

Financial Statements

**For the Whangarei District Council
Long Term Council Community Plan 2009-2019**

Introduction to the

Financial Statements

The financial statements section of this Long Term Council Community Plan (LTCCP) provides information on the projected budgets for all of Council. This section is made up of the following three parts:

1. Budget Assumptions

This information outlines the assumptions made in formulating the financial information for the plan. The assumptions are assessed for financial risk - the financial impact of an assumption not occurring - and the level of uncertainty associated with the assumption. For assumptions with high financial risk, commentary and analysis on the impact of the assumption is provided.

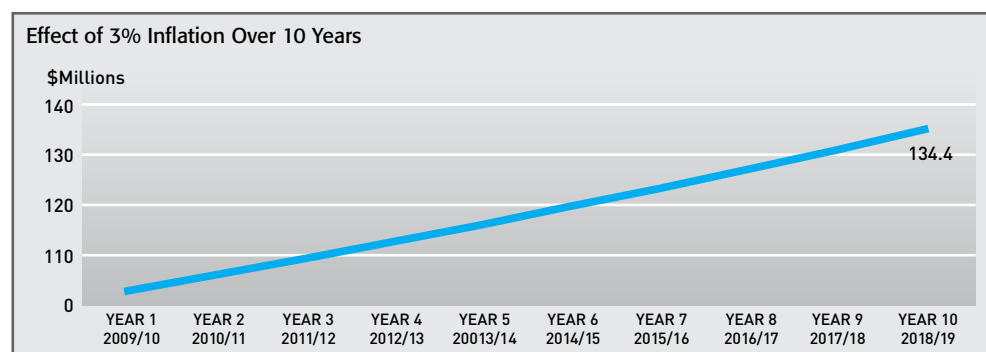
The price level adjusters are also detailed as part of the assumptions. When reviewing the LTCCP it is important to keep in mind that in the latter part of the plan the figures are inflated so that for example using a 3% inflation figure, \$100 in today's money is equivalent to \$134.40 in ten years' time.

2. Accounting Policies

These policies are compliant with the New Zealand International Financial Reporting Standards (NZ IFRS) and provide detail on how Council applies the standards to the performance, financial position and cash flow statements.

3. Prospective Financial Statements

These statements include the prospective statement of comprehensive income, prospective financial position, prospective statement of changes in equity and prospective cash flow statements for Council which are found in all annual plans and reports. In addition a full list of the capital projects is included in this section. These statements cover the ten years of the LTCCP and provide information as to planned performance and management of Council's assets and liabilities.



Overview of Financial Forecasts

Operational Activities

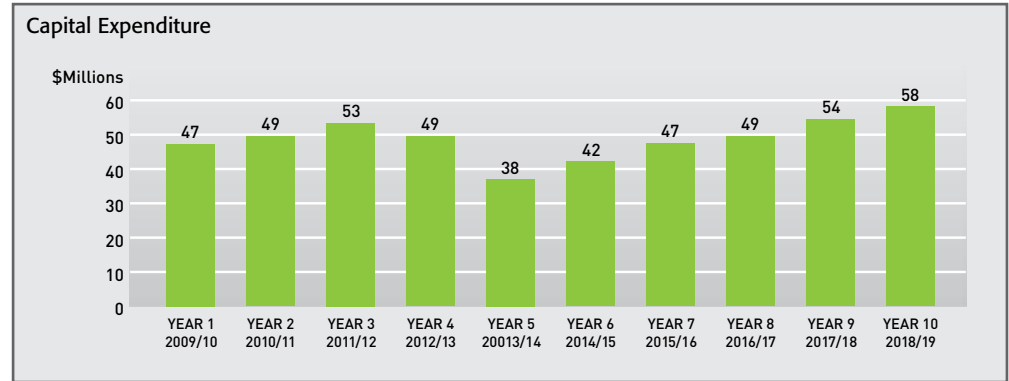
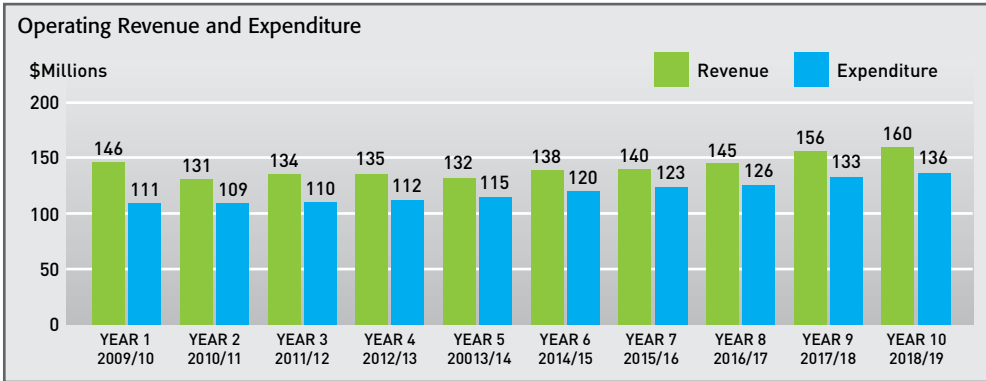
Total expenditure is forecast to increase from \$111 million to \$136 million over the ten years of the LTCCP, while total revenue is expected to increase from \$145 million to \$160 million over the same period. Apart from movements in revenue associated with subsidies on capital projects and depreciation, most of the increases in revenue and expenditure are due to inflation. The operating surplus is used to fund in part the capital expenditure programme.

Capital Expenditure

The total annual value of capital projects ranges from \$37 million to \$57 million.

This expenditure is funded by a combination of operating surplus, rates collected for depreciation, development contributions and government subsidies. Council receives NZTA subsidies for roading expenditure of up to 62% of each project. The proceeds of proposed property sales - some \$20 million - have been applied to reduce debt and enable Council to undertake some capital expenditure that would not otherwise have been possible.

Financial Statements



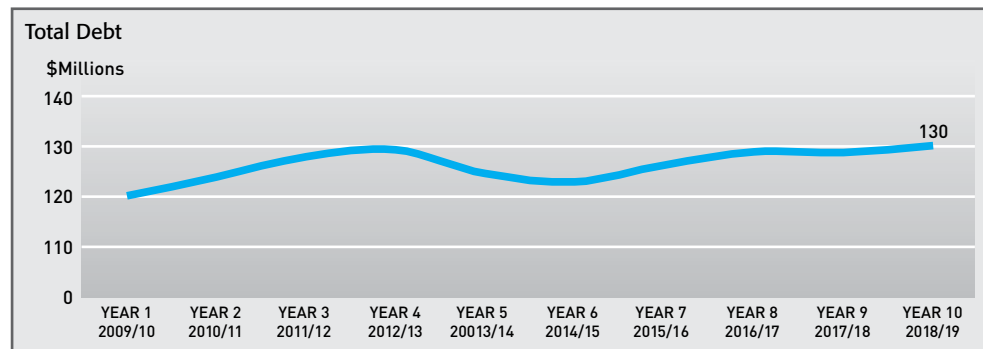
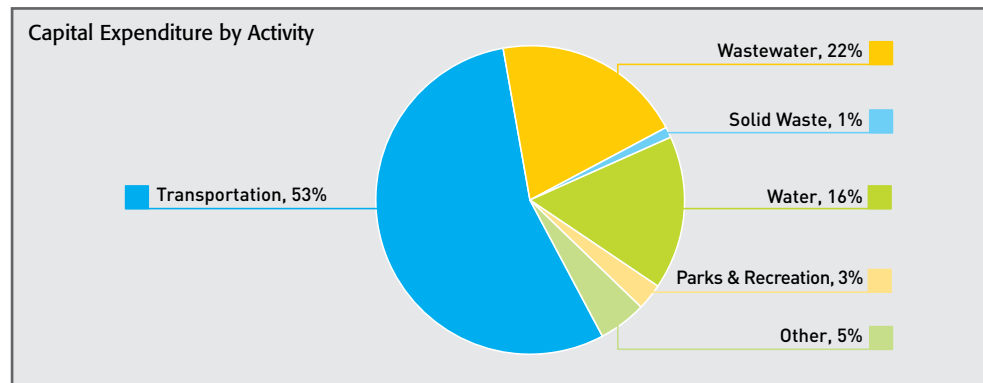
Percentage of total Capital

Expenditure by Activity

The major areas of capital expenditure are Transportation (53%), Wastewater (22%) and Water (16%). These projects are a combination of replacing existing assets, new assets and assets which will increase capacity to meet the need for District growth.

Borrowing

This plan has forecast debt which does not exceed \$130 million and when put into current dollars is equivalent to a drop of around 30% in real terms. This level is seen as prudent for the size of this Council and has been achieved through reductions in operating expenditure and restraint in setting the capital projects programme.





Budget Assumptions and Disclosures

| Assumption | Financial Risk | Impact for High Financial Risk Assumptions | Level of Uncertainty | Financial impact for assumption with high level of uncertainty |
|---|----------------|--|----------------------|---|
| <p>District Growth: the number of residential ratepayers in Whangarei is expected to grow each year as more dwellings are built or properties divided.</p> <p>Rates: This growth is based on Council's growth model and means the total rates burden is shared across more people and as a result, the real average rates funding increase will be reduced by an equivalent amount.</p> <p>Development Contributions: The value of development contributions collected is dependent on the number of subdivision lots developed and on the level of new service connections taking place. The Development Contributions Policy is on page 273.</p> | High | The level of subdivision and development activity is difficult to forecast and carries a high level of uncertainty. Variations in the collection of development contributions may result in a corresponding timing of capital projects with growth being undertaken. | High | <p>Rates +/- \$270,000 PA Per 0.5% movement in the growth rate.</p> <p>Development Contributions +/- \$4,482,500 PA Per 0.5% movement in the growth rate.</p> |
| <p>Rate Increase: Annual rates have been based on increases in line with the annual District growth factor and the Consumer Price Index figures (as disclosed in the table on page 188) which is assumed to be sufficient for funding purposes.</p> | High | While rates are linked to CPI this does not necessarily relate to price indices relating to activities such as construction, contract and transportation. If CPI is lower than other indices this could impact on Council's ability to meet its projected service levels. | Medium | Not assessed as high level of uncertainty. |
| <p>Activity Rates and Levies, and User Fees: Increases are based on a percentage increase for District Growth, other than for water rates and user fees, which increase in line with actual expected cost increase (as disclosed in the table on page 188) which is assumed to be sufficient for funding purposes. These will be reviewed annually to ensure compliance with Council's financial policies.</p> | High | While Activity Rates and Levies and User Fees are linked to growth, this does not necessarily relate to price indices relating to activities such as construction, contract and transportation. If growth is lower than other indices this could impact on Council's ability to meet its projected service levels. | Medium | Not assessed as high level of uncertainty. |
| <p>Subsidies: New Zealand Transport Agency (NZTA) subsidies have been included based on Central Government contributions to certain Capital Expenditure. All subsidies are disclosed within the operating revenue and are contingent on the applicable capital projects taking place.</p> | High | The roading programme is dependent on Government subsidies currently set at between 52-62%. Changes in these levels would impact directly on the amount spent on roading and therefore projected service levels. | Medium | Not assessed as high level of uncertainty. |

Budget Assumptions and Disclosures

| Assumption | Financial Risk | Impact for High Financial Risk Assumptions | Level of Uncertainty | Financial impact for assumption with high level of uncertainty |
|---|----------------|---|----------------------|---|
| Forestry Revaluation: Ongoing increases in the valuation of Council's forestry assets have been included in this plan with revaluation increments being recognised in operating revenue. Revaluations are undertaken annually by forestry industry consultants. The revaluation revenue from, and balance sheet carrying value of forestry assets could change by an increase or decrease of \$150,000 for each year, based on a change in the annual revaluation assessment of a magnitude of 10% | Low | Not assessed as high financial risk. | High | +/- \$150,000 PA Per 10% movement in Revaluations. |
| Investment property sales: Council has assumed there will \$19.0 million of property sales in the first year of the Plan. | High | If the targeted level of property sales is not met this will lead to the delay of the capital works programme which may impact on service levels. | High | -\$9,500,000 in capital expenditure Per 50% shortfall in Property Sales targets over the Plan. |
| Investment property revaluation: Council has allowed for revaluation increments of between 2.2%- 3.1%pa. Revaluations will be conducted on an annual basis by an independent valuer. | Low | | Medium | Not assessed as high level of uncertainty. |

Operating Expenditure Assumptions:

Operating expenditure is the cost incurred in Council's day-to-day operation and is funded by operating revenue which is primarily derived from rates and user charges.

| Assumption | Financial Risk | Impact for High Financial Risk Assumptions | Level of Uncertainty | Financial impact for assumption with high level of uncertainty |
|---|----------------|---|----------------------|--|
| Interest rates: the average cost of borrowing has been assumed to be between 6.0%-7.05% for existing and new debt. This is based on the weighted average cost of capital calculated across the period of the LTCCP. Interest expense would increase/decrease by \$1,250,000 per year, based on a movement of 1% in interest rates on borrowings. | Medium | Interest rate exposure is managed through fixed rate agreements. Not assessed as high financial risk. | High | +/- \$1,250,000 PA Per 1% movement in Interest rates. |
| Staff Costs: staff costs are expected to increase by around 3% pa for the next three years based on a (BERL) staffing price adjustor and a market relativity factor. The increase in salaries will be partly offset by reduced staff numbers through a sinking lid policy and organisational efficiencies. | Medium | Not assessed as high financial risk. | Low | Not assessed as high level of uncertainty. |

Budget Assumptions and Disclosures

| Assumption | Financial Risk | Impact for High Financial Risk Assumptions | Level of Uncertainty | Financial impact for assumption with high level of uncertainty |
|--|----------------|---|----------------------|---|
| Depreciation Funding: money to fund deprecation comes from rates. If the capital expenditure is to replace an asset ('renewals'), that expenditure will be funded by rates collected to cover the cost of deprecation. Any surplus depreciation rate component will be used to repay borrowings. Any shortfall in funding requirements will be met through subsidies, operating surplus or new loans. | High | Variation of the amount of depreciation rate component funding will affect debt levels and/or the capital works programme. The medium level of uncertainty indicates that a significant shift in the level of depreciation to be funded could occur. | Medium | Not assessed as high level of uncertainty. |
| Funding capital expenditure resulting from District growth is supported by development contribution income. | High | If shortfalls in the collection of development contributions occur projects may be delayed or substituted. Alternatively projects may be rate or loan funded. This may impact on service levels. If contributions are collected faster than forecast projects may need to be brought forward. | Medium | Not assessed as high level of uncertainty. |
| The borrowings on capital expenditure are assumed to be repaid at the shorter of the life of the asset or 20 years for determining the funding for that asset. | Medium | Not assessed as high financial risk. | Low | Not assessed as high level of uncertainty. |
| Capital expenditure project is completed in the year that it is budgeted for. | High | | High | \$4.7 million reduction in Debt and \$150,000 saving in interest charges per 10% carry forward of Capital projects pa. |
| Capital expenditure carried forward from 2008-09 year is nil. | Low | | High | \$0 to \$7 million carried forward Capex with a corresponding reduction in opening debt. A possible \$277,000 saving in interest charges in the first year of the plan. |

Assets Assumptions:

| Assumption | Financial Risk | Impact for High Financial Risk Assumptions | Level of Uncertainty | Financial impact for assumption with high level of uncertainty |
|---|----------------|---|----------------------|---|
| Infrastructural Assets: a revaluation assumption has been made that infrastructure asset values are increased by between 2.3% – 4.5% each year. | Medium | Actual revaluations may differ from forecast which will impact on the reported surplus. While this will not affect Council's cash or debt position the cost of renewal and new capital projects will be affected. | Medium | +/- \$12,500,000 in Infrastructural Revaluation and property plant and Equipment pa per 1% movement in asset valued three-yearly. |

Budget Assumptions and Disclosures

Liability Assumptions

| Assumption | Financial Risk | Impact for High Financial Risk Assumptions | Level of Uncertainty | Financial impact for assumption with high level of uncertainty |
|--|----------------|---|----------------------|--|
| Interest calculated on debt assumes movements during the year are equal monthly movements. | Medium | Not assessed as high financial risk. | High | +/- \$85,000 PA |
| Borrowings: it is assumed that Council is able to secure loans on an ongoing basis to replace borrowings as they mature. | High | The current credit crisis has meant that some traditional sources of funding are not available at margins previously paid. Any significant tightening of the funding market would result in increased interest rates paid on borrowing. | Low | Not assessed as high level of uncertainty. |

Strategic Resource Consents

| Assumption | Financial Risk | Impact for High Financial Risk Assumptions | Level of Uncertainty | Financial impact for assumption with high level of uncertainty |
|---|----------------|--|----------------------|--|
| The necessary Resource Consents required for capital projects will be applied for in due course to align with the planned project timeframes. | High | The failure to obtain appropriate resource consents could delay capital projects temporarily or indefinitely. The financial risk is mitigated by a low level of uncertainty. | Low | Not assessed as high level of uncertainty. |

Other Assumptions

| Assumption | Financial Risk | Impact for High Financial Risk Assumptions | Level of Uncertainty | Financial impact for assumption with high level of uncertainty |
|--|----------------|--|----------------------|--|
| Council has not planned for the ownership of any strategic assets to be transferred to another party. Council also receives vested roads from recent subdivision activity. | Medium | Any significant changes would require an amendment to this Plan and would require consultation with the community. | Low | Not assessed as high level of uncertainty. |
| Business and Economic Research Limited (BERL) constructed the forecast for Local Authorities on March 2009 for use in their budgeting processes for Long Term Council Community Plans. | High | These inflation factors have been applied to both revenue and expenditure. As such, movements should have a minor financial effect. The Plan does incorporate a number of price adjustors. If one or more varies from budget more than the other adjustors this may impact on levels of service. | High | +/- \$1,670,000 to net cost/surplus and debt requirements per 1% movement in BERL indices over the life of the plan. |

Budget Assumptions and Disclosures

| Assumption | Financial Risk | Impact for High Financial Risk Assumptions | Level of Uncertainty | Financial impact for assumption with high level of uncertainty |
|---|----------------|--|----------------------|---|
| Emissions Trading Scheme - A Levy of \$14 per tonne has been assumed. This will be paid by the Joint Venture, however the charge has been taken into account through dividend streams back to Council. | Medium | Not assessed as high financial risk. | High | +\$300,000 PA Additional dividend per \$14 per tonne from 2013. |
| Emissions Trading Scheme: transport and electricity costs - due to a high level of uncertainty around the implementation of the scheme the effect of the emissions trading scheme has been assumed at nil. If implemented in its current form there will be additional costs impacting electricity and transportation costs from 2011. | Medium | Not assessed as high financial risk. | High | +\$1,182,400 per 1% increase in costs pa. |

| Assumption | Financial Risk | Impact for High Financial Risk Assumptions | Level of Uncertainty | Financial impact for assumption with high level of uncertainty |
|---|----------------|---|----------------------|--|
| Form a CCTO - Preferred Option | | | | |
| Dividends are estimated to be paid annually from 2012. | Medium | No revenue from Re:Sort or Puwera has been included, but dividend income will be paid from profits once capital expenditure requirements are met. | Low | -\$600K to +\$400K per annum |
| Borrowings within the CCTO to a maximum of 50% of net assets have been assumed. | High | Borrowings will reduce the amount of capital required to be injected by the joint venture partners. This will depend on the ability to obtain suitable finance. | Medium | +\$2.5M additional capital in first two years |
| Assets sold to the CCTO are repaid over five years. | Low | | Low | |

Prospective Price Level Adjustors

| | Source | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| Capital Expenditure | | | | | | | | | | | |
| Roading | BERL | | 2.6% | 2.9% | 2.5% | 2.6% | 2.7% | 2.7% | 2.9% | 2.9% | 2.7% |
| Solid Waste | BERL | | 2.3% | 3.3% | 3.2% | 3.4% | 3.7% | 3.9% | 4.0% | 4.2% | 4.5% |
| Stormwater | BERL | | 2.3% | 3.3% | 3.2% | 3.4% | 3.7% | 3.9% | 4.0% | 4.2% | 4.5% |
| Wastewater | BERL | | 2.3% | 3.3% | 3.2% | 3.4% | 3.7% | 3.9% | 4.0% | 4.2% | 4.5% |
| Water | BERL | | 2.3% | 3.3% | 3.2% | 3.4% | 3.7% | 3.9% | 4.0% | 4.2% | 4.5% |
| Parks & Recreation | BERL | | 2.8% | 3.4% | 2.8% | 2.7% | 3.4% | 3.6% | 3.0% | 2.9% | 2.8% |
| Property | BERL | | 2.8% | 3.4% | 2.8% | 2.7% | 3.4% | 3.6% | 3.0% | 2.9% | 2.8% |
| Community Services | BERL | | 2.8% | 3.4% | 2.8% | 2.7% | 3.4% | 3.6% | 3.0% | 2.9% | 2.8% |
| General Operating | | | | | | | | | | | |
| Environment | BERL | | 3.4% | 2.5% | 2.5% | 2.5% | 2.7% | 2.7% | 2.8% | 3.0% | 3.1% |
| Building Compliance | BERL | | 3.4% | 2.5% | 2.5% | 2.5% | 2.7% | 2.7% | 2.8% | 3.0% | 3.1% |
| Environmental Planning | BERL | | 3.3% | 2.3% | 2.4% | 2.1% | 2.2% | 2.3% | 2.3% | 2.4% | 2.5% |
| Regulatory Services | BERL | | 3.4% | 2.5% | 2.5% | 2.5% | 2.7% | 2.7% | 2.8% | 3.0% | 3.1% |
| Resource Consents | BERL | | 3.4% | 2.5% | 2.5% | 2.5% | 2.7% | 2.7% | 2.8% | 3.0% | 3.1% |
| Libraries | BERL | | 3.4% | 2.5% | 2.5% | 2.5% | 2.7% | 2.7% | 2.8% | 3.0% | 3.1% |
| Overhead accounts | BERL | | 3.4% | 2.5% | 2.5% | 2.5% | 2.7% | 2.7% | 2.8% | 3.0% | 3.1% |
| Parks & Recreation | BERL | | 2.8% | 3.4% | 2.8% | 2.7% | 3.4% | 3.6% | 3.0% | 2.9% | 2.8% |
| Property | BERL | | 2.8% | 3.4% | 2.8% | 2.7% | 3.4% | 3.6% | 3.0% | 2.9% | 2.8% |
| Community Services | BERL | | 2.8% | 3.4% | 2.8% | 2.7% | 3.4% | 3.6% | 3.0% | 2.9% | 2.8% |
| Roading | BERL | | 2.6% | 2.9% | 2.5% | 2.6% | 2.7% | 2.7% | 2.9% | 2.9% | 2.7% |
| Solid Waste | BERL | | 2.3% | 3.3% | 3.2% | 3.4% | 3.7% | 3.9% | 4.0% | 4.2% | 4.5% |
| Stormwater | BERL | | 2.3% | 3.3% | 3.2% | 3.4% | 3.7% | 3.9% | 4.0% | 4.2% | 4.5% |
| Wastewater | BERL | | 2.3% | 3.3% | 3.2% | 3.4% | 3.7% | 3.9% | 4.0% | 4.2% | 4.5% |
| Water | BERL | | 2.3% | 3.3% | 3.2% | 3.4% | 3.7% | 3.9% | 4.0% | 4.2% | 4.5% |

Prospective Price Level Adjustors

| | Source | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|------------------------|--------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| Other Operating | | | | | | | | | | | |
| Personnel | Assessed | | 3.0% | 3.0% | 2.3% | 2.4% | 2.4% | 2.7% | 2.6% | 2.7% | 2.8% |
| Electricity | BERL | | 2.3% | 2.7% | 3.2% | 3.1% | 3.7% | 3.8% | 3.9% | 4.2% | 4.4% |
| Growth | Growth Model | | 1.0% | 1.1% | 1.1% | 1.1% | 1.1% | 1.1% | 1.1% | 1.1% | 1.1% |
| General Rates | Assessed | | 3.0% | 2.8% | 2.7% | 2.8% | 2.8% | 3.1% | 3.1% | 3.2% | 3.3% |

Source:

BERL: Business and Economic Research Ltd - Forecast of price level change adjustors to 2019 - September 2008

Growth Model: Whangarei District Growth Model

Assessed: Reserve Bank Policy Target Agreement for CPI (1%-3%) - upper target.

A: Purpose

(a) General

Whangarei District Council is a local authority pursuant to the Local Government Act 2002. These prospective financial statements are for Council as a separate legal entity and exclude any of Council's other group figures. Its country of domicile and incorporation is New Zealand.

It is a requirement of the Local Government Act 2002 to present prospective financial statements that span ten years as part of the Long Term Council Community Plan (LTCCP). This provides an opportunity for ratepayers, residents and interested parties to review and analyse the projected financial results, intended service levels and position of Council for the purpose of ascertaining the direction and proposed performance of Council.

The information in these statements may not be appropriate for purposes other than those described above. Prospective financial statements are revised annually to reflect updated assumptions and costs.

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

(b) Entity Specific

The following policies are applied consistently to Whangarei District Council.

(c) Statement of Compliance

These financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and comply with New Zealand equivalents to IFRS (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities. The preparation of the financial statements is in accordance with the Financial Reporting Act 1993 and the Local Government Act 2002 which includes the requirement to comply with New Zealand generally accepted accounting principles (NZ GAAP).

B: Accounting Policies

For the purposes of financial reporting the Whangarei District Council is designated as a public benefit entity. The accounting policies set out below have been applied consistently to Council's financial statements and its prospective financial statements, as appropriate.

(1) Basis of Financial Statement Preparation

The prospective financial statements are prepared under the historical cost convention, as modified by the revaluation of:

- available for sale financial assets
- financial assets and liabilities (including derivative instruments) at fair value through profit or loss
- certain classes of property, plant and equipment

- biological assets
- investment property.

(2) Judgement and Estimations

The preparation of prospective financial statements in conformity with NZ IFRS requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and may include material variations.

The prospective financial statements were authorised for issue on 24 June 2009 by resolution of Council. 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. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined within this document see page 199.

The notes to the financial statements will detail areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant. Estimates and underlying assumptions are regularly reviewed.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(3) Foreign Currency Transactions

All figures are in New Zealand dollars and are rounded to the nearest thousand dollars (\$000). Whangarei District Council does not transact in foreign currency.

(4) Financial Instruments

Designation of financial assets and financial liabilities into instrument categories is determined by the purpose of the financial instruments, policies and practices of management, the relationship with other instruments and the reporting costs and benefits of each designation. The designations applied by the entities are reflected in the financial statements of Whangarei District Council.

Whangarei District Council uses derivative financial instruments to hedge its exposure to interest rate risks arising from operational, financing and investment activities. In accordance with the treasury policy Whangarei District Council does not hold or issue derivative financial instruments for trading

purposes, however as Whangarei District Council has not undertaken hedge accounting the derivatives are classed as held for trading in accordance with IAS 39: Financial Instruments: Recognition and Measurement.

(5) Property, Plant and Equipment

Property, plant and equipment consist of operational assets, restricted assets and infrastructure assets. Expenditure is capitalised when it creates a new asset or increases the economic benefits over the total life of an existing asset.

Property, plant and equipment are shown at historical cost or valuation less accumulated depreciation and impairment losses. The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the assets service potential is capitalised when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. Unless otherwise stated, property, plant and equipment is valued at historical cost.

(a) Operational Assets

Operational assets include:

- Buildings
- Motor Vehicles

- Books and Publications
- Finance Leased Assets – Computer Equipment
- Office Furniture and Equipment
- Airport Assets
- Landfill Asset
- Marina Facilities
- Pensioner Housing.

Pensioner Housing (non-investment) is valued at fair value on a three-year basis by independent registered valuers. Between valuations, expenditure of asset improvements is capitalised at cost.

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.

(b) Restricted Assets

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

- Heritage Assets
- Reserve Land

Heritage Assets which comprise mainly the Art Collection are valued at estimated current market value based on valuations by the Art

Museum Curator. Subsequent additions are recorded at cost or market value, in respect of donated assets. Heritage assets are not depreciated as the collection tends to have an indefinite life and they are generally not of a depreciable nature. Parks & Recreation land is recorded at historical cost.

(c) Infrastructure Assets

Infrastructure assets include all items that are required for the network to function. Infrastructural vested assets represent the value of infrastructure assets constructed by developers, vested in Council upon completion of the development. Infrastructure assets include:

- Airport Runway
- Land for Roads
- Roading
- Stormwater
- Waste water
- Water
- Parks & Recreation
- Solid Waste.

Infrastructure assets (roading network, water, wastewater and stormwater) are valued at depreciated replacement cost by independent registered valuers. These assets were valued as at 30 June 2008 by Opus Internal Consultants Limited. Between valuations expenditure on asset improvements are capitalised at cost.

Certain infrastructure assets and land have been vested in Council as part of the subdivisional consent process at the cost to the developer. The vested reserve land has been recognised at initial cost to the developer or market value. Vested infrastructure assets have been valued based on the actual quantities of infrastructure components vested and the current 'in the ground' cost of providing identical services. Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received should be capitalised and recognised as revenue.

Land under roads has been valued at 20% of the average Government value of land designated as Parks and Recreational areas in Whangarei District effective 30 June 2001. The discount on the average value reflects the low probability of Council realising the value of this asset, as long as the roads remain as roads.

Subsequent additions are recorded at cost. Council does not intend to revalue land under roads in the future.

(d) Revaluations

Due to the public benefit entity status of Whangarei District Council, it has elected to account for revaluations of property, plant and equipment on a class of asset basis. Revaluations are undertaken every three years or as required to ensure the revalued assets

are not carried at a value that differs materially from fair value.

The result of a revaluation of Council's property, plant and equipment is credited or debited to the asset revaluation reserve for that class of property, plant and equipment. Where this results in an increase in the carrying amounts arising on revaluation of a class of assets the amount shall be credited directly to equity under the heading revaluation reserve. However, the net revaluation increase shall be recognised in Statement of Comprehensive Income to the extent it reverses a net revaluation decrease of the same class of assets previously recognised in the Statement of Comprehensive Income. A decrease that reverses previous increases of the same asset class is first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset class and with all other decreases charged to the Statement of Comprehensive Income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset class and the net amount is restated to the revalued amount of the asset class. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

(e) Impairment

Items of property, plant and equipment

and intangible assets with finite useful lives are reviewed at each balance sheet date to determine whether there is any indication that the asset might be impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (higher of the asset's fair value less costs to sell and its value in use). Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows, and where Council would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of the asset.

(f) Landfill Asset - Change in Obligations

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate shall be accounted for in accordance with the following:

- (i) changes in the liability shall be added to, or deducted from, the cost of the related asset in the current period.
- (ii) the amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the liability exceeds the

carrying amount of the asset, the excess shall be recognised immediately in the Statement of Comprehensive Income.

- (iii) if the adjustment results in an addition to the cost of an asset, the entity shall consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the entity shall test the asset for impairment by estimating its recoverable amount, and shall account for any impairment loss, in accordance with NZ IAS 36.

(g) Disposals

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Comprehensive Income. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to retained earnings.

(h) Capitalisation Levels

- For plant and equipment any one item or set of items costing \$1,000.
- For all other assets any one item or set of items costing \$500 and above.

(i) Borrowing Costs

Borrowing costs shall be recognised as an expense in the period in which they are incurred and will not be capitalised to qualifying assets.

(j) Work in Progress

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed and then depreciated.

(k) Depreciation

Depreciation is provided on all property, plant and equipment. The exceptions are those assets with undefined useful lives, these are not depreciated. Work in progress items are not depreciated. Depreciation is calculated on a straight line basis at rates which will allocate the cost or value of the asset (less any residual value) over its useful life.

The residual value and useful life of an asset is reviewed and adjusted, if applicable, each balance date. The estimated useful lives, in years, of the major classes of property, plant and equipment are as in the following table:

Accounting Policies

| Operational Assets | Years |
|---|------------|
| Land | indefinite |
| Buildings | 40 - 100 |
| Books and Publications | 5 |
| Marine Structures | 40 |
| Plant and equipment | 6 - 60 |
| Motor vehicles | 5 - 15 |
| Office furniture and equipment | 2 - 5 |
| Pensioner Housing | 12 - 80 |
| Landfill Asset | 39 |
| Airport | 10 - 50 |
| Restricted Assets | Years |
| Restricted Assets | indefinite |
| Heritage Assets | indefinite |
| Infrastructural Assets | Years |
| Airport Runway | 10 – 50 |
| Land Under Roads | indefinite |
| Roading | 5 - 100 |
| Water | 3 - 200 |
| Liquid Waste | 3 130 |
| Stormwater | 40 - 112 |
| Other | |
| Parks & Recreation – Walkways and Sports Parks | 10 |
| Plant and Machinery | 14 |

(6) Assets Held for Sale

Non-current assets held for sale are assets or groups of assets (and directly associated liabilities that will be sold together with those assets) that are intended to be disposed of by sale or otherwise, individually or as a group.

Properties intended for sale are all property, other than investment property and property, plant and equipment, held with the intention of realisation in the ordinary course of business. Properties are classified as intended for sale where:

- The property is available for immediate sale (within one year of classifying the asset) in its present condition subject only to terms that are usual and customary for the sale of such assets,
- Council is committed to a plan to sell the property, and an active programme to locate a buyer and complete the plan has been initiated,
- The property is being actively marketed for sale at a price that is reasonable in relation to its current fair value, and
- Actions required to complete the plan to sell the property indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Properties intended for sale are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to

sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non current asset (or disposal group) is recognised at the date of de-recognition.

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.

(7) Intangible Assets

(a) Computer Software

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (three to five years).

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

Costs that are directly associated with the production of identifiable and unique software products controlled by Whangarei District Council, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

(b) Amortisation

An intangible asset with a finite useful life is amortised over the period of that life, annually assessed for indicators of impairment and tested for impairment if indicators of impairment exist and carried at cost less accumulated amortisation and accumulated impairment losses.

An intangible asset with an indefinite useful life is not amortised, but is tested for impairment annually, and is carried at cost less accumulated impairment losses.

(8) Biological Assets

Forest assets are predominantly standing trees which are managed mainly on a single rotation basis. Biological assets are carried at fair value less estimated point-of-sale-costs. The change in the fair value less estimated point-of-sale-costs is recognised in the Statement of Comprehensive Income.

Forest assets are shown in the balance sheet

at fair value - based on a market valuation, derived from projected future cash flows. The revenues and costs pertaining to the forest assets are included in the Statement of Comprehensive Income together with the estimated change in fair value for each accounting period. The forest assets are valued separately from the underlying freehold land.

The valuation of Whangarei District Council forests is based on an annual market valuation prepared by a registered forestry consultant. Market value is derived from discounted cash flow models which project future cash flows from growing the current tree crop through to and including harvest.

The cash flows include revenue from harvest less the costs involved in harvesting, growing and maintaining the forest estate.

(9) Landfill Post Closure Costs

Council, as operator of the Pohe Island landfill, has a legal obligation under the resource consent to provide ongoing maintenance and monitoring services at the landfill site after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises. The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new 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. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to Council.

(10) Investments

(a) Investment Classification

Whangarei District Council classifies its investments in the following categories:

(i) Financial assets or financial liabilities at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. All financial assets or liabilities are classified as held for trading as hedge accounting has not been undertaken.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or

determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every balance date.

(b) Parent Company Investment in Subsidiaries

For the purposes of the parent Council financial statements, Whangarei District Council equity investments in its subsidiary entities are stated at cost.

(c) Investments in Debt and Equity Securities

Financial instruments held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in the Statement of Comprehensive Income. Where Whangarei District Council has the positive intent and ability to hold government bonds to maturity, they are classified as held-to-maturity investments, measured at initial recognition at fair value plus directly attributable transaction

costs, and subsequently carried at amortised cost less impairment losses.

General and community loans are designated as loans and receivables. They are measured at initial recognition at fair value plus directly attributable transaction costs, and subsequently carried at amortised cost less impairment losses. Other financial instruments held by Whangarei District Council are classified as being fair value through profit or loss and are stated at fair value, with any resultant gain or loss flowing through the Statement of Comprehensive Income. Financial instruments not included in other categories are included in the 'available for sale' category which is carried at fair value with changes in fair value being recognised in equity.

Financial instruments are recognised/derecognised by Whangarei District Council on the date it commits to purchase/sell the investments and Council becomes a party to the contractual provisions of the instrument. Securities held-to-maturity are recognised/derecognised on the day they are transferred to/by Whangarei District Council.

(d) Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both, and generates cash flows largely independent of other assets held by the entity.

Investment property does not include property held primarily for strategic purposes or to provide a social service even though such property may earn rentals or appreciate in value.

Investment properties are revalued annually by a qualified independent valuer and are stated at fair value. The fair values are based on market values, being 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.

Any gain or loss arising from a change in fair value is recognised in the Statement of Comprehensive Income.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity if it is a gain. Upon disposal the gain is transferred to retained earnings. Any loss arising in this manner is recognised immediately in the Statement of Comprehensive Income.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes of subsequent recording.

When Whangarei District Council begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property, which is valued based on the fair value model, and is not reclassified as property, plant and equipment during the re-development.

(11) Trade and other Receivables

Trade and other receivables are recognised at fair value plus directly attributable transaction costs and carried at amortised cost less provision for doubtful debts (impairment).

Collectibility of trade and other receivables will be reviewed on an ongoing basis. Debts that are known to be uncollectible should be written off. A provision for doubtful receivables should be established when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the Statement of Comprehensive Income.

Resource consent work in progress is stated at cost plus profit recognised to date. Costs charged to resource consent applications include all disbursements and an hourly charge for staff time spent processing the consent.

(12) Inventories

Inventories held for use in production of goods and services are stated at the lower of cost and net realisable value. There is no inventory held for distribution.

(13) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits, and other short-term highly liquid investments with maturities of three months or less.

Bank overdrafts that are repayable on demand and form an integral part of Whangarei District Council cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows, and in current liabilities on the balance sheet.

(14) Impairment

The carrying amounts of Whangarei District Council assets, other than investment property, inventories and deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in the Statement of Comprehensive Income. Impairment losses on revalued assets offset any balance in the asset revaluation reserve, with any remaining impairment loss being

posted to the Statement of Comprehensive Income.

(a) Calculation of Recoverable Amount

The recoverable amount of Whangarei District Council investments in held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets).

Receivables with a short duration (less than one year) are not discounted. The recoverable amount of other assets is the greater of their market value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(b) Reversals of Impairment

An impairment loss in respect of a held-to-maturity security or receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available for sale is not reversed through profit or loss. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognised in profit or loss.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(15) Borrowings

Borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Statement of Comprehensive Income over the period of the borrowings on an effective interest basis.

Borrowings are classified as current liabilities unless Council has an unconditional right

to defer for longer than 12 months after balance date.

(16) Provisions

A provision is recognised in the balance sheet when Whangarei District Council has a present legal or constructive obligation arising from a past event, and it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation.

Provisions are recorded at the best estimate of the expenditure required to settle the obligation. Provisions to be settled beyond 12 months are recorded at their present value where the effect of time value of money is material.

(17) Employee Entitlements

Provision is made for Whangarei District Council's liability for retiring gratuity allowances, annual leave, sick leave, time-off-in-lieu (TOIL) and Loyalty and Performance entitlements. The retiring gratuity is applicable to a very small number of staff (seven) who have reached entitlement, liability is assessed and calculated on current rates of pay taking into account years of service. This payment is payable on demand by the staff member.

Liabilities for annual leave are accrued at the full amount owing at the pay period ending immediately prior to the balance sheet

date. Liabilities for accumulating short-term compensated absences (e.g., sick leave) are measured as the amount of unused entitlement accumulated at the pay period ending immediately prior to the balance sheet date that the entity anticipates employees will use in future periods in excess of the days that they will be entitled to in each of those periods.

Loyalty and performance payments are one off payments to staff members who have provided ten or more years of service to council and have attained the prerequisite performance achievements over the preceding three years of service. The liability is assessed using current rates of pay taking into account years of service, years to entitlements and likelihood staff will reach the point of entitlement and achieve the targeted performance level. These estimated amounts are discounted to their present value using an interpolated discount rate, using the three year SWAP rate, plus a risk premium.

(18) Revenue

(a) Rating Revenue

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

Water rates by meter revenue is recognised on an accrual basis. Unbilled sales, as a result of

unread meters at year end, are accrued on an average usage basis.

(b) Development Contributions

Development and financial contribution income is recognised when invoiced and due for payment. Development and financial contributions that impose an obligation on Council to complete specific or narrowly defined works are recognised as liabilities and released to revenue as the works progress.

(c) Goods Sold and Services Rendered

Revenue from the sale of goods is recognised in the Statement of Comprehensive Income when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in the Statement of Comprehensive Income in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed. An allowance is made for a portion of anticipated revenue on major work in progress, such as resource consent processing fees.

(d) Rental Income

Rental income from investment property is recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

(e) Government Grants

Grants include any transfers of resources to Council in return for past or future compliance with certain conditions relating to the operating activities of Council. Government grants are recognised as income when eligibility has been established by the grantor agency. New Zealand Transport Agency roading subsidies are recognised as revenue upon entitlement, which has been conditioned pertaining to eligible expenditure having been fulfilled. Other grants and bequests, and assets vested in Council (with or without conditions) are recognised when control over the assets is obtained. Grants and subsidies are recognised as revenue at fair value.

(f) Dividend Income

Dividend income shall be recognised when the shareholder's right to receive payment is established.

(g) Interest Income

Interest income shall be recognised using the effective interest method.

(h) Donated or Subsidised Assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue in the Statement of Comprehensive Income.

(i) Traffic and Parking Infringements

Traffic and parking infringements are recognised when tickets are issued.

(19) Leases

(a) Finance Leases

Leases in which substantially all of the risks and rewards of ownership transfer to the lessee are classified as finance leases. At inception, finance leases are recognized as assets and liabilities on the balance sheet at the lower of the fair value of the leased property and the present value of the minimum lease payments. Any additional direct costs of the lessee are added to the amount recognised as an asset. Subsequently, assets leased under a finance lease are depreciated as if the assets are owned. Rental obligations, net of finance charges, are included in other long term payables.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(b) Operating Leases

An operating lease is one that does not transfer substantially all the risks and rewards incidental to ownership of the asset. Payments made under operating leases are recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease. Lease incentives received are recognised in

the Statement of Comprehensive Income as an integral part of the total lease expense.

(20) Income Tax

Council is not subject to income tax except for income derived from Council Controlled Organisations.

(21) Third Party Transfer Payment Agencies

Funds are collected for other organisations, including government and other local authorities. Where collections are processed through Whangarei District Council accounts, any monies held are shown as liabilities in the balance sheet. Amounts collected on behalf of third parties are not recognised as revenue, but commissions earned from acting as agent are recognised in revenue.

(22) Goods and Services Tax

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive. When GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the Balance Sheet. Amounts of GST relating to investing and financing activities are classified as operating cash flows in the statement of cash flows.

(23) Overhead Cost Allocation

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

All indirect costs are allocated to operating activities based on cost drivers and related activity/usage information. The costs of internal services not directly charged to activities are allocated as overheads using appropriate cost drivers such as activity/usage information eg, staff numbers and floor area.

(24) Equity

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity has been classified into various components to identify those portions of equity held for specific purposes.

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

Legally restricted reserves are those subject to specific conditions and may not be revised without reference to Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when

certain specified conditions are met. Council-created reserves are reserves established by Council decision. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of Council.

(25) Standards, amendments and interpretations not yet effective

NZ IAS 23 Borrowing Costs was revised in 2007 effective for reporting periods beginning on or after 1 January 2009. This required borrowing costs to be capitalised in some cases, or considered when revaluing property plant and equipment. The requirement for public benefit entities to comply with this standard has been deferred.

(26) Changes in Accounting Policies

Changes to reporting standard NZ IAS 1 affects the presentation of owner changes in equity and of comprehensive income. These financial statements have been amended to comply with this standard by the inclusion of a single Prospective Statement of Comprehensive Income which includes items of income and expense previously presented in the Prospective Statement of Changes in Equity.

The result of this change is that any increases in the asset revaluation reserve resulting from revaluation from property plant and equipment are now shown in the Prospective Statement of Comprehensive Income. There is no effect

on the recognition or measurement of the transactions.

These accounting policies have been applied consistently to all periods presented in these prospective financial statements and comply with the requirements of New Zealand International Financial Reporting Standards.

Prospective Financial Statements

Whangarei District Council Prospective Statement of Comprehensive Income

| Year Ending | Forecast | | | | | | | | | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|
| | Year 1 2009-10 \$000 | Year 2 2010-11 \$000 | Year 3 2011-12 \$000 | Year 4 2012-13 \$000 | Year 5 2013-14 \$000 | Year 6 2014-15 \$000 | Year 7 2015-16 \$000 | Year 8 2016-17 \$000 | Year 9 2017-18 \$000 | Year 10 2018-19 \$000 |
| REVENUE | | | | | | | | | | |
| Rates and Levies | 63,633 | 67,811 | 70,691 | 73,329 | 76,119 | 79,011 | 80,058 | 83,175 | 86,419 | 89,822 |
| Other Revenue | 51,854 | 55,739 | 55,811 | 53,935 | 47,532 | 49,947 | 50,907 | 52,874 | 60,191 | 60,962 |
| Gain on Investment Property Revaluation | 1,443 | 1,530 | 1,587 | 1,628 | 1,669 | 1,719 | 1,772 | 1,817 | 1,860 | 1,903 |
| Other Gains | 28,572 | 6,258 | 6,405 | 6,555 | 6,703 | 6,859 | 7,018 | 7,181 | 7,356 | 7,535 |
| TOTAL COMPREHENSIVE REVENUE | 145,502 | 131,338 | 134,494 | 135,447 | 132,023 | 137,536 | 139,755 | 145,047 | 155,826 | 160,222 |
| EXPENDITURE | | | | | | | | | | |
| Other Expenditure | 52,126 | 50,395 | 50,862 | 52,195 | 53,564 | 55,083 | 56,679 | 58,233 | 59,830 | 61,452 |
| Depreciation & Amortisation | 28,935 | 29,614 | 31,024 | 31,628 | 32,215 | 35,139 | 35,875 | 36,975 | 40,513 | 41,786 |
| Employee Benefits | 22,425 | 21,677 | 20,324 | 20,837 | 21,373 | 21,910 | 22,510 | 23,100 | 23,707 | 24,332 |
| Finance Costs | 7,327 | 7,153 | 7,387 | 7,793 | 7,814 | 7,728 | 7,899 | 8,094 | 8,780 | 8,828 |
| TOTAL OPERATING EXPENDITURE | 110,813 | 108,839 | 109,597 | 112,453 | 114,966 | 119,860 | 122,963 | 126,402 | 132,830 | 136,398 |
| NET SURPLUS/(DEFICIT) | 34,689 | 22,499 | 24,897 | 22,994 | 17,057 | 17,676 | 16,792 | 18,645 | 22,996 | 23,824 |
| OTHER COMPREHENSIVE INCOME | | | | | | | | | | |
| Gain on Infrastructure Asset revaluation | | 36,212 | | | 109,582 | | | 117,743 | | |
| TOTAL COMPREHENSIVE INCOME | 34,689 | 58,711 | 24,897 | 22,994 | 126,639 | 17,676 | 16,792 | 136,388 | 22,996 | 23,824 |

Prospective Financial Statements

Whangarei District Council Prospective Balance Sheet

| | Forecast | | | | | | | | | |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|
| | Year 1 2009-10 \$000 | Year 2 2010-11 \$000 | Year 3 2011-12 \$000 | Year 4 2012-13 \$000 | Year 5 2013-14 \$000 | Year 6 2014-15 \$000 | Year 7 2015-16 \$000 | Year 8 2016-17 \$000 | Year 9 2017-18 \$000 | Year 10 2018-19 \$000 |
| ASSETS | | | | | | | | | | |
| Current Assets | | | | | | | | | | |
| Cash and Cash Equivalents | 1,082 | 1,082 | 1,082 | 1,082 | 1,082 | 1,082 | 1,082 | 1,082 | 1,082 | 1,082 |
| Trade and Other Receivables | 14,009 | 14,443 | 14,276 | 14,708 | 15,145 | 15,580 | 16,063 | 16,530 | 16,682 | 17,517 |
| Prepayments | 228 | 236 | 241 | 247 | 252 | 257 | 263 | 269 | 276 | 283 |
| Other Financial Assets | 317 | 291 | 288 | 257 | 257 | 251 | 170 | 156 | 156 | 137 |
| Inventories | 237 | 245 | 250 | 256 | 262 | 268 | 274 | 280 | 287 | 294 |
| Derivative Financial Assets | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Total Current Assets | 15,923 | 16,347 | 16,187 | 16,600 | 17,048 | 17,488 | 17,902 | 18,367 | 18,533 | 19,363 |
| Non-Current Assets | | | | | | | | | | |
| Investment Properties | 69,264 | 70,794 | 72,381 | 74,009 | 75,678 | 77,397 | 79,169 | 80,986 | 82,846 | 84,749 |
| Biological Assets | 815 | 815 | 815 | 815 | 815 | 815 | 815 | 815 | 815 | 815 |
| Property Plant and Equipment | 1,198,393 | 1,260,647 | 1,289,424 | 1,313,841 | 1,435,759 | 1,450,207 | 1,468,986 | 1,606,577 | 1,627,969 | 1,651,606 |
| Intangible Assets | 3,712 | 3,443 | 3,168 | 2,887 | 2,600 | 2,306 | 2,006 | 1,699 | 1,384 | 1,062 |
| Non Current Other Financial Assets | 1,708 | 1,509 | 1,351 | 1,176 | 1,059 | 912 | 778 | 800 | 782 | 739 |
| Non Current Derivative Financial Assets | 1,900 | 1,900 | 1,900 | 1,900 | 1,900 | 1,900 | 1,900 | 1,900 | 1,900 | 1,900 |
| Investment in Joint Venture | 2,500 | 4,000 | 5,500 | 7,000 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 |
| Loan to Joint Venture | 10,754 | 8,339 | 5,743 | 2,952 | | | | | | |
| Total Non-Current Assets | 1,289,046 | 1,351,447 | 1,380,282 | 1,404,580 | 1,526,311 | 1,542,037 | 1,562,154 | 1,701,277 | 1,724,196 | 1,749,371 |
| TOTAL ASSETS | 1,304,969 | 1,367,794 | 1,396,469 | 1,421,180 | 1,543,359 | 1,559,525 | 1,580,056 | 1,719,644 | 1,742,729 | 1,768,734 |

Prospective Financial Statements

Whangarei District Council Prospective Balance Sheet (continued)

| | Forecast | | | | | | | | | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|
| | Year 1 2009-10 \$000 | Year 2 2010-11 \$000 | Year 3 2011-12 \$000 | Year 4 2012-13 \$000 | Year 5 2013-14 \$000 | Year 6 2014-15 \$000 | Year 7 2015-16 \$000 | Year 8 2016-17 \$000 | Year 9 2017-18 \$000 | Year 10 2018-19 \$000 |
| LIABILITIES | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | |
| Trade and other Payables | 20,477 | 21,316 | 21,080 | 21,262 | 21,554 | 21,785 | 21,986 | 22,424 | 22,536 | 23,283 |
| Provisions | 2,548 | 1,906 | 1,804 | 1,842 | 1,913 | 1,962 | 2,029 | 2,072 | 2,105 | 2,139 |
| Current borrowings | 44,662 | 34,929 | 26,708 | 32,022 | 32,000 | 41,641 | 46,122 | 55,925 | 52,742 | 54,960 |
| Total Current Liabilities | 67,687 | 58,151 | 49,592 | 55,126 | 55,467 | 65,388 | 70,137 | 80,421 | 77,383 | 80,382 |
| Non-Current Liabilities | | | | | | | | | | |
| Non Current Liabilities Trade and other Payables | 863 | 891 | 912 | 934 | 953 | 974 | 997 | 1,020 | 1,044 | 1,070 |
| Non Current Provisions | 677 | 674 | 671 | 668 | 665 | 661 | 657 | 652 | 647 | 647 |
| Non Current Borrowings | 74,976 | 88,601 | 100,920 | 97,084 | 92,267 | 80,819 | 79,790 | 72,688 | 75,796 | 74,952 |
| Derivative Financial Liabilities | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Total Non-Current Liabilities | 76,566 | 90,216 | 102,553 | 98,736 | 93,935 | 82,504 | 81,494 | 74,410 | 77,537 | 76,719 |
| TOTAL LIABILITIES | 144,253 | 148,367 | 152,145 | 153,862 | 149,402 | 147,892 | 151,631 | 154,831 | 154,920 | 157,101 |
| NET ASSETS | 1,160,716 | 1,219,427 | 1,244,324 | 1,267,318 | 1,393,957 | 1,411,633 | 1,428,425 | 1,564,813 | 1,587,809 | 1,611,633 |
| EQUITY | | | | | | | | | | |
| Retained Earnings | 960,428 | 982,927 | 1,007,824 | 1,030,818 | 1,047,875 | 1,065,551 | 1,082,343 | 1,100,988 | 1,123,984 | 1,147,808 |
| Reserves and special funds | 13,789 | 13,789 | 13,789 | 13,789 | 13,789 | 13,789 | 13,789 | 13,789 | 13,789 | 13,789 |
| Asset revaluation reserve | 186,499 | 222,711 | 222,711 | 222,711 | 332,293 | 332,293 | 332,293 | 450,036 | 450,036 | 450,036 |
| TOTAL EQUITY | 1,160,716 | 1,219,427 | 1,244,324 | 1,267,318 | 1,393,957 | 1,411,633 | 1,428,425 | 1,564,813 | 1,587,809 | 1,611,633 |

Prospective Financial Statements

Whangarei District Council Prospective Statement of Changes in Equity

| Year Ending | Forecast | | | | | | | | | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|
| | Year 1 2009-10 \$000 | Year 2 2010-11 \$000 | Year 3 2011-12 \$000 | Year 4 2012-13 \$000 | Year 5 2013-14 \$000 | Year 6 2014-15 \$000 | Year 7 2015-16 \$000 | Year 8 2016-17 \$000 | Year 9 2017-18 \$000 | Year 10 2018-19 \$000 |
| Equity at beginning of year | 1,126,027 | 1,160,716 | 1,219,427 | 1,244,324 | 1,267,318 | 1,393,957 | 1,411,633 | 1,428,425 | 1,564,813 | 1,587,809 |
| Movement during the year | 34,689 | 58,711 | 24,897 | 22,994 | 126,639 | 17,676 | 16,792 | 136,388 | 22,996 | 23,824 |
| Total Equity at end of year | 1,160,716 | 1,219,427 | 1,244,324 | 1,267,318 | 1,393,957 | 1,411,633 | 1,428,425 | 1,564,813 | 1,587,809 | 1,611,633 |
| Compoments of Equity | | | | | | | | | | |
| Investment in Operations at beginning of year | 925,739 | 960,428 | 982,927 | 1,007,824 | 1,030,818 | 1,047,875 | 1,065,551 | 1,082,343 | 1,100,988 | 1,123,984 |
| Net Surplus/(Deficit) for the year | 34,689 | 22,499 | 24,897 | 22,994 | 17,057 | 17,676 | 16,792 | 18,645 | 22,996 | 23,824 |
| Investment in Operations at end of year | 960,428 | 982,927 | 1,007,824 | 1,030,818 | 1,047,875 | 1,065,551 | 1,082,343 | 1,100,988 | 1,123,984 | 1,147,808 |
| Reserves and Special Funds at beginning of year | | | | | | | | | | |
| Reserves and Special Funds at beginning of year | 13,789 | 13,789 | 13,789 | 13,789 | 13,789 | 13,789 | 13,789 | 13,789 | 13,789 | 13,789 |
| Movements for year | | | | | | | | | | |
| Reserves and Special Funds at end of year | 13,789 | 13,789 | 13,789 | 13,789 | 13,789 | 13,789 | 13,789 | 13,789 | 13,789 | 13,789 |
| Revaluation Reserves at beginning of year | | | | | | | | | | |
| Revaluation Reserves at beginning of year | 186,499 | 186,499 | 222,711 | 222,711 | 222,711 | 332,293 | 332,293 | 332,293 | 450,036 | 450,036 |
| Infrastructure Assets Revaluation Surplus/(Deficit) | | 36,212 | | | 109,582 | | | 117,743 | | |
| Revaluation Reserves at end of year | 186,499 | 222,711 | 222,711 | 222,711 | 332,293 | 332,293 | 332,293 | 450,036 | 450,036 | 450,036 |

Prospective Financial Statements

Whangarei District Council Prospective Statement of Cashflows

| Year Ending | Forecast | | | | | | | | | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|
| | Year 1 2009-10 \$000 | Year 2 2010-11 \$000 | Year 3 2011-12 \$000 | Year 4 2012-13 \$000 | Year 5 2013-14 \$000 | Year 6 2014-15 \$000 | Year 7 2015-16 \$000 | Year 8 2016-17 \$000 | Year 9 2017-18 \$000 | Year 10 2018-19 \$000 |
| Operating Activities | | | | | | | | | | |
| Cash was provided from: | | | | | | | | | | |
| Rates | 64,413 | 68,609 | 71,515 | 74,175 | 76,983 | 79,899 | 80,973 | 84,109 | 87,382 | 90,808 |
| Subsidies received | 24,081 | 27,920 | 25,274 | 22,877 | 16,161 | 18,027 | 18,416 | 19,844 | 26,570 | 26,742 |
| Other income | 6,140 | 6,275 | 8,586 | 8,800 | 9,024 | 9,265 | 9,519 | 9,741 | 10,005 | 10,274 |
| Receipts from customers and services | 19,946 | 14,618 | 14,726 | 14,911 | 15,127 | 15,318 | 15,515 | 15,795 | 16,007 | 16,207 |
| Interest from investments | 1,098 | 940 | 770 | 584 | 384 | 396 | 408 | 418 | 428 | 438 |
| Rental of property | 4,120 | 4,162 | 4,205 | 4,248 | 4,293 | 4,337 | 4,383 | 4,428 | 4,474 | 4,521 |
| Dividends Received | | | 422 | 652 | 673 | 695 | 719 | 742 | 767 | 794 |
| Cash was applied to: | | | | | | | | | | |
| Payments to suppliers and employees | 73,888 | 71,391 | 70,502 | 72,332 | 74,172 | 76,261 | 78,442 | 80,564 | 82,751 | 84,977 |
| Interest on public debt | 7,260 | 7,083 | 7,315 | 7,720 | 7,737 | 7,650 | 7,818 | 8,012 | 8,696 | 8,740 |
| Taxation Paid | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 51 |
| NET CASH FROM OPERATING ACTIVITIES | 38,609 | 44,008 | 47,638 | 46,151 | 40,691 | 43,980 | 43,626 | 46,453 | 54,137 | 56,016 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | |
| Cash was provided from: | | | | | | | | | | |
| Proceeds from sale of assets | 32,000 | | | | | | | | | |
| Maturity of investments and loans | 2,246 | 2,415 | 2,596 | 2,791 | 2,952 | | | | | |
| Cash was applied to: | | | | | | | | | | |
| Purchase and development of PPE | 47,361 | 49,132 | 53,123 | 49,208 | 37,561 | 42,430 | 47,329 | 49,323 | 54,218 | 57,546 |
| Purchase of investments and loans provided | 15,500 | 1,500 | 1,500 | 1,500 | 1,500 | | | | | |
| NET CASH USED IN INVESTING ACTIVITIES | (28,615) | (48,217) | (52,027) | (47,917) | (36,109) | (42,430) | (47,329) | (49,323) | (54,218) | (57,546) |

Prospective Financial Statements

Whangarei District Council Prospective Statement of Cashflows (continued)

| | | | | | | | | | | |
|---|----------------|--------------|--------------|--------------|----------------|----------------|--------------|--------------|--------------|--------------|
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | |
| Cash was provided from: | | | | | | | | | | |
| Loan raised | 57,660 | 38,821 | 30,806 | 33,500 | 32,001 | 41,639 | 49,574 | 58,626 | 52,739 | 56,334 |
| Loan payments received | 0 | 317 | 291 | 288 | 257 | 257 | 251 | 169 | 156 | 156 |
| Cash was applied to: | | | | | | | | | | |
| Repayment of public debt | 67,654 | 34,929 | 26,708 | 32,022 | 36,840 | 43,446 | 46,122 | 55,925 | 52,814 | 54,960 |
| NET CASH USED IN FINANCING ACTIVITIES | (9,994) | 4,209 | 4,389 | 1,766 | (4,582) | (1,550) | 3,703 | 2,870 | 81 | 1,530 |
| NET (DECREASE)/ INCREASE IN CASH & EQUIV | - | - | - | - | - | - | - | - | - | - |
| Cash, Cash equiv beginning of the year | 1,082 | 1,082 | 1,082 | 1,082 | 1,082 | 1,082 | 1,082 | 1,082 | 1,082 | 1,082 |
| CASH & CASH EQUIV END OF THE YEAR | 1,082 | 1,082 | 1,082 | 1,082 | 1,082 | 1,082 | 1,082 | 1,082 | 1,082 | 1,082 |

Prospective Financial Statements

Whangarei District Council Reconciliation Between Prospective Cost of Service Statements and Prospective Statement of Comprehensive Income

| Year Ending | Forecast | | | | | | | | | |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|
| | Year 1 2009-10 \$000 | Year 2 2010-11 \$000 | Year 3 2011-12 \$000 | Year 4 2012-13 \$000 | Year 5 2013-14 \$000 | Year 6 2014-15 \$000 | Year 7 2015-16 \$000 | Year 8 2016-17 \$000 | Year 9 2017-18 \$000 | Year 10 2018-19 \$000 |
| TOTAL ACTIVITY REVENUE (Activity Cost of Service Statements) | | | | | | | | | | |
| Transportation | 25,095 | 29,115 | 28,816 | 26,482 | 19,830 | 21,759 | 22,209 | 23,709 | 30,502 | 30,735 |
| Wastewater | 14,000 | 16,156 | 17,702 | 18,384 | 19,113 | 19,908 | 18,640 | 19,413 | 20,237 | 21,117 |
| Solid Waste | 8,059 | 8,064 | 8,529 | 8,787 | 8,836 | 9,113 | 9,409 | 9,708 | 10,026 | 10,365 |
| Stormwater | 67 | 68 | 99 | 102 | 105 | 108 | 112 | 116 | 120 | 124 |
| Water | 13,331 | 13,831 | 14,772 | 15,277 | 15,809 | 16,357 | 16,955 | 17,560 | 18,188 | 18,839 |
| Libraries | 368 | 374 | 418 | 425 | 431 | 437 | 444 | 451 | 459 | 466 |
| Parks & Recreation | 1,381 | 1,404 | 1,635 | 1,664 | 1,691 | 1,723 | 1,756 | 1,753 | 1,782 | 1,811 |
| Community Services | 3,411 | 3,307 | 1,828 | 1,860 | 1,891 | 1,928 | 1,968 | 2,002 | 2,036 | 2,070 |
| Property | 3,962 | 3,603 | 3,642 | 3,679 | 3,718 | 3,757 | 3,797 | 3,836 | 3,877 | 3,918 |
| Building Compliance | 3,634 | 3,670 | 3,708 | 3,747 | 3,786 | 3,825 | 3,865 | 3,905 | 3,946 | 3,987 |
| Regulatory Services | 1,507 | 1,545 | 1,609 | 1,625 | 1,642 | 1,659 | 1,676 | 1,694 | 1,711 | 1,729 |
| Resource Consents | 2,192 | 2,226 | 2,250 | 2,273 | 2,297 | 2,320 | 2,345 | 2,369 | 2,394 | 2,419 |
| Policy and Monitoring | 135 | 136 | 137 | 139 | 140 | 142 | 143 | 145 | 146 | 148 |
| Support | 2,183 | 2,427 | 2,320 | 2,381 | 2,444 | 2,508 | 2,577 | 2,644 | 2,718 | 2,793 |
| | 79,325 | 85,926 | 87,465 | 86,825 | 81,733 | 85,544 | 85,896 | 89,305 | 98,142 | 100,521 |
| OTHER REVENUE ITEMS: | | | | | | | | | | |
| General Rates | 34,210 | 35,594 | 36,930 | 38,256 | 39,656 | 41,071 | 42,636 | 44,221 | 45,852 | 47,550 |
| Recreation Rate | 1,420 | 1,477 | 1,533 | 1,588 | 1,645 | 1,704 | 1,770 | 1,835 | 1,903 | 1,973 |
| Coastal Ammenities Rate | 532 | 553 | 574 | 595 | 617 | 639 | 663 | 688 | 713 | 740 |
| Vested Assets | 6,500 | 6,721 | 6,882 | 7,047 | 7,209 | 7,382 | 7,560 | 7,741 | 7,935 | 8,133 |
| Gain on Investment Property Revaluation | 1,443 | 1,530 | 1,587 | 1,628 | 1,669 | 1,719 | 1,772 | 1,817 | 1,860 | 1,903 |
| Gain/(Loss) on Sale of Assets | 22,072 | (463) | (477) | (492) | (506) | (523) | (542) | (560) | (579) | (598) |
| TOTAL OPERATING REVENUE | 145,502 | 131,338 | 134,494 | 135,447 | 132,023 | 137,536 | 139,755 | 145,047 | 155,826 | 160,222 |
| (Statement of Comprehensive Income) | | | | | | | | | | |

Prospective Financial Statements

Whangarei District Council Reconciliation Between Prospective Cost of Service Statements and Prospective Statement of Comprehensive Income

| Year Ending | Forecast | | | | | | | | | |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|
| | Year 1 2009-10 \$000 | Year 2 2010-11 \$000 | Year 3 2011-12 \$000 | Year 4 2012-13 \$000 | Year 5 2013-14 \$000 | Year 6 2014-15 \$000 | Year 7 2015-16 \$000 | Year 8 2016-17 \$000 | Year 9 2017-18 \$000 | Year 10 2018-19 \$000 |
| Total Activity Expenditure (Activity cost Of Service Statements) | | | | | | | | | | |
| Transportation | 28,361 | 28,996 | 30,799 | 32,547 | 33,868 | 36,125 | 37,202 | 38,225 | 41,144 | 42,737 |
| Wastewater | 11,190 | 11,303 | 11,348 | 11,535 | 11,825 | 12,110 | 12,086 | 12,783 | 13,639 | 13,530 |
| Solid Waste | 7,751 | 7,863 | 7,938 | 8,113 | 8,213 | 8,354 | 8,551 | 8,732 | 8,950 | 9,132 |
| Stormwater | 3,204 | 3,243 | 3,244 | 3,287 | 3,341 | 3,544 | 3,607 | 3,657 | 3,845 | 3,957 |
| Water | 12,483 | 12,592 | 12,649 | 12,763 | 12,809 | 13,642 | 14,182 | 14,463 | 15,249 | 15,896 |
| Libraries | 3,841 | 3,754 | 3,673 | 3,940 | 4,130 | 4,275 | 4,439 | 4,606 | 4,727 | 4,855 |
| Parks & Recreation | 13,391 | 10,787 | 10,161 | 10,548 | 10,605 | 10,965 | 11,213 | 11,431 | 11,766 | 11,939 |
| Community Services | 5,257 | 5,050 | 5,168 | 5,364 | 5,517 | 5,662 | 5,808 | 5,953 | 6,092 | 6,223 |
| Property | 4,479 | 4,801 | 4,986 | 5,164 | 5,262 | 5,564 | 5,740 | 5,884 | 6,201 | 6,352 |
| Building Compliance | 4,754 | 4,612 | 4,432 | 4,676 | 4,758 | 4,841 | 4,966 | 5,088 | 5,215 | 5,346 |
| Regulatory Services | 2,707 | 2,672 | 2,611 | 2,758 | 2,804 | 2,852 | 2,923 | 2,994 | 3,068 | 3,143 |
| Resource Consents | 2,816 | 2,736 | 2,634 | 2,759 | 2,813 | 2,866 | 2,940 | 3,014 | 3,090 | 3,169 |
| Policy and Monitoring | 2,317 | 2,125 | 2,006 | 2,094 | 2,137 | 2,179 | 2,236 | 2,292 | 2,349 | 2,409 |
| Support | 8,262 | 8,305 | 7,948 | 6,905 | 6,884 | 6,881 | 7,070 | 7,280 | 7,495 | 7,710 |
| TOTAL ACTIVITY EXPENDITURE | 110,813 | 108,839 | 109,597 | 112,453 | 114,966 | 119,860 | 122,963 | 126,402 | 132,830 | 136,398 |
| TOTAL OPERATING EXPENDITURE | 110,813 | 108,839 | 109,597 | 112,453 | 114,966 | 119,860 | 122,963 | 126,402 | 132,830 | 136,398 |
| (Statement of Comprehensive Income) | | | | | | | | | | |

Prospective Financial Statements

Prospective Capital Expenditure Programme

| Transportation | Year 1 2009-10 \$000 | Year 2 2010-11 \$000 | Year 3 2011-12 \$000 | Year 4 2012-13 \$000 | Year 5 2013-14 \$000 | Year 6 2014-15 \$000 | Year 7 2015-16 \$000 | Year 8 2016-17 \$000 | Year 9 2017-18 \$000 | Year 10 2018-19 \$000 | Total |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|--------|
| Subsidised Improvement | | | | | | | | | | | |
| Bridge reconstruction | 1,627 | 1,726 | 941 | 807 | 917 | 765 | 1,060 | 671 | 608 | 1,115 | 10,237 |
| Traffic congestion alleviation/2nd Harbour Crossing | | 10,599 | 12,072 | 11,167 | | | | | | | 33,838 |
| Spedding Road | 2,971 | | | | | | | | | | 2,971 |
| Cycleways | 150 | 155 | 159 | 163 | 167 | 172 | 177 | 181 | 186 | 190 | 1,700 |
| Onerahi Bypass design | | 53 | 424 | 435 | 446 | | | | | | 1,358 |
| Porowini/ Maunu/Central design | 2,500 | 2,594 | | | | | | | | | 5,094 |
| Mill Road/ Nixon Street upgrades | 66 | 2,544 | 2,610 | | | | | | | | 5,220 |
| Riverside Drive/ Onerahi Road | 59 | | | | | 2,867 | 2,942 | | | | 5,868 |
| Walton Street | | | | | | | | 3,720 | 3,820 | 3,908 | 11,448 |
| Road strategy studies | 170 | 72 | 74 | 130 | 67 | 69 | 71 | 133 | 74 | 76 | 936 |
| Regional development | 4,940 | 2,122 | | | | | | | | | 7,062 |
| Seal extensions | 2,000 | 2,066 | 2,120 | 2,173 | 2,231 | 2,294 | 2,353 | 2,417 | 2,482 | 2,539 | 22,675 |
| Road resealing | 2,082 | 2,577 | 3,551 | 3,699 | 3,291 | 3,205 | 3,106 | 3,265 | 3,353 | 3,430 | 31,559 |
| Road rehabilitation | 1,700 | 1,756 | 1,802 | 1,847 | 2,173 | 2,876 | 2,348 | 2,749 | 3,243 | 4,898 | 25,392 |
| Area wide pavement treatment | 1,425 | 1,527 | 1,627 | 1,788 | 1,838 | 1,724 | 2,224 | 2,220 | 5,176 | 5,155 | 24,704 |
| Major drainage control | 495 | 529 | 562 | 596 | 633 | 674 | 716 | 761 | 809 | 856 | 6,631 |
| Metal strengthening | 1,177 | 1,216 | 1,247 | 1,278 | 1,313 | 1,350 | 1,385 | 1,422 | 1,460 | 1,494 | 13,342 |
| Traffic facilities | 371 | 337 | 417 | 487 | 335 | 321 | 330 | 339 | 348 | 356 | 3,641 |
| Minor safety works | 1,200 | 1,240 | 1,272 | 1,304 | 1,339 | 1,376 | 1,412 | 1,450 | 1,489 | 1,524 | 13,606 |
| Traffic management | 81 | 62 | 318 | 326 | 335 | 172 | 177 | 181 | 166 | 170 | 1,988 |
| Supply of bus shelters | 110 | 129 | 132 | 120 | 22 | 23 | 24 | 60 | 62 | 63 | 745 |
| Structures replacement | 324 | 338 | 351 | 363 | 376 | 391 | 405 | 420 | 436 | 450 | 3,854 |
| Preventative maintenance | | | 229 | 235 | 241 | 248 | 254 | 261 | 268 | 274 | 2,010 |
| McEwan Road | | | 1,060 | | | | | | 3,599 | | 4,659 |
| McCathie Road | | | | | | | | | 1,738 | | 1,738 |
| Marsden Point Road | | | | | | | | 846 | 3,103 | 5,967 | 9,916 |
| Non-Subsidised Improvements | | | | | | | | | | | |
| New footpaths | 200 | 207 | 212 | 217 | 223 | 229 | 235 | 242 | 248 | 254 | 2,267 |
| Subdivision contributions | 190 | 52 | 53 | 54 | 56 | 57 | 59 | 60 | 62 | 63 | 706 |

Prospective Financial Statements

Prospective Capital Expenditure Programme

| Transportation (continued) | Year 1 2009-10 \$000 | Year 2 2010-11 \$000 | Year 3 2011-12 \$000 | Year 4 2012-13 \$000 | Year 5 2013-14 \$000 | Year 6 2014-15 \$000 | Year 7 2015-16 \$000 | Year 8 2016-17 \$000 | Year 9 2017-18 \$000 | Year 10 2018-19 \$000 | Total |
|------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|----------------|
| Parking | 172 | 179 | 186 | 192 | 489 | 505 | 520 | 222 | 231 | 238 | 2,934 |
| Kamo streetscape | 300 | | | | | | | | | | 300 |
| Onerahi streetscape | 300 | | | | | | | | | | 300 |
| Minor road seal extensions | 50 | 52 | 53 | 54 | 56 | 57 | 59 | 60 | 62 | 63 | 566 |
| One Tree Point cliff reinstatement | 200 | 310 | | | | | | | | | 510 |
| Total Capital Expenditure | 24,860 | 32,442 | 31,472 | 27,435 | 16,548 | 19,375 | 19,857 | 21,680 | 33,023 | 33,083 | 259,775 |

| Wastewater | Year 1 2009-10 \$000 | Year 2 2010-11 \$000 | Year 3 2011-12 \$000 | Year 4 2012-13 \$000 | Year 5 2013-14 \$000 | Year 6 2014-15 \$000 | Year 7 2015-16 \$000 | Year 8 2016-17 \$000 | Year 9 2017-18 \$000 | Year 10 2018-19 \$000 | Total |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|----------------|
| Treatment plant upgrades | 500 | 517 | 533 | 606 | 626 | 647 | 670 | 694 | 392 | 406 | 5,591 |
| Waipu Cove/Langs Beach trunk sewerage system | | | | | 5,564 | | 166 | | | | 5,730 |
| Whangarei treatment plant | | 769 | 1,800 | | | | | | | | 2,569 |
| One Tree Point/Ruakaka WWTP upgrade | 120 | 517 | 853 | | | 2,882 | 12,175 | 14,505 | 5,222 | | 36,274 |
| Waipu trunk sewerage system | | | | 892 | 796 | | | | | 718 | 2,406 |
| Waipu Cove/Langs Beach trunk sewerage system | | | | | 57 | 59 | | | | | 116 |
| Install flow meters | 100 | 103 | | | | | | | | | 203 |
| Telemetry system review & data management policy | 160 | | | | 114 | | | | | 135 | 409 |
| Install telemetry at pump stations | | | | | | | | | 65 | 68 | 133 |
| Sewerage system upgrades & I/I mitigation | 600 | 901 | 854 | 1,101 | 1,138 | 1,177 | 1,304 | 1,360 | 1,350 | 2,298 | 12,083 |
| Wastewater assessments | 150 | 155 | 53 | 55 | 57 | 59 | 61 | 63 | 65 | 68 | 786 |
| Pump stations | 125 | 129 | 133 | 138 | 142 | 147 | 152 | 158 | 163 | 169 | 1,456 |
| Install flow meters | 100 | 103 | | | | | | | | | 203 |
| One Tree Point trunk sewerage system | | | | | | | | | | 2,705 | 2,705 |
| Ruakaka South - extend reticulation | | | 4,264 | 7,709 | | | | | | | 11,973 |
| Purchase of Land | 8,000 | | | | | | | | | | 8,000 |
| Wastewater city service level improvements | 4,000 | 2,068 | 2,132 | 2,203 | 2,275 | 1,176 | | | | | 13,854 |
| Public Toilets | 110 | 114 | 117 | 121 | 125 | 129 | 134 | 139 | 144 | 149 | 1,282 |
| Total Capital Expenditure | 13,965 | 5,376 | 10,739 | 12,825 | 10,894 | 6,276 | 14,662 | 16,919 | 7,401 | 6,716 | 105,773 |

Prospective Financial Statements

Prospective Capital Expenditure Programme

| Solid Waste | Year 1 2009-10 \$000 | Year 2 2010-11 \$000 | Year 3 2011-12 \$000 | Year 4 2012-13 \$000 | Year 5 2013-14 \$000 | Year 6 2014-15 \$000 | Year 7 2015-16 \$000 | Year 8 2016-17 \$000 | Year 9 2017-18 \$000 | Year 10 2018-19 \$000 | Total |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|--------------|
| Rural transfer stations | 380 | 51 | 53 | 55 | 56 | 58 | 59 | 60 | 62 | 63 | 897 |
| Pohe Island closure - clay capping | 500 | 517 | 530 | 543 | | | | | | | 2,090 |
| Transfer station - Uretiti | 270 | | | | | | | | | | 270 |
| Transfer station - Whangarei Heads | 630 | | | | | | | | | | 630 |
| Pohe Island gas management | | | 106 | | | | | | | | 106 |
| Rural transfer stations recycling upgrade | | | 212 | 217 | 223 | 229 | 235 | 242 | 248 | | 1,606 |
| Puwera Consent | 200 | 517 | | | | | | | | | 717 |
| Total Capital Expenditure | 1,980 | 1,085 | 901 | 815 | 279 | 287 | 294 | 302 | 310 | 63 | 6,316 |

| Stormwater | Year 1 2009-10 \$000 | Year 2 2010-11 \$000 | Year 3 2011-12 \$000 | Year 4 2012-13 \$000 | Year 5 2013-14 \$000 | Year 6 2014-15 \$000 | Year 7 2015-16 \$000 | Year 8 2016-17 \$000 | Year 9 2017-18 \$000 | Year 10 2018-19 \$000 | Total |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|--------------|
| Stormwater rehabilitation/upgrades/treatment systems - renewals | 300 | 414 | 319 | 331 | 342 | 352 | 462 | 498 | 534 | 1,384 | 4,936 |
| Stormwater assessments/CMPs | 108 | 112 | 116 | 119 | 123 | 128 | 132 | 137 | 142 | 147 | 1,264 |
| Stormwater projects | | | | | | | | 189 | 196 | 203 | 588 |
| Total Capital Expenditure | 408 | 526 | 435 | 450 | 465 | 480 | 594 | 824 | 872 | 1,734 | 6,788 |

Prospective Financial Statements

Prospective Capital Expenditure Programme

| Water | Year 1 2009-10 \$000 | Year 2 2010-11 \$000 | Year 3 2011-12 \$000 | Year 4 2012-13 \$000 | Year 5 2013-14 \$000 | Year 6 2014-15 \$000 | Year 7 2015-16 \$000 | Year 8 2016-17 \$000 | Year 9 2017-18 \$000 | Year 10 2018-19 \$000 | Total |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|--------|
| Reticulation renewals | 850 | 982 | 1,067 | 1,101 | 1,250 | 1,355 | 229 | 190 | 193 | 2,028 | 9,245 |
| Mains replacement | 200 | 310 | 320 | 330 | 683 | 1,059 | 891 | 1,560 | 1,168 | 440 | 6,961 |
| Hatea River bulk water main | | | 1,675 | | | | | | | | 1,675 |
| Maunu trunk main | | | | | | 2,042 | | | | | 2,042 |
| Plant upgrade general | 355 | 382 | 406 | 433 | 460 | 487 | 516 | 547 | 580 | 615 | 4,781 |
| Plant equipment replacement | 118 | 127 | 135 | 144 | 154 | 162 | 172 | 182 | 193 | 204 | 1,591 |
| Water Treatment Building | 184 | | 68 | 28 | 118 | 39 | 17 | 33 | 60 | 103 | 650 |
| Fairway Drive res - underground baffles and sealing | 59 | | | | | | | | | | 59 |
| Reservoir rehabilitation programme - renewal | 171 | 519 | 403 | 468 | 585 | | | | | | 2,146 |
| New water source feasibility study | | | | | | | | | 131 | 270 | 401 |
| Obtain resource consents | | | | | | | | | 131 | 68 | 199 |
| New water source professional services | | | | | | | | | 392 | 406 | 798 |
| New water source construction | | | | | | | | | 4,874 | 5,951 | 10,825 |
| Minor projects - not specific | 120 | 124 | 213 | 220 | 228 | 235 | 365 | 378 | 392 | 406 | 2,681 |
| Water meter renewals | | 414 | 213 | 220 | 228 | 235 | 244 | 252 | 261 | 270 | 2,337 |
| Waipu system upgrade | | | | 727 | | | | | | | 727 |
| Whangarei Heads mains | | 414 | | | | | | | | | 414 |
| Whau Valley land purchase | | | | | | 588 | | | | | 588 |
| Storage reservoirs Sargeants Hill | | | | | | | 1,826 | | | | 1,826 |
| Whau Valley Pizo Study | 120 | | | | | | | | | | 120 |
| Ruakaka UV | 250 | 517 | | | | | | | | | 767 |
| Three Mile Bush Reservoir | | | 213 | 220 | 1,479 | | | | | | 1,912 |
| Kamo Reservoir (Dip Road) | | | | | | | 1,218 | | | | 1,218 |
| Connect Mangapai to city WSA | | | | | | | | 1,892 | 914 | | 2,806 |
| Storage reservoir McLeod Bay | | | 320 | | | | | | | | 320 |
| New bulk meters | | 93 | 48 | | | | | | | | 141 |
| Pressure management | | 93 | 48 | | | | | | | | 141 |

Prospective Financial Statements

Prospective Capital Expenditure Programme

| Water (continued) | Year 1 2009-10 \$000 | Year 2 2010-11 \$000 | Year 3 2011-12 \$000 | Year 4 2012-13 \$000 | Year 5 2013-14 \$000 | Year 6 2014-15 \$000 | Year 7 2015-16 \$000 | Year 8 2016-17 \$000 | Year 9 2017-18 \$000 | Year 10 2018-19 \$000 | Total |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|---------------|
| Pyle Road East fire main installation | | | | | | | 1,071 | | | | 1,071 |
| Whau Valley WTP upgrade construction | | | | | | 6,492 | | | | | 6,492 |
| Whau Valley Treatment plant upgrade design | | | | | 778 | | | | | | 778 |
| Pipeline bridge rehabilitation | 25 | 26 | 27 | 28 | 28 | 29 | 30 | 32 | 33 | 34 | 292 |
| Port Marsden Highway main | | | | | | 812 | 2,755 | | | | 3,567 |
| Onerahi trunk main | | | | | | | | | | 3,009 | 3,009 |
| Ruddells Raw waterline upgrade | | | | | | | | 899 | | | 899 |
| Miraka Road fire main | | | | | | 292 | | | | | 292 |
| Speddings Road link | | | | | | | 609 | | | | 609 |
| Poroti main | | | | | | | | | 849 | | 849 |
| Manganese Point Road fire main | | | | | | | | | 529 | | 529 |
| Total Capital Expenditure | 2,452 | 4,001 | 5,156 | 3,919 | 5,991 | 13,827 | 9,943 | 5,965 | 10,700 | 13,804 | 75,758 |

| Libraries | Year 1 2009-10 \$000 | Year 2 2010-11 \$000 | Year 3 2011-12 \$000 | Year 4 2012-13 \$000 | Year 5 2013-14 \$000 | Year 6 2014-15 \$000 | Year 7 2015-16 \$000 | Year 8 2016-17 \$000 | Year 9 2017-18 \$000 | Year 10 2018-19 \$000 | Total |
|----------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|--------------|
| Books | 450 | 464 | 479 | 495 | 513 | 531 | 549 | 567 | 585 | 604 | 5,237 |
| IT upgrade | 67 | 69 | 71 | 513 | 76 | 79 | 82 | 84 | 87 | 90 | 1,218 |
| Replacement shelving | 12 | 12 | | | | | | | | | 24 |
| Ruakaka Community Library | | 309 | | | | | | | | | 309 |
| Total Capital Expenditure | 529 | 854 | 550 | 1,008 | 589 | 610 | 631 | 651 | 672 | 694 | 6,788 |

Prospective Financial Statements

Prospective Capital Expenditure Programme

| Parks & Recreation | Year 1 2009-10 \$000 | Year 2 2010-11 \$000 | Year 3 2011-12 \$000 | Year 4 2012-13 \$000 | Year 5 2013-14 \$000 | Year 6 2014-15 \$000 | Year 7 2015-16 \$000 | Year 8 2016-17 \$000 | Year 9 2017-18 \$000 | Year 10 2018-19 \$000 | Total |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|-------|
| Mair Park/Mander Park | | | | 198 | | | | | | | 198 |
| Whangarei Falls landscape improvements | | | 459 | | | | | | | | 459 |
| Conservatory upgrade | | | 53 | | | | | 157 | | | 210 |
| Tikipunga Parks/Haruru Reserve | | | | | 141 | | | | | | 141 |
| Park furniture/appurtenances and interpretation signs renewals | 55 | 55 | 59 | 63 | 63 | 13 | 12 | 71 | 2 | 74 | 467 |
| Cemetery development/restoration | | | | | 108 | 60 | | | | | 168 |
| Kensington Park - carparking | | 164 | | | | | | | | | 164 |
| Kensington Park - ground development | 10 | | | | | 395 | | | | | 405 |
| Kensington Park - hockey development | | | | | | | | | 403 | | 403 |
| Tikipunga / Belmont Sportspark - drainage | | 129 | | | | | | | | | 129 |
| William Fraser Park - development & facilities | | | 319 | 223 | 456 | | 366 | | | | 1,364 |
| Hikurangi Sportspark - drainage | | | | | | 118 | | | | | 118 |
| Oakura Sportspark - hard court development | | | | | | | | | | 168 | 168 |
| Hukerenui Sportsparks - drainage | | | | | 114 | | | | | | 114 |
| Onerahi - domain development | | | | | 404 | | | | | | 404 |
| New Sportspark Kamo - development | | | 213 | 659 | | | | | | | 872 |
| Field drainage - District fields | 125 | | | | | | | | | | 125 |
| Swimming Pool upgrade | 200 | 283 | | | | | | | | | 483 |
| Parihaka mountain bike tracks/horse trails | | 21 | | 60 | | 29 | | | | | 110 |
| Coronation/Western Hills/Quarries/AH Reed | | | 107 | 88 | 114 | | | | | | 309 |
| Kukutauwhoa Island/Tutukaka tracks | 44 | | 16 | | | | | 35 | | | 95 |
| Whau Valley/Pukenui tracks and trails | | | | | 103 | | | | | | 103 |
| Whale Bay/Matapouri headland coastal walkway | | 254 | | | | | | | | | 254 |

Prospective Financial Statements

| Parks & Recreation (Continued) | Year 1 2009-10 \$000 | Year 2 2010-11 \$000 | Year 3 2011-12 \$000 | Year 4 2012-13 \$000 | Year 5 2013-14 \$000 | Year 6 2014-15 \$000 | Year 7 2015-16 \$000 | Year 8 2016-17 \$000 | Year 9 2017-18 \$000 | Year 10 2018-19 \$000 | Total |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|---------------|
| Tutukaka Coast/Ngunguru/Glenbervie access & development | | | | | | | | 196 | | | 196 |
| Parihaka Forest development | | | | | | | | | | 40 | 40 |
| Coronation/Western Hills/Pukenui/Barge | | 36 | 21 | 27 | 34 | 35 | | 31 | | | 184 |
| Lake Waro carpark/historic trails and trail construction | | | | 174 | | | | | | | 174 |
| Carpark /destination facilities - coastal destinations | | | | 170 | | | | | | | 170 |
| Parks playground equipment | | 87 | | | 133 | | 45 | 57 | | 94 | 416 |
| Shade structures in play areas | | | 27 | | | | | 19 | | 13 | 59 |
| Disabled play equipment | | | | | 23 | | | | | | 23 |
| Skateboard facilities | | | | 71 | | | | | | 134 | 205 |
| Acquisitions sportsfields | | | | | | | | 1,007 | | | 1,007 |
| Parking | | | 1,904 | | | | | | | | 1,904 |
| Coastal | | | | | | | | | | | |
| Protection - OneTree Point/Marsden Bay/Ruakaka | | | | | | | | 289 | | | 289 |
| Protection - Pataua South/McGregors Bay/Whangaumu | | 258 | 213 | | 57 | | | | 65 | | 593 |
| Structures - access | | | | | 23 | | | | | | 23 |
| Structures - foreshore structures | | | | 69 | 273 | | | 122 | | | 464 |
| Structures - jetties, wharves and pontoons | | 563 | | 170 | | | 70 | | | | 803 |
| Structures - ramps | | | | 27 | 10 | | | 64 | | | 101 |
| Total Capital Expenditure | 434 | 1,850 | 3,391 | 1,999 | 2,056 | 650 | 493 | 2,048 | 470 | 523 | 13,914 |

NOTE: \$1 million has been transferred to operating expenditure for the Kensington Gymnasium in 2009-10, and likewise \$876,000 for Athletics in 2010-11. These amounts were included in the capital projects list in the draft LTCCP for clarity.

Prospective Financial Statements

Prospective Capital Expenditure Programme

| Community Services | Year 1 2009-10 \$000 | Year 2 2010-11 \$000 | Year 3 2011-12 \$000 | Year 4 2012-13 \$000 | Year 5 2013-14 \$000 | Year 6 2014-15 \$000 | Year 7 2015-16 \$000 | Year 8 2016-17 \$000 | Year 9 2017-18 \$000 | Year 10 2018-19 \$000 | Total |
|--------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|--------------|
| Forum North | | | | | | | | | | | |
| Technical replacement | 129 | 137 | 68 | 153 | 161 | 82 | 178 | 186 | 97 | 204 | 1,395 |
| Upgrade internal balustrades | | 155 | | | | | | | | | 155 |
| Steinway piano replacement | | | | 138 | | | | | | | 138 |
| Theatre upgrade | 12 | 180 | | | | | | | | | 192 |
| General upgrades | 27 | 32 | 16 | 16 | | 6 | | | | 7 | 104 |
| Catering kitchen upgrade | | | | | 3 | | | 38 | | | 41 |
| Community Halls | 100 | | | | | | | | | | 100 |
| Forum North - air conditioning units | 40 | 33 | | | | | | | | | 73 |
| Pensioner housing modernisation | 1,995 | 2,086 | 49 | 131 | 258 | 501 | 263 | 287 | 321 | 352 | 6,243 |
| Total Capital Expenditure | 2,303 | 2,623 | 133 | 438 | 422 | 589 | 441 | 511 | 418 | 563 | 8,441 |

There are no growth related capital projects.

| Property | Year 1 2009-10 \$000 | Year 2 2010-11 \$000 | Year 3 2011-12 \$000 | Year 4 2012-13 \$000 | Year 5 2013-14 \$000 | Year 6 2014-15 \$000 | Year 7 2015-16 \$000 | Year 8 2016-17 \$000 | Year 9 2017-18 \$000 | Year 10 2018-19 \$000 | Total |
|----------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|------------|
| Old Municipal Building | 100 | | 27 | | | | | | | | 127 |
| Total Capital Expenditure | 100 | 0 | 27 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 127 |

There are no growth related capital projects.

Prospective Financial Statements

Prospective Capital Expenditure Programme

| Support | Year 1 2009-10 \$000 | Year 2 2010-11 \$000 | Year 3 2011-12 \$000 | Year 4 2012-13 \$000 | Year 5 2013-14 \$000 | Year 6 2014-15 \$000 | Year 7 2015-16 \$000 | Year 8 2016-17 \$000 | Year 9 2017-18 \$000 | Year 10 2018-19 \$000 | Total |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|--------------|
| Vehicle replacement programme | 275 | 284 | 295 | 305 | 316 | 328 | 340 | 345 | 351 | 357 | 3,196 |
| Replacement of rural fire appliance - Whananaki | 45 | | | | | | | | | | 45 |
| Replacement of rural fire appliance - Whangaruru | | 52 | | | | | | | | | 52 |
| Replacement CDEM radios and handhelds | | | | | | | 73 | | | | 73 |
| Replacement CDEM repeater | | | | | | | | 69 | | | 69 |
| Emergency management general | 10 | 39 | 24 | 14 | 1 | 8 | 1 | 9 | 1 | 9 | 116 |
| Total Capital Expenditure | 330 | 375 | 319 | 319 | 317 | 336 | 414 | 423 | 352 | 366 | 3,551 |

There are no growth related capital projects.

| | | | | | | | | | | | |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| TOTAL CAPITAL EXPENDITURE | 47,361 | 49,132 | 53,123 | 49,208 | 37,561 | 42,430 | 47,329 | 49,323 | 54,218 | 57,546 | 487,231 |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|