fees charges and targeted rates for water supply	2,899	3,103	3,242	3,479	3,517	3,654	3,937	3,718	3,823	3,914	4,077
Internal charges and overheads recovered	317	317	317	317	317	317	317	317	317	317	317
Local authorities fuel tax, fines, infringement fees and other receipts	198	118	1,117	119	119	120	123	123	122	126	135
<b>Total Operating Funding</b>	<b>15,445</b>	<b>16,110</b>	<b>17,613</b>	<b>17,335</b>	<b>17,764</b>	<b>18,968</b>	<b>19,892</b>	<b>19,930</b>	<b>20,248</b>	<b>20,672</b>	<b>21,281</b>
<b>Applications Of Operating Funding</b>											
Payments to staff and suppliers	10,447	11,303	11,298	11,539	11,791	12,146	12,492	12,703	12,943	13,288	13,658
Finance costs	840	515	449	618	810	1,003	1,126	1,163	1,122	1,169	1,210
Internal charges and overheads applied	1,530	1,794	1,795	1,772	1,805	1,835	1,871	1,906	1,946	1,985	2,029
Other operating funding applications											
<b>Total Applications Of Operating Funding</b>	<b>12,816</b>	<b>13,612</b>	<b>13,542</b>	<b>13,929</b>	<b>14,406</b>	<b>14,983</b>	<b>15,489</b>	<b>15,772</b>	<b>16,011</b>	<b>16,442</b>	<b>16,896</b>
<b>Surplus/(Deficit) Of Operating Funding</b>	<b>2,629</b>	<b>2,498</b>	<b>4,071</b>	<b>3,406</b>	<b>3,358</b>	<b>3,985</b>	<b>4,402</b>	<b>4,158</b>	<b>4,236</b>	<b>4,230</b>	<b>4,385</b>
<b>Sources Of Capital Funding</b>											
Subsidies and grants for capital expenditure	80	0	0	0	430	2,000	0	0	0	0	0
Development and financial contributions											
Increase/(decrease) in debt	578	(7,031)	4,603	2,328	5,729	2,361	(843)	(778)	(430)	(428)	(427)
Gross proceeds from the sale of assets											
Lump sum contributions											
Other dedicated capital funding	65	0	43	0	0	0	0	0	0	0	0
<b>Total Sources Of Capital Funding</b>	<b>723</b>	<b>(7,031)</b>	<b>4,646</b>	<b>2,328</b>	<b>6,159</b>	<b>4,361</b>	<b>(843)</b>	<b>(778)</b>	<b>(430)</b>	<b>(428)</b>	<b>(427)</b>
<b>Applications Of Capital Funding</b>											
Capital expenditure											
- to meet additional demand	148	90	95	81	115	85	87	89	91	94	96
- to improve the level of service	990	2,442	4,372	2,131	6,913	5,564	565	575	612	836	683
- to replace existing assets	4,875	5,880	4,484	2,902	4,009	3,038	1,478	1,528	1,284	3,003	1,526
Increase/(decrease) in reserves	(2,661)	(12,945)	(233)	619	(1,521)	(341)	1,430	1,188	1,819	(132)	1,653
Increase/(decrease) of investments											
<b>Total Applications Of Capital Funding</b>	<b>3,352</b>	<b>(4,532)</b>	<b>8,717</b>	<b>5,734</b>	<b>9,517</b>	<b>8,346</b>	<b>3,560</b>	<b>3,380</b>	<b>3,807</b>	<b>3,801</b>	<b>3,958</b>
<b>Surplus/(Deficit) Of Capital Funding</b>	<b>(2,629)</b>	<b>(2,498)</b>	<b>(4,071)</b>	<b>(3,406)</b>	<b>(3,358)</b>	<b>(3,985)</b>	<b>(4,402)</b>	<b>(4,158)</b>	<b>(4,236)</b>	<b>(4,230)</b>	<b>(4,385)</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Roading and Footpaths

## Funding Impact Statement

	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Budget 2019/20 \$'000	Budget 2020/21 \$'000	Budget 2021/22 \$'000	Budget 2022/23 \$'000	Budget 2023/24 \$'000	Budget 2024/25 \$'000	Budget 2025/26 \$'000	Budget 2026/27 \$'000	Budget 2027/28 \$'000
<b>Sources Of Operating Funding</b>											
General Rates, Uniform annual general charges, rates penalties	8,117	8,520	8,850	9,769	10,253	11,714	12,414	12,629	13,086	13,664	13,709
Targeted Rates (other than a targeted rate for water supply)	1,731	2,068	2,269	2,558	2,691	3,002	3,117	3,341	3,476	3,717	3,870
Subsidies and grants for operating purposes	3,082	2,864	2,971	2,990	2,949	3,009	2,903	2,955	2,988	2,975	2,962
Fees charges and targeted rates for water supply	1,113	1,116	1,150	1,186	1,211	1,261	1,281	1,343	1,387	1,435	1,486
Internal charges and overheads recovered	1,756	1,892	1,945	1,970	2,012	2,064	2,128	2,179	2,232	2,288	2,350
Local authorities fuel tax, fines, infringement fees and other receipts											
<b>Total Operating Funding</b>	<b>15,800</b>	<b>16,460</b>	<b>17,184</b>	<b>18,474</b>	<b>19,117</b>	<b>21,050</b>	<b>21,843</b>	<b>22,447</b>	<b>23,168</b>	<b>24,079</b>	<b>24,377</b>
<b>Applications Of Operating Funding</b>											
Payments to staff and suppliers	7,638	7,841	8,117	8,320	8,473	8,743	8,917	9,102	9,403	9,614	9,838
Finance costs	841	507	310	392	490	543	626	773	913	993	1,004
Internal charges and overheads applied	2,427	2,688	2,736	2,738	2,797	2,862	2,944	3,013	3,086	3,161	3,244
Other operating funding applications											
<b>Total Applications Of Operating Funding</b>	<b>10,907</b>	<b>11,035</b>	<b>11,163</b>	<b>11,450</b>	<b>11,760</b>	<b>12,148</b>	<b>12,487</b>	<b>12,888</b>	<b>13,402</b>	<b>13,768</b>	<b>14,087</b>
<b>Surplus/(Deficit) Of Operating Funding</b>	<b>4,894</b>	<b>5,425</b>	<b>6,022</b>	<b>7,024</b>	<b>7,357</b>	<b>8,903</b>	<b>9,357</b>	<b>9,559</b>	<b>9,767</b>	<b>10,311</b>	<b>10,290</b>
<b>Sources Of Capital Funding</b>											
Subsidies and grants for capital expenditure	4,619	5,592	5,104	6,076	5,555	6,127	6,382	8,704	7,495	6,220	7,022
Development and financial contributions											
Increase/(decrease) in debt	732	(8,289)	798	2,977	1,504	1,156	1,378	3,287	2,183	(792)	(504)
Gross proceeds from the sale of assets											
Lump sum contributions											
Other dedicated capital funding	165	165	165	165	0	165	0	165	165	165	165
<b>Total Sources Of Capital Funding</b>	<b>5,516</b>	<b>(2,532)</b>	<b>6,068</b>	<b>9,218</b>	<b>7,059</b>	<b>7,448</b>	<b>7,761</b>	<b>12,155</b>	<b>9,843</b>	<b>5,593</b>	<b>6,683</b>
<b>Applications Of Capital Funding</b>											
Capital expenditure											
- to meet additional demand	104	134	106	526	143	114	228	153	157	161	165
- to improve the level of service	3,904	4,271	2,832	4,213	3,300	3,141	4,068	7,912	5,495	2,810	3,294
- to replace existing assets	9,406	8,622	9,054	10,049	9,755	10,930	11,546	11,891	11,532	12,012	13,140
Increase/(decrease) in reserves	(3,004)	(10,135)	97	1,453	1,218	2,167	1,276	1,758	2,426	920	374
Increase/(decrease) of investments											
<b>Total Applications Of Capital Funding</b>	<b>10,410</b>	<b>2,893</b>	<b>12,089</b>	<b>16,242</b>	<b>14,416</b>	<b>16,351</b>	<b>17,117</b>	<b>21,714</b>	<b>19,609</b>	<b>15,904</b>	<b>16,973</b>
<b>Surplus/(Deficit) Of Capital Funding</b>	<b>(4,894)</b>	<b>(5,425)</b>	<b>(6,022)</b>	<b>(7,024)</b>	<b>(7,356)</b>	<b>(8,903)</b>	<b>(9,357)</b>	<b>(9,559)</b>	<b>(9,767)</b>	<b>(10,311)</b>	<b>(10,290)</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Financial Strategy

The 10 year forecast for rates income (including inflation) is shown below.

The average annual increase in rates over the 10 years is forecast to be 5.05%, including inflation.

The Council will endeavour to limit the level of rate rises (both general and targeted rates) over the 10 year period and has set the following limits:

- Total rates revenue will not exceed \$70 million in any given year, excluding inflation and \$85 million including inflation.
- The percentage increase in total rates revenue in any year will not exceed 6% plus inflation based on the Local Government Cost Index.

These limits will allow the Council to maintain the existing levels of service and provides enhancement to the community facilities within the district. It does assume the current level of financial assistance from NZTA for the roading network. Any significant

additional demands for services from the community, or reduction in financial assistance could result in these limits needing to be increased.

## Non-rates income

### User fees and charges

User fees and charges will increase over the 10 years due to recovery of increased costs.

### Subsidies and grants (Including Financial Assistance)

Subsidies include Financial Assistance from the New Zealand Transport Authority (NZTA) for funding the cost of maintaining, renewing and improving the Council's roading network. The level of subsidy is currently 53% but will reduce by 1% each year to 51% in 2019/20. It is also expected that this will not be inflation adjusted, or if inflation is added, it will mean a reduced cap on expenditure.

## Investment Revenue

Investment income is dividends received from Timaru District Holdings Limited (TDHL) and interest income.

The targets set by Council for returns on investments are:

- TDHL \$2.60 per share per annum
- Interest on TDHL Advance 4%
- Bonds 4%

## Investments

The Council holds treasury, equity, property and forestry investments on behalf of the community for strategic reasons. The Council intends to maintain the value of these investments in the long term.

### Equity Investments

The council's investments in such assets fulfil various strategic, economic development and financial objectives.

The largest equity investment held by Council is its investment in TDHL which in turn holds the Council's interests in [Alpine Energy Limited](#), [PrimePort Timaru Limited](#) and [Hunter Downs Irrigation Limited](#).

Investments are also held in [Civic Financial Services Limited](#) and [Levels Plains Irrigation Company](#). These are held for strategic objectives for insurance and water sources for land owned by Council.

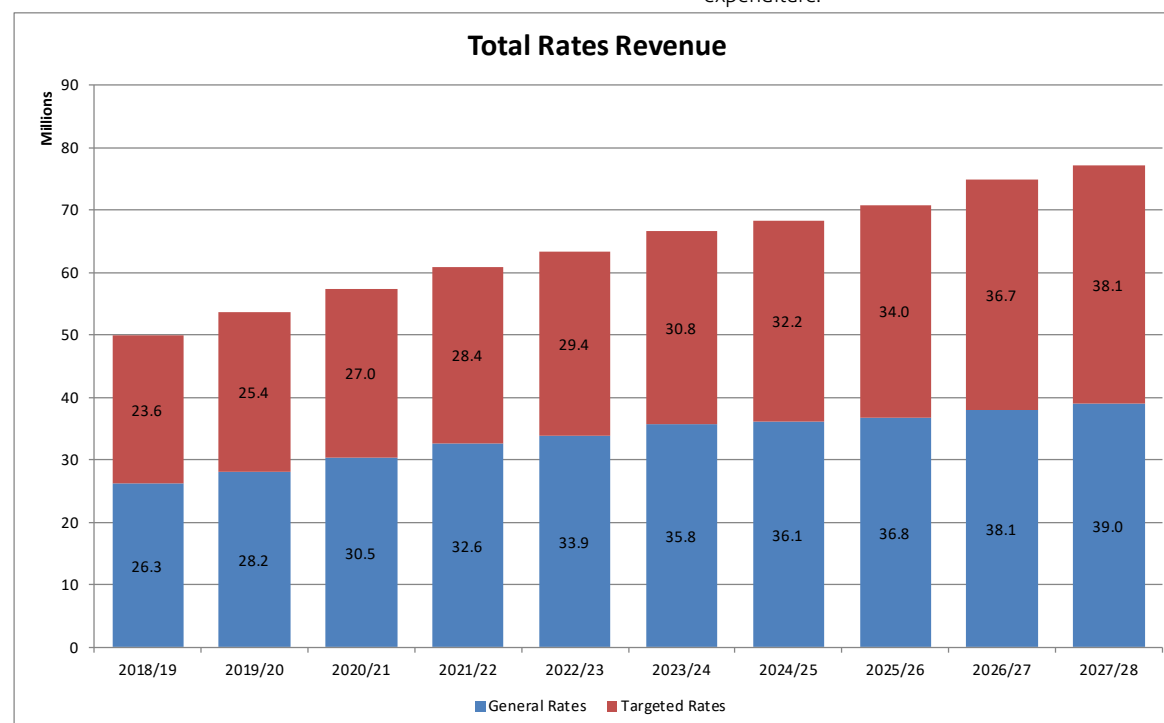
### Property Investments

As a general rule, Council does not maintain a property investment where it is not essential to the delivery of relevant services, now or in the future, and property is only retained where it relates to a primary output of Council. The Council currently owns a number of properties, which are surplus to its operational needs. The Council's overall objective is to only own property that is necessary to achieve its strategic objectives.

### Forestry Investments

Forestry is planted primarily on over 235 hectares of reserve land unsuitable for other uses, with over 50 separate sites.

Forestry assets are held as long-term investments on the basis





# Financial Strategy

of their net positive discounted cashflows, factoring in projected market prices and annual maintenance and cutting costs and to maintain the land upon which the Council's forestry investment is held.

## Treasury Investments

Investments of cash held for specific purposes (special funds) usually held as short-term deposits or in bonds.

The Council maintains treasury investments for the following primary reasons:

- Provide ready cash in the event of a natural disaster. This cash is intended to bridge the gap between the disaster and the reinstatement of normal income streams.
- Invest amounts allocated to special funds, bequests, and reserves.
- Invest funds allocated for approved future expenditure, to implement strategic initiatives or to support intergenerational allocations.
- Invest proceeds from the sale of assets.
- Invest surplus cash, and working capital funds.

## Debt

The Council is very conscious of its level of debt and its effect on ratepayers in the future.

Where projects require a significant up front capital cost but the project provides long-term benefits, the council funds the initial capital cost via debt as a method for spreading this cost over time. Debt spreads the responsibility for funding a project across the current and future ratepayers, ensuring that all of those that benefit make a contribution to the funding of the project.

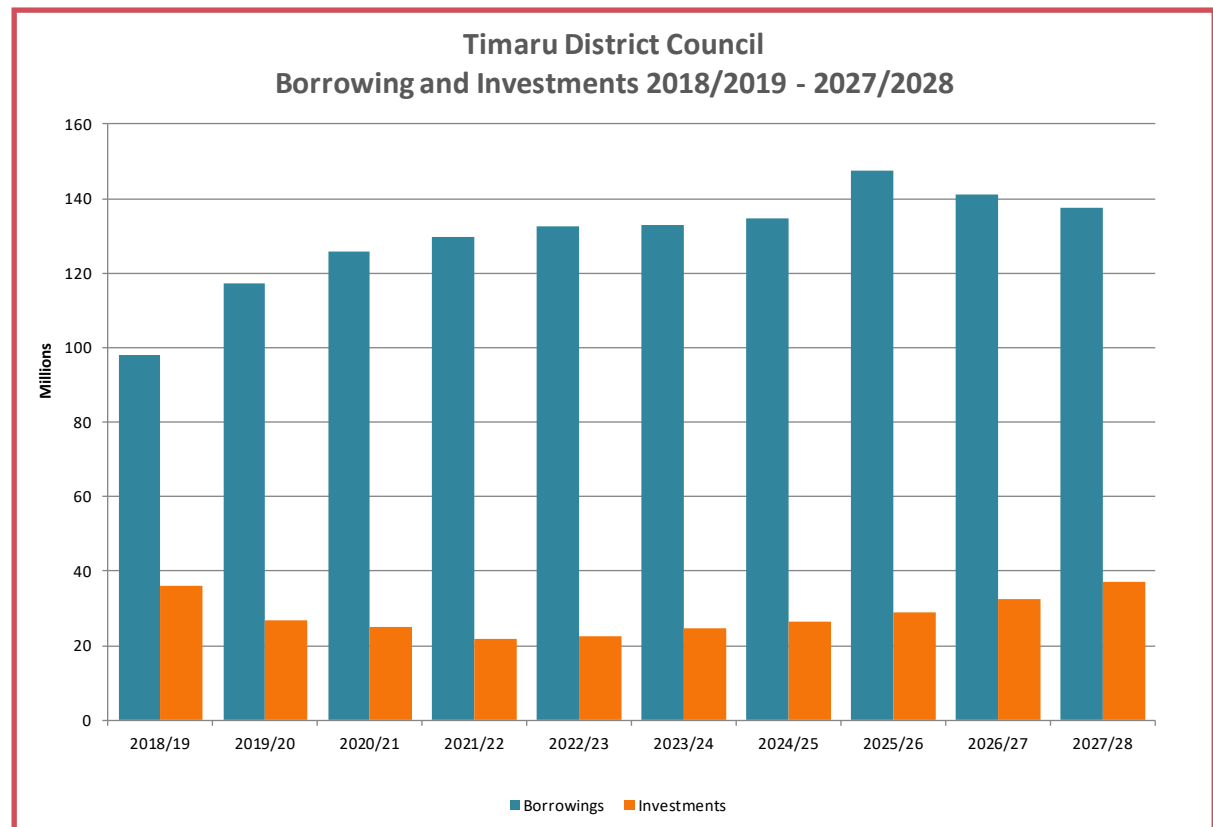
The Council's forecast level of borrowings and investments for the 10 years of the LTP is shown below:

The main reason for increased debt levels is to fund the asset development expenditure proposed within this plan. The Council has considered the timing of the programme and the associated borrowing required to ensure that this best meets the needs of current and future generations. The value of investments increases during this period mainly because depreciation funds increase to replace assets after the 10 years shown in this plan.

The Council has set the following limits on its total borrowing:

- Borrowing as a percentage of total assets 20%
- Interest expense as a percentage of total revenue 15%
- Net debt to total revenue 150%

The financial ratios are measured on Council only, not the



# Forecast Financial Information

These prospective financial statements were authorised for issue by Timaru District Council on ~~6 November 2018~~ ~~26 June~~ 2018. Timaru District Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

Timaru District Council's planning processes are governed by the Local Government Act 2002. The Act requires Council to prepare a ten year Long-Term Plan (LTP) every three years and an Annual Plan, which updates the LTP by exception, in the intervening years. This ~~is an amendment to the~~ Timaru District Council's LTP for the period 2018 to 2028 and is prepared in accordance with the Act. The Council and management are responsible for the preparation of the prospective financial statements and the appropriateness of the underlying assumptions.

The information contained within this document is prospective financial information in terms of PBE FRS 42. The forecast financial statements have been prepared on the basis of assumptions as to future events the Council reasonably expects to occur associated with actions the Council expects to take. They have been prepared in accordance with current accounting policies in this plan. Actual results up until January 2018 have been taken into account in preparation of these prospective financial statements. Prospective Group financial statements have not been prepared as information for all entities in the group is not available.

The purpose for which this plan has been prepared is to enable the public to participate in the decision making processes as to the services to be provided by the Timaru District Council to its community for the year, and to provide a broad accountability mechanism of Council to the community. This information has been prepared for the Council's budgeting and financial planning purposes. It may therefore not be appropriate to be used for any other purpose. Actual results are likely to vary from the information presented and the variations may be material.

These prospective financial statements will not be updated.

# Forecast Statement of Comprehensive Revenue and Expense

	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
<b>Revenue</b>											
Rates, excluding targeted water supply rates	47,496	50,333	54,025	57,804	61,341	63,701	66,982	68,746	71,179	75,211	77,417
Fees, charges and targeted rates for water supply	17,395	17,974	18,536	19,074	19,239	19,884	20,585	20,782	21,334	21,900	22,569
Development and financial contributions	20	20	20	20	20	20	20	20	20	20	20
Subsidies and grants	8,337	8,992	8,565	9,526	8,962	9,592	9,740	12,111	10,933	9,643	10,429
Finance Revenue	2,035	1,679	970	837	784	755	803	875	953	1,054	1,184
Other Revenue	3,748	3,821	5,138	4,166	4,801	6,588	4,181	4,398	4,432	4,348	4,384
Other gains/(losses)	15	0	0	0	0	0	0	0	0	0	0
<b>Total Revenue</b>	<b>79,046</b>	<b>82,819</b>	<b>87,254</b>	<b>91,427</b>	<b>95,148</b>	<b>100,540</b>	<b>102,310</b>	<b>106,931</b>	<b>108,850</b>	<b>112,176</b>	<b>116,003</b>
<b>Expenditure</b>											
Personnel costs	16,537	17,630	18,027	18,321	18,724	19,194	19,675	20,148	20,653	21,268	21,842
Operating costs	35,214	39,044	38,559	38,214	39,336	39,600	40,291	41,029	41,963	43,112	44,524
Finance costs	5,838	4,842	5,291	5,989	6,301	6,469	7,205	7,918	8,355	9,265	9,629
Depreciation	16,475	16,518	17,550	18,247	18,971	19,674	20,631	21,372	22,352	23,691	24,124
<b>Total Operating Expenditure</b>	<b>74,064</b>	<b>78,033</b>	<b>79,427</b>	<b>80,771</b>	<b>83,332</b>	<b>84,937</b>	<b>87,801</b>	<b>90,467</b>	<b>93,323</b>	<b>97,335</b>	<b>100,120</b>
<b>Total Comprehensive Revenue and Expense</b>	<b>4,982</b>	<b>4,786</b>	<b>7,827</b>	<b>10,656</b>	<b>11,816</b>	<b>15,603</b>	<b>14,509</b>	<b>16,464</b>	<b>15,527</b>	<b>14,840</b>	<b>15,884</b>

# Forecast Statement of Movements in Equity

	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
<b>Equity at beginning of the year</b>	751,470	759,450	764,236	772,063	782,718	794,534	810,137	824,646	841,110	856,637	871,477
Net surplus for the year	4,982	4,786	7,827	10,656	11,816	15,603	14,509	16,464	15,527	14,840	15,884
Revaluation of fixed assets											
Total recognised revenues and expenses	4,982	4,786	7,827	10,656	11,816	15,603	14,509	16,464	15,527	14,840	15,884
<b>Equity at end of the year</b>	<b>756,452</b>	<b>764,236</b>	<b>772,063</b>	<b>782,718</b>	<b>794,534</b>	<b>810,137</b>	<b>824,646</b>	<b>841,110</b>	<b>856,637</b>	<b>871,477</b>	<b>887,361</b>

# Forecast Statement of Movements in Retained Earnings

	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
<b>Retained Earnings at 1 July</b>	715,181	726,999	741,773	756,109	767,380	782,228	796,815	809,145	822,767	835,512	846,315
Net surplus for the year	4,982	4,786	7,827	10,656	11,816	15,603	14,509	16,464	15,527	14,840	15,884
Transfers to Reserves	(18,334)	(42,046)	(21,327)	(23,189)	(24,287)	(26,575)	(27,706)	(28,680)	(29,837)	(31,260)	(31,669)
Transfers from Reserves	31,063	52,035	27,837	23,804	27,319	25,559	25,527	25,839	27,054	27,224	27,120
<b>Retained Earnings at 30 June</b>	732,892	741,773	756,109	767,380	782,228	796,815	809,145	822,767	835,512	846,315	857,650

# Forecast Statement of Financial Position

	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
<b>Equity</b>											
Retained Earnings	732,892	741,773	756,109	767,380	782,228	796,815	809,145	822,767	835,512	846,315	857,650
Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0
Special Fund Reserves	23,560	22,463	15,953	15,339	12,306	13,322	15,501	18,343	21,125	25,161	29,711
<b>Total Equity</b>	<b>756,452</b>	<b>764,236</b>	<b>772,063</b>	<b>782,718</b>	<b>794,534</b>	<b>810,137</b>	<b>824,646</b>	<b>841,110</b>	<b>856,637</b>	<b>871,477</b>	<b>887,361</b>
<b>Current Assets</b>											
Cash & Bank Balances	17,237	11,801	11,850	11,304	11,082	11,424	11,110	11,234	11,129	11,144	11,173
Short Term Deposits	28,517	17,236	6,236	5,236	5,136	4,636	4,636	3,636	3,236	3,936	3,936
Receivable & Prepayments	6,218	6,218	6,218	6,218	6,218	6,218	6,218	6,218	6,218	6,218	6,218
Inventories	72	72	72	72	72	72	72	72	72	72	72
<b>Total Current Assets</b>	<b>52,044</b>	<b>35,328</b>	<b>24,376</b>	<b>22,830</b>	<b>22,508</b>	<b>22,351</b>	<b>22,037</b>	<b>21,160</b>	<b>20,655</b>	<b>21,370</b>	<b>21,400</b>
<b>Non-Current Assets</b>											
Investments	16,702	7,985	9,475	8,861	5,828	6,844	9,023	11,865	14,647	17,683	22,233
Fixed Assets	811,447	839,891	876,433	898,025	917,016	934,796	947,760	964,014	990,195	995,039	1,002,777
<b>Total Non-Current Assets</b>	<b>828,150</b>	<b>847,876</b>	<b>885,908</b>	<b>906,886</b>	<b>922,845</b>	<b>941,640</b>	<b>956,784</b>	<b>975,878</b>	<b>1,004,842</b>	<b>1,012,723</b>	<b>1,025,010</b>
<b>Total Assets</b>	<b>880,194</b>	<b>883,204</b>	<b>910,285</b>	<b>929,717</b>	<b>945,353</b>	<b>963,991</b>	<b>978,820</b>	<b>997,039</b>	<b>1,025,497</b>	<b>1,034,093</b>	<b>1,046,410</b>
<b>Current Liabilities</b>											
Payables & Accruals	10,548	10,542	10,576	10,576	10,576	10,576	10,576	10,576	10,576	10,576	10,576
Current Portion of Term Debt	4,979	4,799	5,372	5,893	6,205	6,667	6,808	6,730	7,361	7,302	7,504
<b>Total Current Liabilities</b>	<b>15,527</b>	<b>15,341</b>	<b>15,948</b>	<b>16,468</b>	<b>16,781</b>	<b>17,242</b>	<b>17,384</b>	<b>17,306</b>	<b>17,936</b>	<b>17,877</b>	<b>18,079</b>
<b>Non-Current Liabilities</b>											
Term Debt	97,821	93,163	111,781	119,973	123,418	125,928	126,043	127,812	140,050	133,801	129,968
Other Term Liabilities	10,394	10,463	10,493	10,557	10,620	10,684	10,747	10,811	10,875	10,938	11,002
<b>Total Non-Current Liabilities</b>	<b>108,215</b>	<b>103,627</b>	<b>122,274</b>	<b>130,530</b>	<b>134,038</b>	<b>136,611</b>	<b>136,791</b>	<b>138,623</b>	<b>150,924</b>	<b>144,739</b>	<b>140,970</b>
<b>Total Liabilities</b>	<b>123,742</b>	<b>118,968</b>	<b>138,222</b>	<b>146,998</b>	<b>150,819</b>	<b>153,854</b>	<b>154,175</b>	<b>155,929</b>	<b>168,861</b>	<b>162,616</b>	<b>159,049</b>
<b>Net Assets</b>	<b>756,452</b>	<b>764,236</b>	<b>772,063</b>	<b>782,718</b>	<b>794,534</b>	<b>810,137</b>	<b>824,646</b>	<b>841,110</b>	<b>856,637</b>	<b>871,477</b>	<b>887,361</b>

# Forecast Statement of Cashflows

	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
<b>Cashflows from operating activities</b>											
<b>Cash was provided from:</b>											
Receipts from customers	18,428	18,985	20,764	20,330	21,129	23,560	21,855	22,269	22,854	23,336	24,041
Rates	47,496	50,333	54,025	57,804	61,341	63,701	66,982	68,746	71,179	75,211	77,417
Subsidies	8,337	8,992	8,565	9,526	8,962	9,592	9,740	12,111	10,933	9,643	10,429
Interest	2,035	1,679	970	837	784	755	803	875	953	1,054	1,184
Dividends	2,695	2,790	2,890	2,890	2,890	2,890	2,890	2,890	2,890	2,890	2,890
	78,991	82,779	87,213	91,386	95,107	100,499	102,269	106,890	108,808	112,134	115,961
<b>Cash was applied to:</b>											
Payments to employees	(16,536)	(17,630)	(18,027)	(18,321)	(18,724)	(19,194)	(19,675)	(20,148)	(20,653)	(21,268)	(21,842)
Payments to suppliers	(35,136)	(38,980)	(38,495)	(38,151)	(39,272)	(39,536)	(40,227)	(40,965)	(41,899)	(43,048)	(44,460)
Interest paid	(5,838)	(4,842)	(5,291)	(5,989)	(6,301)	(6,469)	(7,205)	(7,918)	(8,355)	(9,265)	(9,629)
	(57,510)	(61,451)	(61,814)	(62,461)	(64,297)	(65,199)	(67,107)	(69,032)	(70,907)	(73,581)	(75,932)
<b>Net cashflows from operating activities</b>	21,481	21,327	25,400	28,926	30,809	35,300	35,162	37,858	37,901	38,553	40,029
<b>Cashflows from investing activities</b>											
<b>Cash was provided from:</b>											
Sale of fixed assets	45	45	45	45	45	45	45	45	45	45	45
Sale of investments (special funds)	31,063	60,035	27,837	23,804	27,319	25,559	25,527	25,839	27,054	27,224	27,120
Mortgages/advances made	220	220	220	220	220	220	220	220	220	220	220
	31,328	60,300	28,102	24,069	27,584	25,824	25,792	26,104	27,319	27,489	27,385
<b>Cash was applied to:</b>											
Purchases of fixed assets	(46,987)	(57,167)	(54,097)	(39,844)	(37,966)	(37,458)	(33,599)	(37,629)	(48,537)	(28,539)	(31,864)
Purchase of investments	(18,335)	(42,046)	(29,327)	(23,189)	(24,287)	(26,575)	(27,706)	(28,680)	(29,837)	(30,260)	(31,669)
Mortgages/advances made	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)
	(65,542)	(99,433)	(83,644)	(63,253)	(62,473)	(64,253)	(61,525)	(66,529)	(78,593)	(59,019)	(63,753)
<b>Net cashflows from investing activities</b>	(34,214)	(39,133)	(55,542)	(39,184)	(34,889)	(38,429)	(35,733)	(40,425)	(51,274)	(31,530)	(36,369)

# Forecast Statement of Cashflows

	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
<b>Cashflows from Financing Activities</b>											
<b>Cash was provided from:</b>											
Loans raised	27,636	24,974	23,990	14,085	9,649	9,176	6,924	8,498	19,598	1,053	3,671
	27,636	24,974	23,990	14,085	9,649	9,176	6,924	8,498	19,598	1,053	3,671
<b>Cash was applied to:</b>											
Settlement of loans	(18,565)	(26,166)	(4,799)	(5,372)	(5,893)	(6,205)	(6,667)	(6,808)	(6,730)	(7,361)	(7,302)
	(18,565)	(26,166)	(4,799)	(5,372)	(5,893)	(6,205)	(6,667)	(6,808)	(6,730)	(7,361)	(7,302)
<b>Net cashflows from Financing Activities</b>	9,071	(1,192)	19,191	8,713	3,757	2,972	257	1,690	12,868	(6,308)	(3,631)
<b>Net Increase (Decrease) in Cash Held</b>	(3,662)	(18,998)	(10,952)	(1,546)	(322)	(157)	(314)	(876)	(505)	715	30
<b>Cash at beginning of the year</b>	49,416	48,035	29,038	18,086	16,540	16,218	16,061	15,747	14,870	14,365	15,080
<b>Cash at the end of the Year</b>	45,754	29,038	18,086	16,540	16,218	16,061	15,747	14,870	14,365	15,080	15,110
<b>Represented by:</b>											
Cash & Bank Balances	17,237	11,801	11,850	11,304	11,082	11,424	11,110	11,234	11,129	11,144	11,173
Short Term Deposits	28,517	17,236	6,236	5,236	5,136	4,636	4,636	3,636	3,236	3,936	3,936
	45,754	29,038	18,086	16,540	16,218	16,061	15,747	14,870	14,365	15,080	15,110



# Funding Impact Statement 2018-28

	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
<b>Sources of Operating Funding</b>											
General Rates, Uniform annual general charges, rates penalties	26,103	28,682	28,883	30,404	32,375	33,624	35,508	35,848	36,505	37,751	38,584
Targeted Rates	24,318	24,980	26,738	28,174	29,226	30,007	31,584	32,858	34,763	37,350	38,733
Subsidies and grants for operating purposes	3,638	3,400	3,464	3,456	3,416	3,478	3,374	3,427	3,461	3,450	3,439
Fees and charges	17,384	18,028	18,596	19,151	19,322	19,996	20,696	20,933	21,506	22,074	22,765
Interest and dividends from investments	4,730	4,469	3,860	3,727	3,674	3,645	3,693	3,765	3,843	3,944	4,074
Internal charges and overheads recovered											
Local authorities fuel tax, fines, infringement fees and other receipts	861	832	1,856	877	877	877	877	877	877	777	777
<b>Total Operating Funding</b>	<b>77,034</b>	<b>80,390</b>	<b>83,396</b>	<b>85,788</b>	<b>88,891</b>	<b>91,627</b>	<b>95,731</b>	<b>97,707</b>	<b>100,955</b>	<b>105,346</b>	<b>108,372</b>
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	51,796	56,727	56,633	56,583	58,109	58,842	60,015	61,226	62,665	64,429	66,417
Finance costs	5,838	4,842	5,291	5,989	6,301	6,469	7,205	7,918	8,355	9,265	9,629
Internal charges and overheads applied											
Other operating funding applications											
<b>Total Applications of Operating Funding</b>	<b>57,634</b>	<b>61,569</b>	<b>61,924</b>	<b>62,572</b>	<b>64,410</b>	<b>65,312</b>	<b>67,219</b>	<b>69,145</b>	<b>71,020</b>	<b>73,694</b>	<b>76,046</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>19,400</b>	<b>18,821</b>	<b>21,472</b>	<b>23,216</b>	<b>24,481</b>	<b>26,315</b>	<b>28,512</b>	<b>28,562</b>	<b>29,935</b>	<b>31,652</b>	<b>32,326</b>
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	4,699	5,593	5,104	6,076	5,985	8,127	6,382	8,704	7,495	6,220	7,022
Development and financial contributions	20	45	49	79	112	131	133	141	150	160	171
Increase/(decrease) in debt	9,071	(1,192)	19,191	8,713	3,757	2,972	257	1,690	12,868	(6,308)	(3,631)
Gross proceeds from the sale of assets	60	45	45	45	45	45	45	45	45	45	45
Lump sum contributions											
Other dedicated capital funding	272	22,377	371	329	492	657	246	411	411	411	411
<b>Total Sources of Capital Funding</b>	<b>14,122</b>	<b>26,868</b>	<b>24,760</b>	<b>15,241</b>	<b>10,390</b>	<b>11,931</b>	<b>7,062</b>	<b>10,991</b>	<b>20,969</b>	<b>528</b>	<b>4,017</b>

# Funding Impact Statement 2018-28

	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
<b>Applications of Capital Funding</b>											
Capital expenditure											
- to meet additional demand	2,053	1,181	1,428	1,564	561	417	444	754	384	393	633
- to improve the level of service	10,312	17,631	15,514	16,205	16,511	13,041	12,457	16,391	15,887	5,869	9,396
- to replace existing assets	34,622	38,355	37,155	22,075	20,894	24,000	20,699	20,483	32,266	22,276	21,836
Increase/(decrease) in reserves	(13,465)	(11,477)	(7,865)	(1,386)	(3,095)	788	1,975	1,925	2,368	3,641	4,479
Increase/(decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
<b>Total Applications of Capital Funding</b>	<b>33,522</b>	<b>45,689</b>	<b>46,232</b>	<b>38,457</b>	<b>34,871</b>	<b>38,246</b>	<b>35,574</b>	<b>39,553</b>	<b>50,904</b>	<b>32,180</b>	<b>36,343</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>(19,400)</b>	<b>(18,821)</b>	<b>(21,472)</b>	<b>(23,216)</b>	<b>(24,481)</b>	<b>(26,316)</b>	<b>(28,512)</b>	<b>(28,563)</b>	<b>(29,935)</b>	<b>(31,652)</b>	<b>(32,326)</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Funding Impact Statement 2018-28

## Reconciliation to Statement of Comprehensive Revenue and Expense

	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
Surplus/(deficit) of operating funding per FIS	19,400	18,821	21,472	23,216	24,481	26,315	28,512	28,562	29,935	31,652	32,326
Subsidies & Grants for capital expenditure	4,971	5,789	5,475	6,404	6,476	8,783	6,628	9,114	7,905	6,631	7,432
Development and financial contributions	20	45	49	79	112	131	133	141	150	160	171
Vested Assets	40	40	40	40	41	41	41	41	42	42	42
Depreciation	-16,475	-16,518	-17,550	-18,247	-18,971	-19,674	-20,631	-21,372	-22,352	-23,691	-24,124
Landfill Post Closure	-64	-64	-64	-64	-64	-64	-64	-64	-64	-64	-64
Movement in Rates Balances	-2,910	-3,328	-1,597	-774	-260	70	-109	40	-90	110	100
<b>Surplus per Statement of Comprehensive Revenue and Expenditure</b>	<b>4,982</b>	<b>4,786</b>	<b>7,826</b>	<b>10,656</b>	<b>11,816</b>	<b>15,602</b>	<b>14,509</b>	<b>16,464</b>	<b>15,527</b>	<b>14,840</b>	<b>15,883</b>

## Rating Base

	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
Number of rating units at end of preceding year	22,722	22,659	22,659	22,659	22,659	22,659	22,659	22,659	22,659	22,659	22,659
Total capital value of rating units at end of preceding year	12,099,011	12,245,535	12,245,535	12,245,535	12,245,535	12,245,535	12,245,535	12,245,535	12,245,535	12,245,535	12,245,535
Total land value of rating units at end of preceding year	6,085,501	6,092,385	6,092,385	6,092,385	6,092,385	6,092,385	6,092,385	6,092,385	6,092,385	6,092,385	6,092,385

# Reserve Funds Summary

## Special Funds

Separate Accounts are maintained for targeted rates charged for a specific purpose. A separate account is maintained for each targeted rate to ensure that the funds are held and used for the specific purpose intended.

Name of Fund	Activity	Purpose	Forecast Balance 1 July 2018 (\$000s)	Funds Deposited 2018-2028 (\$000s)	Funds Withdrawn 2018-2028 (\$000s)	Forecast Balance 30 June 2028 (\$000s)
Alpine Energy divestment fund	All of Council	For the funding of future projects	0	10,671	0	10,671
Aquatic Centre contributions	Parks and Recreational Facilities	Funds donated towards to Aquatic centre facility to be used for its construction and funding of interest payments.	0	0	0	0
Cemetery Future (Tu) Fund	Community Facilities	Development of future cemetery for Timaru.	78	4	80	1
Collett Bequest (Museum)	Cultural and Learning Facilities	For museum items.	546	67	570	44
Community Development Interest Fund	Community Funding	To make major grants (over \$10,000) to non profit community based organisations and clubs for improving or developing new or existing facilities which reflect credit or provide benefit to the Timaru District residents.	228	366	300	294
Community Development Loan Fund	Community Funding	To make major loans to non profit community based organisations and clubs for improving or developing new or existing facilities which reflect credit or provide benefit to the Timaru District residents.	241	0	0	241
Contingency Fund	All of Council	For emergency purposes as determined by Council.	1,191	410	0	1,601
Depreciation – General Fund	All of Council	For the renewal and/or replacement of district wide funded depreciable assets and for the repayment of loans associated with such assets.	4,833	113,998	108,142	10,690
Depreciation Fund – Beautiful Valley Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	74	52	0	126
Depreciation Fund - Geraldine	Roading and Footpaths and Stormwater	For the renewal and/or replacement of Geraldine funded depreciable assets and for the repayment of loans associated with such assets, (excludes water related assets).	164	2,081	868	1,378
Depreciation Fund – Orari Township Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	58	35	0	93
Depreciation Fund – Rangitata / Orari Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	26	133	129	31

# Reserve Funds Summary

Name of Fund	Activity	Purpose	Forecast Balance 1 July 2018 (\$000s)	Funds Deposited 2018-2028 (\$000s)	Funds Withdrawn 2018-2028 (\$000s)	Forecast Balance 30 June 2028 (\$000s)
Depreciation Fund - Rural	Roading and Footpaths and Stormwater	For the renewal and/or replacement of Rural funded depreciable assets and for the repayment of loans associated with such assets, (excludes water related assets).	129	1,353	1,157	325
Depreciation Fund – Seadown Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	662	1,134	1,034	762
Depreciation Fund - Sewer	Sewer	For the renewal and/or replacement of Sewer depreciable assets and for the repayment of loans associated with such assets.	1,528	38,095	39,622	0
Depreciation Fund – Te Moana Downs Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	743	3,815	4,051	508
Depreciation Fund - Temuka	Roading and Footpaths and Stormwater	For the renewal and/or replacement of Temuka funded depreciable assets and for the repayment of loans associated with such assets, (excludes water related assets).	176	3,266	1,819	1,623
Depreciation Fund - Timaru	Roading and Footpaths and Stormwater	For the renewal and/or replacement of Timaru funded depreciable assets and for the repayment of loans associated with such assets, (excludes water related assets).	2,465	19,964	13,885	8,543
Depreciation Fund – Urban Water	Water Supply	For the renewal and/or replacement of Water depreciable assets and for the repayment of loans associated with such assets.	5,255	38,328	41,485	2,098
Depreciation Fund (Housing)	Social Housing	For the renewal and/or replacement of Housing depreciable assets and for the repayment of loans associated with such assets.	408	2,761	2,627	543
Development (Tu) Fund	All of Council	Funding of major developments within Timaru. Interest on this fund to be credited to the Community Development Interest Fund.	265	0	0	265
Disaster Relief Fund	All of Council	For the replacement of infrastructural assets excluding roading in the event of a natural disaster.	3,220	3,435	0	6,655
District Recreation Facilities Fund	All of Council	To be used for the development of significant recreation facilities in the district.	677	76	740	13
Dowling Bequest	Cultural and Learning Facilities	For the purchase of Christian fiction literature for the library.	23	3	19	7

# Reserve Funds Summary

Name of Fund	Activity	Purpose	Forecast Balance 1 July 2018 (\$000s)	Funds Deposited 2018-2028 (\$000s)	Funds Withdrawn 2018-2028 (\$000s)	Forecast Balance 30 June 2028 (\$000s)
Downlands Asset Replacement Fund	Water Supply	Replacement of infrastructural assets relating to Downlands Water Supply Scheme.	6,249	9,069	15,168	150
Downlands Capital Contribution Reserve	Water Supply	For the provision of capital expenditure financed from capital contributions.	143	29	163	9
Economic Development Fund	Economic Development and District Promotions, Community Funding and Democracy	For economic development support.	276	95	0	371
Election Expenses Fund	Democracy	To provide for meeting election expenses.	20	617	491	146
Endowment Land Geraldine Fund	All of Council	From the proceeds of Endowment Land. For the purchase of similar land.	476	236	35	678
Forestry Development Fund	Parks and Recreational Facilities	To provide funding for the development of forests within the District.	447	237	574	110
George Barclay Bequest	Cultural and Learning Facilities	Original bequest was \$600. Interest to be used for the purchase of reference books for the Timaru Children's Library.	2	1	0	3
Grants & Donations Fund	Community Funding	For the provision of grants & donations (created from the unspent grant allocation and carried forward balances)	266	1,228	1,136	358
Investment Fund	All of Council	1. For the repayment of district wide loans 2. For the funding district wide capital projects 3. For provision of internal loans.	1,262	33,119	54,028	-19,647
Joan & Percy Davis Library Trust (Ger)	Cultural and Learning Facilities	Interest to be used to purchase books for the Geraldine Library. (8/7/82)	1	0	0	2
Lattimore W A (Tu) Bequest	Cultural and Learning Facilities	Interest to be used for the purchasing of art works for the Aigantighe Art Gallery.	17	2	19	0
Mackay Bequest (Art Gallery)	Cultural and Learning Facilities	For the purchase of paintings.	200	57	78	179
Mackay Bequest (Library)	Cultural and Learning Facilities	For the purchase of books relating to art for the Timaru Library.	180	50	78	152
Main Creative Communities NZ Fund	Community Funding	Carried forward balance of Creative Communities NZ fund – main committee.	3	1	0	4
Main Drains Cost Sharing Fund	Sewer, Stormwater and Water Supply	Extension of main drains on a cost sharing basis.	1,186	757	0	1,944
Mayor's Welfare Fund	Democracy	Help out the needy as determined by the Mayor.	10	53	50	13
McCarthy Bequest (Library)	Cultural and Learning Facilities	For general library purposes	28	10	0	38

# Reserve Funds Summary

Name of Fund	Activity	Purpose	Forecast Balance 1 July 2018 (\$000s)	Funds Deposited 2018-2028 (\$000s)	Funds Withdrawn 2018-2028 (\$000s)	Forecast Balance 30 June 2028 (\$000s)
McCarthy Bequest (Parks)	Parks and Recreational Facilities	For Timaru Botanic Gardens general purposes	48	16	0	64
Museum Acquisition Fund/ Alan Ward Fund	Cultural and Learning Facilities	For the purchase of articles for the Museum.	10	3	0	13
Officials' Indemnity, Safety and Health Fund	All of Council	For the purpose of officials' indemnity insurance excess, and for providing funds to comply with Occupational Health and Safety Regulations.	546	188	0	733
Parking Improvement (Tu) Fund	Roading and Footpaths	For the purchase of land buildings, or equipment which will be used for providing, or in association with, parking facilities within Timaru or for meeting the annual charges on any loan raised for any of these purposes.	144	0	-2,923	-2,779
Property Development Fund	All of Council	For the purchase or development of land and improvement projects within the District.	879	287	71	1,096
R C Hervey Fund	Cultural and Learning Facilities	For providing improved services to the Timaru Library.	77	26	0	103
Reserves Development (Tu) Fund	Parks and Recreational Facilities	For the planting of trees and general development of reserves owned by the District Council within Timaru.	12	4	0	16
Reserves from Subdivisions/ Development Levy	Parks and Recreational Facilities	Development of reserves within the District as set out in the Local Government Act 1974 Section 288.	62	187	228	21
Safer Community Funds	Safer Communities	For Safer Communities projects.	423	133	53	504
Social Housing Fund (TDC)	Social Housing	Funding of new social housing units and major maintenance.	0	0	0	1
Sport and Recreation Loan Fund	Community Funding	Sport and Recreation loans for facilities and/or major plant items in excess of \$2,000 total value.	1,132	506	0	1,638
Te Moana Water Capital Contributions	Water Supply	For the provision of extensions to the Te Moana water network.	337	751	350	738
Timaru Ward Capital Asset and Loan Repayment Fund	All of Council	For the purpose of repayment of Timaru Ward separate rate loans and/or Timaru Ward Capital Projects.	20	7	0	27
Winchester Domain Fund	Parks and Recreational Facilities	For development of the Winchester Domain	82	11	92	1
			37,531	287,727	286,217	33,198

# Reserve Funds Summary

## Separate Funds

Separate Accounts are maintained for targeted rates charged for a specific purpose. A separate account is maintained for each targeted rate to ensure that the funds are held and used for the specific purpose intended.

Name of Fund	Forecast Balance 1 July 2018 (\$000s)	Funds Deposited 2018-2028 (\$000s)	Funds Withdrawn 2018-2028 (\$000s)	Forecast Balance 30 June 2028 (\$000s)
Fairview Hall	1	52	52	1
Claremont Hall	1	44	44	1
Otipua Hall	-0	14	14	-0
Kingsdown Hall	0	44	44	0
Seadown Hall	0	48	48	0
Geraldine Works and Services	78	4,723	4,852	-51
Rural Works and Services	58	2,962	2,988	32
Temuka Works and Services	79	6,472	6,499	52
Timaru Works and Services	-54	33,024	32,869	102
Solid Waste Collection	2,427	67,886	70,078	234
Sewer	3,829	73,380	77,112	97
Beautiful Valley Water	3	66	68	0
Downlands Water	0	20,254	20,254	0
Orari Township Water	11	236	244	3
Rangitata/Orari Water	342	2,720	2,610	452
Seadown Water	111	2,960	3,062	9
Te Moana Water	687	8,900	9,524	63
Urban Water	1,085	81,650	82,677	58
Geraldine Community Board	33	72	72	33
Pleasant Point Community Board	22	56	56	22
Temuka Community Board	45	87	87	45

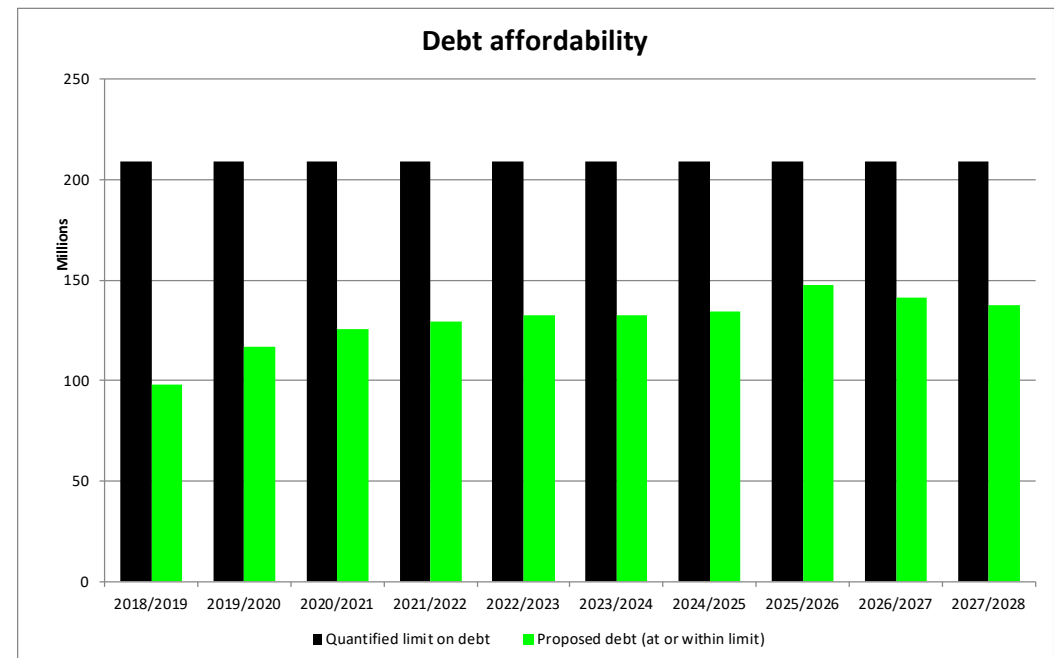


# Long-Term Plan Disclosure Statement for period commencing 1 July 2018

## Debt affordability benchmark

The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

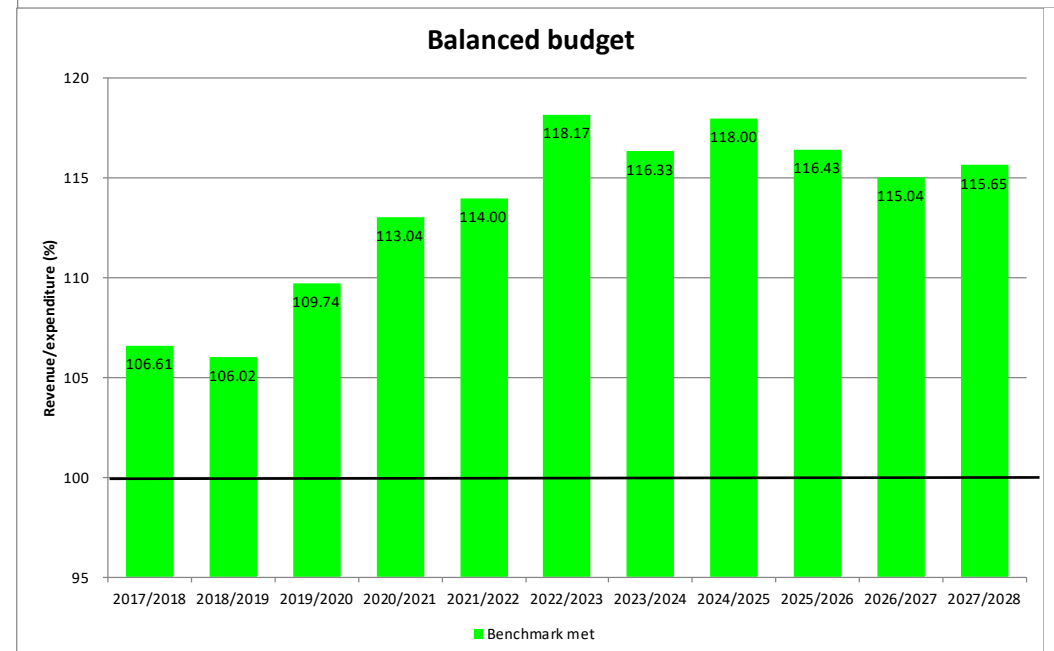
The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is \$209 million.



## Balanced budget benchmark

The following graph displays the council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.

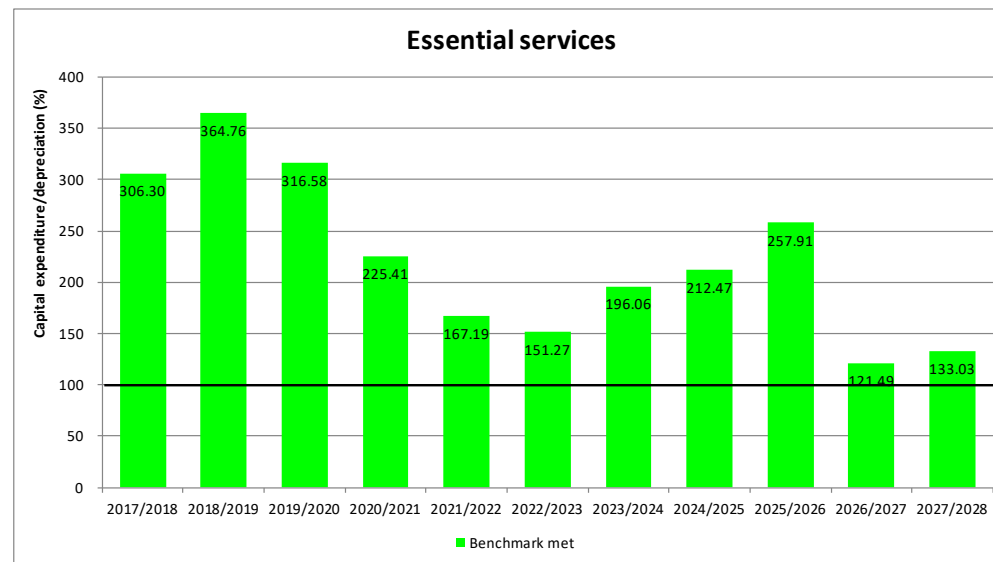


# Long-Term Plan Disclosure Statement for period commencing 1 July 2018

## Essential services benchmark

The following graph displays the council's planned capital expenditure on network services as a proportion of expected depreciation on network services.

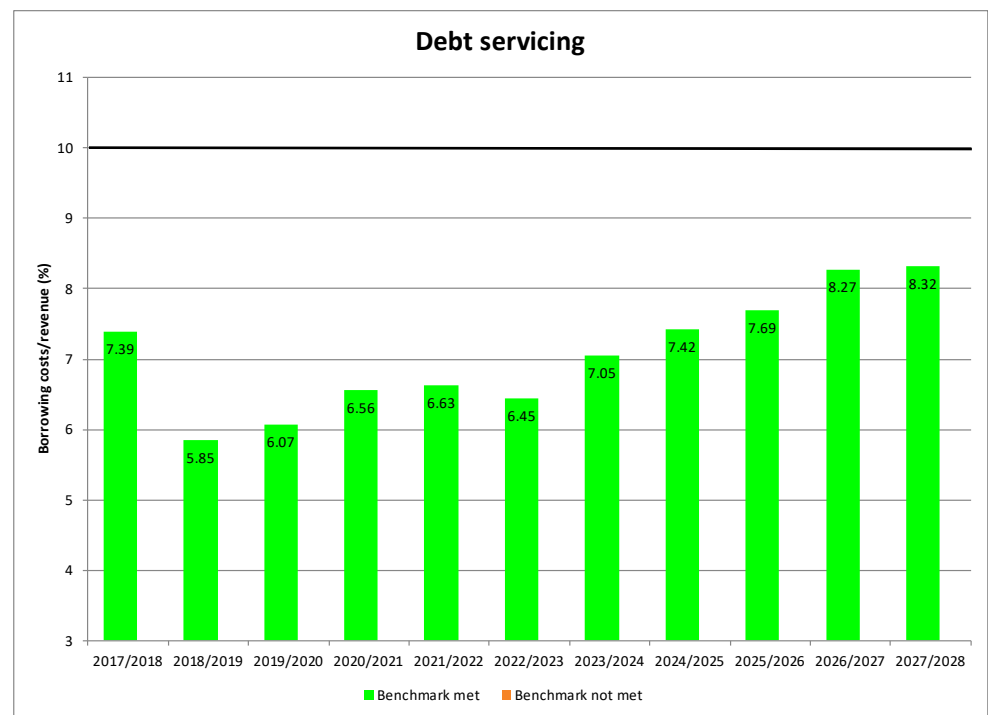
The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



## Debt servicing benchmark

The following graph displays the council's planned borrowing costs 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).

Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



# Financial Statements (non-inflated)

The financial information on the next few pages is included for information only. These statements are non-inflated.

## Total Rate Requirement

	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
<b>Total District Wide Rates</b>	24,887	26,269	27,596	29,385	30,779	31,441	32,592	32,294	32,197	32,650	32,704
Community Works & Services Rate	2,942	3,601	3,700	3,860	4,062	4,456	4,623	4,899	5,073	5,329	5,514
Community Board Charges	19	22	22	22	22	22	22	22	22	22	22
Community Centre Charge	15	20	20	20	20	20	20	20	20	20	20
Sewer Charges	7,070	7,130	7,130	7,130	7,130	7,130	7,130	7,130	7,130	7,130	7,130
Refuse Charges	5,167	5,359	5,509	5,770	6,104	6,239	6,456	6,489	6,503	6,505	6,499
Water Charges	6,995	7,482	8,885	9,756	10,276	10,568	11,052	11,716	13,148	14,248	14,480
<b>Total Rates (GST Exclusive)</b>	47,096	49,883	52,861	55,941	58,392	59,876	61,895	62,570	64,092	65,904	66,370

# Financial Statements (non-inflated)

## Forecast Statement of Comprehensive Revenue & Expense

	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
<b>Revenue</b>											
Rates, excluding targeted water supply rates	47,496	50,333	53,311	56,346	59,075	60,648	62,981	63,905	65,352	68,332	69,436
Fees, charges and targeted rates for water supply	17,395	17,974	18,122	18,234	17,970	18,138	18,338	18,062	18,071	18,062	18,107
Development and financial contributions	20	20	20	20	20	20	20	20	20	20	20
Subsidies and grants	8,337	8,992	8,454	9,264	9,033	11,070	9,045	11,000	9,812	8,573	9,067
Finance Revenue	2,035	1,679	992	894	888	916	1,031	1,177	1,370	1,601	1,841
Other Revenue	3,748	3,821	5,114	4,118	4,286	4,456	4,060	4,225	4,225	4,125	4,125
Other gains/(losses)	15	0	0	0	0	0	0	0	0	0	0
<b>Total Revenue</b>	<b>79,046</b>	<b>82,819</b>	<b>86,012</b>	<b>88,876</b>	<b>91,271</b>	<b>95,248</b>	<b>95,474</b>	<b>98,389</b>	<b>98,850</b>	<b>100,711</b>	<b>102,595</b>
<b>Expenditure</b>											
Personnel costs	16,537	17,630	17,639	17,540	17,541	17,576	17,612	17,613	17,614	17,679	17,679
Operating costs	35,214	39,044	37,707	36,544	36,788	36,180	35,964	35,745	35,647	35,675	35,856
Finance costs	5,838	4,842	5,279	5,950	6,233	6,364	7,051	7,707	8,089	8,948	9,274
Depreciation	16,475	16,518	17,546	18,215	18,890	19,517	20,365	20,990	21,807	22,899	23,213
<b>Total Operating Expenditure</b>	<b>74,064</b>	<b>78,033</b>	<b>78,170</b>	<b>78,250</b>	<b>79,451</b>	<b>79,637</b>	<b>80,993</b>	<b>82,055</b>	<b>83,157</b>	<b>85,201</b>	<b>86,022</b>
<b>Total Comprehensive Revenue And Expense</b>	<b>4,982</b>	<b>4,786</b>	<b>7,842</b>	<b>10,626</b>	<b>11,821</b>	<b>15,611</b>	<b>14,481</b>	<b>16,334</b>	<b>15,693</b>	<b>15,510</b>	<b>16,573</b>

# Financial Statements (non-inflated)

## Forecast Statement of Movements in Equity

For The Year Ended 30 June	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
<b>Equity At Beginning Of The Year</b>	751,470	759,450	764,236	772,078	782,704	794,525	810,135	824,616	840,950	856,643	872,153
Net surplus for the year	4,982	4,786	7,842	10,626	11,821	15,611	14,481	16,334	15,693	15,510	16,573
Revaluation of fixed assets	0	0	0	0	0	0	0	0	0	0	0
Total recognised revenues and expenses	4,982	4,786	7,842	10,626	11,821	15,611	14,481	16,334	15,693	15,510	16,573
<b>Equity At The End Of The Year</b>	756,452	764,236	772,078	782,704	794,525	810,135	824,616	840,950	856,643	872,153	888,726

## Forecast Statement of Movements in Retained Earnings

For The Year Ended 30 June	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
<b>Retained Earnings At 1 July</b>	715,181	726,999	741,773	755,568	765,911	779,383	792,254	802,561	813,885	821,978	830,305
Net surplus for the year	4,982	4,786	7,842	10,626	11,821	15,611	14,481	16,334	15,693	15,510	16,573
Transfers to Reserves	(18,334)	(41,810)	(20,900)	(22,810)	(23,930)	(26,223)	(27,339)	(28,297)	(29,457)	(30,783)	(31,219)
Transfers from Reserves	31,063	51,798	26,854	22,527	25,582	23,483	23,165	23,288	21,857	23,600	23,271
<b>Retained Earnings At 30 June</b>	732,892	741,773	755,568	765,911	779,383	792,254	802,561	813,885	821,978	830,305	838,929

# Financial Statements (non-inflated)

## Forecast Statement of Financial Position

As at 30 June	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
<b>Equity</b>											
Retained Earnings	732,892	741,773	755,568	765,911	779,383	792,254	802,561	813,885	821,978	830,305	838,929
Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0
Special Fund Reserves	23,560	22,463	16,510	16,793	15,141	17,882	22,056	27,065	34,665	41,848	49,796
<b>Total Equity</b>	<b>756,452</b>	<b>764,236</b>	<b>772,078</b>	<b>782,704</b>	<b>794,525</b>	<b>810,135</b>	<b>824,616</b>	<b>840,950</b>	<b>856,643</b>	<b>872,153</b>	<b>888,726</b>
<b>Current Assets</b>											
Cash & Bank Balances	17,237	11,801	11,962	11,119	11,092	11,368	11,768	12,033	12,551	13,870	15,890
Short Term Deposits	28,517	17,236	6,236	5,736	5,736	5,736	5,736	5,736	5,736	5,736	5,736
Receivable & Prepayments	6,218	6,218	6,218	6,218	6,218	6,218	6,218	6,218	6,218	6,218	6,218
Inventories	72	72	72	72	72	72	72	72	72	72	72
<b>Total Current Assets</b>	<b>52,044</b>	<b>35,328</b>	<b>24,488</b>	<b>23,146</b>	<b>23,118</b>	<b>23,395</b>	<b>23,795</b>	<b>24,060</b>	<b>24,577</b>	<b>25,896</b>	<b>27,917</b>
<b>Non-Current Assets</b>											
Investments	16,702	7,985	10,032	10,315	8,663	11,404	15,578	20,587	28,187	35,370	43,318
Fixed Assets	811,447	839,891	875,272	895,204	911,877	926,657	936,362	948,261	967,843	968,661	971,233
<b>Total Non-current assets</b>	<b>828,150</b>	<b>847,876</b>	<b>885,304</b>	<b>905,520</b>	<b>920,540</b>	<b>938,060</b>	<b>951,940</b>	<b>968,847</b>	<b>996,029</b>	<b>1,004,031</b>	<b>1,014,551</b>
<b>Total Assets</b>	<b>880,194</b>	<b>883,204</b>	<b>909,792</b>	<b>928,665</b>	<b>943,659</b>	<b>961,455</b>	<b>975,734</b>	<b>992,907</b>	<b>1,020,607</b>	<b>1,029,928</b>	<b>1,042,468</b>
<b>Current Liabilities</b>											
Payables & Accruals	10,548	10,542	10,576	10,576	10,576	10,576	10,576	10,576	10,576	10,576	10,576
Current Portion of Term Debt	4,979	4,799	5,354	5,855	6,138	6,536	6,653	6,537	7,128	7,067	7,181
<b>Total Current Liabilities</b>	<b>15,527</b>	<b>15,341</b>	<b>15,930</b>	<b>16,430</b>	<b>16,714</b>	<b>17,112</b>	<b>17,229</b>	<b>17,113</b>	<b>17,703</b>	<b>17,643</b>	<b>17,756</b>
<b>Non-Current Liabilities</b>											
Term Debt	97,821	93,163	111,291	118,974	121,800	123,524	123,141	124,033	135,386	129,194	124,984
Other Term Liabilities	10,394	10,463	10,493	10,557	10,620	10,684	10,747	10,811	10,875	10,938	11,002
	108,215	103,627	121,784	129,531	132,420	134,207	133,889	134,844	146,261	140,132	135,986
<b>Total Liabilities</b>	<b>123,742</b>	<b>118,968</b>	<b>137,714</b>	<b>145,961</b>	<b>149,134</b>	<b>151,320</b>	<b>151,118</b>	<b>151,957</b>	<b>163,964</b>	<b>157,775</b>	<b>153,742</b>
<b>Net Assets</b>	<b>756,452</b>	<b>764,236</b>	<b>772,078</b>	<b>782,704</b>	<b>794,525</b>	<b>810,135</b>	<b>824,616</b>	<b>840,950</b>	<b>856,643</b>	<b>872,153</b>	<b>888,726</b>

# Financial Statements (non-inflated)

## Forecast Statement of Cashflows

For The Year Ended 30 June	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
<b>Cash Flows From Operating Activities</b>											
Cash was provided from:											
Receipts from customers	18,428	18,985	20,326	19,442	19,346	19,683	19,487	19,376	19,385	19,276	19,321
Rates	47,496	50,333	53,311	56,346	59,075	60,648	62,981	63,905	65,352	68,332	69,436
Subsidies	8,337	8,992	8,454	9,264	9,033	11,070	9,045	11,000	9,812	8,573	9,067
Interest	2,035	1,679	992	894	888	916	1,031	1,177	1,370	1,601	1,841
Dividends	2,695	2,790	2,890	2,890	2,890	2,890	2,890	2,890	2,890	2,890	2,890
	78,991	82,779	85,972	88,836	91,231	95,208	95,434	98,349	98,810	100,671	102,555
Cash was applied to:											
Payments to employees	(16,537)	(17,630)	(17,639)	(17,540)	(17,541)	(17,576)	(17,612)	(17,613)	(17,614)	(17,679)	(17,679)
Payments to suppliers	(35,136)	(38,980)	(37,643)	(36,480)	(36,724)	(36,117)	(35,901)	(35,681)	(35,584)	(35,612)	(35,793)
Interest paid	(5,838)	(4,842)	(5,279)	(5,950)	(6,233)	(6,364)	(7,051)	(7,707)	(8,089)	(8,948)	(9,274)
	(57,510)	(61,451)	(60,561)	(59,971)	(60,497)	(60,057)	(60,564)	(61,001)	(61,286)	(62,239)	(62,746)
Net Cash Inflows From Operating Activities	21,481	21,327	25,411	28,865	30,734	35,151	34,870	37,347	37,523	38,433	39,810
<b>Cash Flows From Investing Activities</b>											
Cash was provided from:											
Sale of fixed assets	45	45	45	45	45	45	45	45	45	45	45
Sale of investments (special funds)	31,063	59,798	26,854	22,527	25,582	23,483	23,165	23,288	21,857	23,600	23,271
Mortgages/advances repaid	220	220	220	220	220	220	220	220	220	220	220
	31,328	60,063	27,119	22,792	25,847	23,748	23,430	23,553	22,122	23,865	23,536

# Financial Statements (non-inflated)

For The Year Ended 30 June	Budget 2017/18 \$000	Budget 2018/19 \$000	Budget 2019/20 \$000	Budget 2020/21 \$000	Budget 2021/22 \$000	Budget 2022/23 \$000	Budget 2023/24 \$000	Budget 2024/25 \$000	Budget 2025/26 \$000	Budget 2026/27 \$000	Budget 2027/28 \$000
Cash was applied to:											
Purchases of fixed assets	(46,987)	(57,167)	(52,932)	(38,152)	(35,567)	(34,302)	(30,075)	(32,894)	(41,394)	(23,723)	(25,790)
Purchase of investments	(18,334)	(41,810)	(28,900)	(22,810)	(23,930)	(26,223)	(27,339)	(28,297)	(29,457)	(30,783)	(31,219)
Mortgages/advances made	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)
	(65,542)	(99,197)	(82,053)	(61,183)	(59,718)	(60,745)	(57,635)	(61,410)	(71,070)	(54,726)	(57,229)
Net Cash Flows From Investing Activities	(34,214)	(39,133)	(54,934)	(38,391)	(33,870)	(36,997)	(34,204)	(37,858)	(48,949)	(30,861)	(33,693)
<b>Cash Flows From Financing Activities</b>											
Cash was provided from:											
Loans raised	27,636	24,974	23,482	13,538	8,964	8,260	6,271	7,429	18,480	875	2,971
	27,636	24,974	23,482	13,538	8,964	8,260	6,271	7,429	18,480	875	2,971
Cash was applied to:											
Settlement of loans	(18,565)	(26,166)	(4,799)	(5,354)	(5,855)	(6,138)	(6,536)	(6,653)	(6,537)	(7,128)	(7,067)
	(18,565)	(26,166)	(4,799)	(5,354)	(5,855)	(6,138)	(6,536)	(6,653)	(6,537)	(7,128)	(7,067)
Net Cash Flows From Financing Activities	9,071	(1,192)	18,683	8,184	3,109	2,122	(265)	776	11,943	(6,253)	(4,096)
<b>Net Increase (Decrease) in Cash Held</b>	(3,662)	(18,998)	(10,839)	(1,343)	(27)	276	400	265	517	1,319	2,021
Cash at beginning of the year	49,416	48,035	29,038	18,198	16,856	16,828	17,105	17,505	17,770	18,287	19,606
<b>Cash At End of the Year</b>	45,754	29,038	18,198	16,856	16,828	17,105	17,505	17,770	18,287	19,606	21,627
Represented by:											
Cash & Bank Balances	17,237	11,801	11,962	11,119	11,092	11,368	11,768	12,033	12,551	13,870	15,890
Short Term Deposits	28,517	17,236	6,236	5,736	5,736	5,736	5,736	5,736	5,736	5,736	5,736
	45,754	29,038	18,198	16,856	16,828	17,105	17,505	17,770	18,287	19,606	21,627



# Council Controlled Organisations

The Council has established three Council Controlled Organisations (CCO) to fulfil specific objectives. Each CCO must annually complete a Statement of Intent that sets out activities and objectives of the CCO, provides opportunity for shareholders to influence the CCO's direction and provides a basis for the accountability of the CCO.

The full Statement of Intent for each CCO is available for inspection from the Council.

## Timaru District Holdings Limited (TDHL) and subsidiaries

Approved on 13.3.18

**Mission Statement:** To be a successful and growing business increasing the value of the Company and its return to its shareholder, while taking into account the special needs of the shareholder.

### Nature and Scope of Activities

TDHL's business is that of an investor in companies in which Council has a substantial interest; specifically ~~Alpine Energy Ltd – 47.5% shareholding~~, PrimePort Timaru Ltd – 50.0% and a diversified portfolio. TDHL also owns a portfolio of investment properties located ~~around in the vicinity of PrimePort~~ Timaru.

### Performance Measures and Targets

TDHL oversees the governance of the subsidiary trading companies of ~~Alpine Energy Limited and~~ PrimePort Timaru Limited through monitoring the individual company's compliance with their Statement of Intent, regular monthly reporting against the company's budgets regular reports on the property portfolio; and meetings between representatives of the companies and TDHL, at both Board and officer level.

	2016/17 Actual	2017/18 Forecast	2018/19 Forecast	2019/20 Forecast	2020/21 Forecast
Net profit after tax to shareholders funds	10.41%	8.90%	9.20%	9.00%	8.80%
Net assets per fully paid share	\$54.45	\$59.30	\$62.29	\$65.35	\$68.50
Earnings per fully paid share	\$5.67	\$5.27	\$5.74	\$5.91	\$6.00
Dividend per fully paid share	\$2.60	\$2.65	\$2.75	\$2.85	\$2.85
Shareholders funds to total assets	57.74%	62.9%	65.1%	68.5%	71.5%

# Group Organisational Structure

