

### AGENDA COMMITTEE OF COUNCIL LATE ITEM

### 9AM, MONDAY 10 JUNE 2019

COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION BUILDING 32 THE SQUARE, PALMERSTON NORTH



### **MEMBERSHIP**

**Grant Smith (Chairperson)** Tangi Utikere (Deputy Chairperson) **Brent Barrett** Susan Baty **Rachel Bowen** Adrian Broad Gabrielle Bundy-Cooke Vaughan Dennison Lew Findlay QSM

Leonie Hapeta **Jim Jefferies** Lorna Johnson Duncan McCann **Karen Naylor Bruno Petrenas Aleisha Rutherford** 

### Agenda items, if not attached, can be viewed at:

pncc.govt.nz | Civic Administration Building, 32 The Square City Library | Ashhurst Community Library | Linton Library

**Heather Shotter** Chief Executive, Palmerston North City Council

### **Palmerston North City Council**

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### **COMMITTEE OF COUNCIL MEETING**

<u>10 June 2019</u>

### LATE ITEM

9.Finalising the Annual Budget (Plan) 2019/20 - AmendmentsPage 5Memorandum, dated 5 June 2019 presented by the Strategy Manager<br/>Finance, Steve Paterson.Page 5



### MEMORANDUM

то:	Committee of Council
MEETING DATE:	10 June 2019
TITLE:	Finalising the Annual Budget (Plan) 2019/20 - Amendments
DATE:	5 June 2019
PRESENTED BY:	Steve Paterson, Strategy Manager Finance, Finance
APPROVED BY:	Grant Elliott, Chief Financial Officer

### **RECOMMENDATION(S) TO COMMITTEE**

- 1. That the recommendations to the Council as outlined in the memorandum dated 27 May 2019 be revised as follows:
  - a. Recommendation 1 be replaced with "That the Annual Budget 2019/20 as circulated with the memorandum titled "Finalising the Annual Budget (Plan) 2019/20" dated 27 May 2019 and amended through the incorporation of the replacement pages circulated with the memorandum titled "Finalising the Annual Budget (Plan) 2019/20 Amendments" dated 5 June 2019 be adopted.
  - b. Recommendation 2 be replaced with "That the Council acknowledge that although the Prospective Statement of Comprehensive Revenue and Expense for the Annual Budget shows a budgeted surplus of \$1.437m for the 2019/20 year, using the calculation required by the Local Government (Financial Reporting and Prudence) Regulations 2014, projects a deficit of \$2.04m. For the reasons outlined in the memorandum the Council resolves this outcome is financially prudent having regard for the matters contained in Section 100 of the Local Government Act 2002."

### 1. ISSUE

Item 7 on the Committee's agenda relates to finalising the Annual Budget for 2019/20. It contains a memorandum dated 27 May 2019 and a draft of the Annual Budget document.

Since their preparation we have further reviewed the assumptions underlying them and now believe a change is required to them to reflect a more correct accounting treatment of the Council's subdivision in Whakarongo.



### 2. BACKGROUND

At the Committee's February meeting we explained that there had been a change to the way the Whakarongo subdivision was being accounted for by comparison with what had been done in the preparation of the 10 Year Plan.

As the subdivision is proposed to be actively developed and sold the land is now recorded as inventory and is revalued each year. The accounting treatment is that sales revenue will be recorded in the year of sale and the expenses will be those that relate to the specific sections that have been sold in that year.

In the 10 Year Plan it was assumed the total project would generate a cash surplus of approx. \$10m (ie an operating surplus of approx. \$6m over the present \$4m value of the undeveloped land).

The present draft of the Annual Budget for 2019/20 assumes sales revenue of \$4m for the year but also assumes \$4m of costs to generate this revenue. On reflection this is an unrealistically conservative assumption. Based on the original assessment of the total costs for the project it would be more reasonable to allocate \$2m of the costs to the 2019/20 year.

It is proposed this changed assumption be incorporated in the Annual Budget document and a series of consequential changes be made.

### Attached are copies of the replacement pages of the document that will need to be changed.

These changes do not impact on the thrust of the budget, the level of rates required or the sums required to be borrowed.

They do however impact of the test of whether or not the Council has a balanced budget – the matter that is addressed in section 3 of the memorandum of 27 May 2019. Rather than the \$561k deficit referred to in that memorandum, the revised Prospective Statement of Comprehensive Statement of Revenue and Expense projects a surplus of \$1.437m for the year.

The methodology required by the Local Government (Financial Reporting and Prudence) Regulations 2014 for the Disclosure Statement (see pages 48-49 of the agenda) excludes development contributions and vested assets from being considered as part of revenue for the balanced budget test. With these items excluded the deficit for the year will be \$2.04m (rather than the figure of \$4.04m previously advised). This means the Disclosure Statement shows a planned outcome for the year of 98.6% against a benchmark of 100%.

For the reasons outlined in the 27 May memorandum the Council's approach to funding the 2019/20 Annual budget is considered to be prudent. To be sure the Council has met the requirements of section 100 of the Local Government Act it is recommended a resolution be



passed acknowledging there is a projected deficit using the calculation required by the regulations.

### 3. NEXT STEPS

Assuming the proposed changes are incorporated in the document the next steps will be as outlined in the memorandum of 27 May.

### 4. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	No
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 5: A Driven and Enabling Council	
The recommendations contribute to the outcomes of the Driven and Ena Strategy	bling Council
The recommendations contribute to the achievement of action/actions in Not a	Applicable
ContributiontoRefer to original memorandum dated 27 May 2019strategic direction	

### **ATTACHMENTS**

1. Amended pages for Annual Budget document 🗓 🖾

Introduction FINANCIAL OVERVIEW AND STATEMENTS

The table below shows the key financial parameters for the Annual Budget compared with those for 2019/20 in the 10 Year Plan.

PARAMETER	10 YEAR PLAN	ANNUAL BUDGET	LIMIT
lncrease in total rates	5.5%	4.5%	4.6% <sup>2</sup>
Net debt as a % of total assets	10.6%	9.8%	< 20%
Net debt as a % of total revenue	138%	126.6%	< 200%
Net interest as a % of total revenue	7.1%	5.8%	< 15%
Net interest as a % of annual rates income	9.5%	7.7%	< 20%

ctions it reasonably expects to take, as at the date the forecast

## 126.6% < 200% was prepared. The actual results are likely to vary from the information presented and may vary materially depending

information presented and may vary materially depending upon the circumstances that arise during the period. The Annual Budget has been prepared in accordance with generally accepted accounting practice and the Council's accounting policies are outlined in section 3 of the 10 Year Plan. The policies incorporate the latest PBE accounting standards and the changes have had no material effect. The Funding Impact Statements in section 2 have been prepared

Rates revenue includes revenue from metered water and is included net of any remissions granted under the Council's Rates Remission Policy. Remissions of \$0.25 million pa have been assumed.

and Prudence) Regulations 2014. The regulations are not

consistent with generally accepted accounting practice.

in accordance with the Local Government (Financial Reporting

Legislation states that councils are required to operate a 'balanced budget' i.e. income must equal or exceed expenditure (and expenditure must include non-cash items such as depreciation).

> Based on September 2018 BERL local government cost indicator of 2.3% plus 2% and a rating base growth assumption of 0.3%. The 101P assumed a limit of 4.5% based on a cost indicator of 2.2% plus 2% and a rating growth assumption of 0.3%.

However if a council determines that it is prudent not to have a 'balanced budget' (i.e. an operating surplus is not required), it must make a formal decision to that effect. The decision must be a prudent one and have included consideration of levels of service and useful lifespan of assets. There are grounds for not having a surplus every year to avoid building up unnecessary cash reserves. Council's asset management plans ensure the Council is appropriately planning for renewals and its financial strategy is to make adequate financial provision to fund from revenue \$19.9m for capital renewals during 2019/20.

(eporting Standard (FRS) 42. This information may not be ppropriate for purposes other than those described. It has een prepared on the basis of assumptions (refer to Significant orecasting Assumptions in section 2) as to future events that he Council reasonably expects to occur, associated with the

he financial information contained in the Annual Budget is a precast for the purposes of Public Benefit Entity (PBE) Financial

FORECAST FINANCIAL

**STATEMENTS** 

Although the Council's Prospective Statement of Comprehensive Revenue and Expense (next page) shows that after including capital revenue of \$11.3m there will be a surplus of \$1.437m, the Disclosure Statement on page 20, (as required by the Local Government (Financial Reporting and Prudence) Regulations 2014), shows the Council will not meet the balanced budget benchmark of 100%- with a projected outcome of 98.6%. Using this test the Council would be deemed to not have a 'balanced budget' for the year. Despite this the Council believes its budget for the year is a prudent one. These forecast financial statements were authorised for issue by Palmerston North City Council on 24 June 2019. Palmerston North City Council is responsible for these forecast financial statements, including the appropriateness of the assumptions underlying the forecast financial statements and all other disclosures. Because the figures are rounded to the nearest thousand dollars, it may appear that they do not add up, but the total represents the sum of the individual forecast amounts.

ANNUAL BUDGET 2019/20 | Palmerston North City

Introduction FINANCIAL OVERVIEW AND STATEMENTS

AB 2019/20 \$'000s

10YP 2019/20 \$'000s 1,470,815 35,220 1,506,035

1,467,258 38,763 1,506,021

The following tables show the financial implications of providing all of the Council's services:

## PROSPECTIVE STATEMENT OF CHANGES IN EQUITY PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Budget 2018/19 \$'000s		94,543	517	3,207	24,421	122,688		13,373	1,063	2,000	16,436	139,125		94,468	7,284	34,627	136,379	2,746		10,347	13,093	5.3%	2,080
	REVENUE OPERATING REVENUE	Rates	Interest & Dividends	Operating Subsidies & Grants	Other Operating Revenue		CAPITAL REVENUE	Capital Subsidies & Grants	Development Contributions	Vested Assets		TOTAL REVENUE	EXPENSES	Expenses	Interest	Depreciation	TOTAL EXPENSES	SURPLUS/(DEFICIT)	Other Comprehensive Revenue and Expense	Gain on property revaluations	TOTAL COMPREHENSIVE REVENUE AND EXPENSE	RATES INCREASE	Rates revenue shown above includes the following amounts for matered water revenue
10YP 2019/20 \$'000s		202'66	567	3,233	29,254	132,761		8,411	1,476	2,000	11,887	144,648		95,559	9,451	36,081	141,091	3,557		35,206	38,763	5.5%	2,150
AB 2019/20 \$`000s		98,828	567	3,322	29,101	131,818		7,822	1,476	2,000	11,298	143,116		98,444	7,616	35,619	141,679	1,437		33,784	35,220	4.5%	2,500
Budget 2018/19 \$'000s	1,454,165 13,093	1,467,258																					
	Opening Balance Total Comprehensive Revenue and Expense																						

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following amounts for metered water revenue

## **ITEM 9 - ATTACHMENT 1**

Introduction FINANCIAL OVERVIEW AND STATEMENTS

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**PROSPECTIVE STATEMENT OF CASH FLOWS** 

AB 2019/20 \$'000s

10YP 2019/20 \$'000s 10,005

8,422

13,052 5,871 1,681,257 **1,710,185** 33,793

13,052 5,659 1,692,825 **1,719,958** 27,411

Investments in CCOs and industry companies Investment Property & Other Financial Assets

5,770

12,941

Property, Plant & Equipment

NON-CURRENT ASSETS

Current Assets

8,240

Budget 2018/19 \$'000s NON-CURRENT LIABILITIES

TOTAL ASSETS Current Liabilities

27,258

1,615,977 1,642,928 Employee Entitlements

Term Liabilities

1,311 144,856 2,244

Budget		10YP	AB
2018/19 \$′000s		2019/20 \$'000s	2019/20 \$'000s
	<b>OPERATING ACTIVITIES</b>		
	CASH PROVIDED		
94,543	Rates	202'66	98,828
17	Interest	17	17
500	Dividends	550	550
3,207	Operating Subsidies & Grants	3,233	3,322
24,421	Other Operating Revenue	29,254	29,101
13,373	Capital Subsidies & Grants	8,411	7,822
1,063	Development Contributions	1,476	1,476
	CASH DISBURSED		
(7,284)	Interest	(9,451)	(7,616)
(94,468)	Expenses	(95,559)	(98,444)
35,373		37,638	35,056
	INVESTING ACTIVITIES		
	CASH PROVIDED		
'	Investment Reductions	I	
	From Asset Sales	402	402
	CASH DISBURSED		
(74,076)	Capital Expenditure	(76,125)	(81,813)
(74,076)	CHINCONH (INCONH)	- (75,723)	(81,411)
	FINANCING ACTIVITIES		
	CASH PROVIDED		
38,703	Borrowing (net)	38,085	44,792
38,703		38,085	44,792
	Net Increase / (Decrease)	I	1,564
6/9	Cash at beginning	1,279	1,279
02.7	CACH AT VEAD FUD	010 1	

1,368 166,833 2,156

1,340 182,942 2,244 1,050,400 455,636

1,048,406 457,615 **1,719,958** 

1,710,185

TOTAL LIABILITIES/EQUITY

Retained Earnings

Provisions EQUITY Other Reserves

1,044,849 422,409 **1,642,928**  Because the figures on this page are rounded to the nearest thousand dollars, it sometimes appears that they do not add up, but the total represents the sum of the individual forecast amounts.

Small City Benefits, Big City Ambition

# Annual Budget (Plan) Disclosure Statement

## FOR THE YEAR ENDING 30 JUNE 2020

## What is the purpose of this statement?

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings. The Council is required to include this statement in its annual plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

	הרבי הל היה הלמומיניים זה וויהור וויהו המיום להרבימיום מכווויהיהם לה היה הרווים מכרב או היה הרווים המרבוויהיוני		
BENCHMARK		PLANNED	MET
Rates affordability benchmark - income	Total rates will be no more than 2% of the City's rateable land value	1.0%	Yes
Rates affordability benchmark - increases	Total rates will increase by no more than the Local Government Cost Index plus the growth in the rating base plus 2% plus an allowance for accelerated debt repayment	4.5%	Yes
Debt affordability benchmark	Net external debt as a percentage of total assets will not exceed 20%	9.8%	Yes
Debt affordability benchmark	Net external debt as a percentage of total revenue will not exceed 175%	126.6%	Yes
Debt affordability benchmark	Net interest as a percentage of total revenue will not exceed 15%	5.8%	Yes
Debt affordability benchmark	Net interest as a percentage of annual rates income will not exceed 20%	7.7%	Yes
Debt affordability benchmark	Liquidity available will exceed 110% of existing external debt	118.8%	Yes
Balanced budget benchmark	100%	98.6%	No
Essential services benchmark	100%	210.7%	Yes
Debt servicing benchmark	10%	5.5%	Yes

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Section One SUMMARY

## Activity Financial Statements

### WHOLE OF COUNCIL

Budget 2018/19 \$'000s		10YP 2019/20 \$'000s	AB 2019/20 \$'000s	Budget 2018/19 \$'000s		10YP 2019/20 \$'000s	AB 2019/20 \$'000s
	REVENUE				EXPENSES		
	Innovative & Growing City				Innovative & Growing City		
3,932	City Development	4,045	4,045	6,756	City Development	6,876	7,348
1,168	Economic Development	1,193	1,193	4,458	Economic Development	4,505	4,463
	Creative & Exciting City				Creative & Exciting City		
1,990	Active Community	2,030	2,094	18,897	Active Community	20,693	19,464
45	Active Public Space	46	46	2,506	Active Public Space	2,385	2,260
62	Arts, Culture & Heritage	63	62	8,601	Arts, Culture & Heritage	8,275	8,546
	Connected & Safe Community				Connected & Safe Community		
3,820	Connected Communities	3,945	3,945	17,354	Connected Communities	18,788	18,795
1,219	Safe Communities	1,244	1,224	2,848	Safe Communities	3,146	3,270
	Eco-City				Eco-City		
1	Biodiversity & Sustainable Practices			756	Biodiversity & Sustainable Practices	836	773
2,955	Rubbish and Recycling	2,978	2,748	7,809	Rubbish and Recycling	8,016	8,050
	Transport				Transport		
7,225	Roading	7,376	7,376	24,287	Roading	25,325	24,752
167	Active and Public Transport	170	207	4,092	Active and Public Transport	4,485	4,450
36	Water	36	36	8,256	Water	8,615	8,420
1,152	Wastewater	1,298	1,298	10,992	Wastewater	11,278	11,178
2	Stormwater	2	2	3,784	Stormwater	3,933	4,200
	Driven & Enabling Council				Driven & Enabling Council		
3,696	Commercial or Strategic Investments	3,813	3,900	6,531	Commercial or Strategic Investments	4,594	6,261
505	Corporate Support	515	515	188	Corporate Support	18	203
172	Leadership	303	303	8,640	Leadership	9,324	9,652
28,145	TOTAL REVENUE	29,058	28,995	136,379	TOTAL EXPENSES	141,091	141,679

Small City Benefits, Big City Ambition

112,685

112,032

108,234 NET OPERATING COST OF ACTIVITY GROUPS

Palmerston North Ci	
ANNUAL BUDGET 2019/20	

Section One SUMMARY

\$1.18/19 \$'000s	bugget 2018/19 \$'000s	107P 2019/20 \$'000s	AB 2019/20 \$'000s	Budget 2018/19 \$'000s		10YP 2019/20 \$'000s	AB 2019/20 \$'000s
	RATING REQUIREMENT				CAPITAL NEW		
(34,627)	Less Depreciation	(36,081)	(35,619)		Innovative & Growing City		
(2,800)		(434)	(2,607)	,	City Development		,
19,737		19,673	19,889	7	Economic Development	54	54
3,999	Plus Debt Repayment	4,516	4,481		Creative & Exciting City		
94,543	RATES REQUIREMENT	202'66	98,828	10,404	Active Community	9,141	12,875
i i		. L		619	Active Public Space	403	403
9%7.6		0% 0. 0	4.5%	219	Arts, Culture & Heritage	627	591
	CAPITAL EXPENDITURE				Connected & Safe Community		
	CAPITAL RENEWALS			10,326	Connected Communities	8,439	7,485
				80	Safe Communities	903	843
	Innovative & Growing Lity				Eco-City		
		1	1	80	Biodiversity & Sustainable Practices	82	142
330		262	262	564	Rubbish and Recycling	399	457
	Creative & Exciting City				Transport		
4,187		4,193	7,119	9 587	Roading	19 375	17 769
23	Active Public Space	I	,	10.007	Active and Dublic Transnort		V 30V
320	Arts, Culture & Heritage	311	311	3 011	Mater	6.601	L/C/L
	Connected & Safe Community			110/0	Westernates	2000 C	1150
3,766	Connected Communities	1,670	2,124	1,105	Wastewater	2,815	4CI,4
36	Safe Communities	81	81	1,015	Stormwater National & Faathina Comment	1,191	1/5/1
	Eco-City			000	Driven & enabling council	010	000
	Biodiversity & Sustainable Practices			7UC 111		2010	700 110
362	Rubbish and Recycling	325	498	75	Culpulate Support Lasdarehin	100	77
	Transport			000 11	total fabrication		
5,473	Roading	4,969	4,705	4/,890	IUIAL CAPIJAL NEW	54,650	015,55
868	Active and Public Transport	761	1,046	((/)		1	
3,415	Water	3,013	4,406	74,076	TOTAL CAPITAL EXPENDITURE	76,125	81,813
4,112	Wastewater	2,578	3,079				
635		677	677	750 6			
	Driven & Enabling Council			0/9/7	EXTERNAL REVENUE RENEWAL	47C'7	2,014
1,332	Commercial or Strategic Investments	1,320	1,960	10,49/	External Kevenue New	5,88/	5,208
1,327	Corporate Support	1,314	2,030	1,063	Development Contributions	1,4/6	1,4/6
1	Leadership		1	19,/3/	Kales	19,0/3	488,41 * cc c3
26.186	TOTAL CADITAL DENEWALS	71 A7F	201.01	39,903	New Borrowing / (Kepayment)	40, 103	52,224

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**ITEM 9 - ATTACHMENT 1** 

Section One DRIVEN & ENABLING COUNCIL

# COMMERCIAL OR STRATEGIC INVESTMENTS - ACTIVITY FINANCIAL STATEMENTS

s cous         s cous<	Budget 2018/19		10YP 2019/20	AB 2019/20	
REVENUE         Strend         2.847         2.933           Investment Property         287         289         284         2930         2360         2360         2360         2360         2361         287         287         287         288         264         2382         2382         2361	5		5000 t	sooo ¢	
External Contracts         2,847         2,933           Investment Property         287         287           Investments (including hirport)         550         550           TOTAL REVENUE         3,813         3,900           EXPENSES         3,813         3,900           EXPENSES         3,813         3,900           EXPENSES         2,766         3,059           EXPENSES         2,766         3,059           Investments in Companies (including hirport)         477         456           Investments in Companies (including hirport)         479         456           Investments in Companies (including hirport)         479         47           Investments in Companies (including hirport)         479         6,261           Investments in Companies (including hirport)         479         1,376           Investments in Companies (including hirport)         434         1,376           Investments in Companies (including hirport)         434         47           Investment Fund         1,263         1,589           Investment Fund         1,263         1,589           Plus Repayment         1,263         1,589           Plus Retread         1,263         1,580           R		REVENUE			
Investment Property         287         287           Investments (including Investment Fund)         130         130           Investments in Companies (including Airport)         3,813         3,900           TOTAL REVENUE         3,813         3,900           EXPENSES         3,813         3,900           EXPENSES         3,813         3,900           EXPENSES         3,813         3,900           EXPENSES         2,766         3,059           Investments in Companies (including Airport)         497         456           Investments in Companies (including Airport)         497         456           Investments in Companies (including Airport)         497         456           Investments in Companies (including Airport)         497         47           ATING REQUIREMENT         780         2,361           Investment Fund         1,200         1,376           RATING REQUIREMENT         780         2,361           Instruments in Companies (including Airport)         47         47           RATING REQUIREMENT         1,200         1,376           Less Depreciation         1,263         1,589           Plus Net Capital Renewal (3 Year Average)         1,263         1,589	88	External Contracts	2,847	2,933	
Investments (including Investment Fund)         130         130           IOFAL REVENUE         3,813         3,900           TOTAL REVENUE         3,813         3,900           IOFAL REVENUE         3,813         3,900           EXPENSES         3,813         3,900           EXPENSES         3,813         3,900           Expensition (including Airport)         37         2,766         3,059           Investment fund)         378         2,361         364           Investment fund)         378         2,361         364           Investment fund)         378         2,361         376           Investment fund)         378         378         364           Investment fund)         378         376         376           Investment fund)         378         378         364           Investment fund)         378         376         376           Investment fund         378         378         376           Instruct REVENDITURE <td>81</td> <td>Investment Property</td> <td>287</td> <td>287</td> <td></td>	81	Investment Property	287	287	
Investments in Comparies (including Airport)         550         550           TOTAL REVENUE         3,813         3,900           TOTAL REVENUE         3,813         3,900           EXPENSES         3,813         3,900           EXPENSES         3,813         3,900           EXPENSES         3,813         3,000           EXPENSES         2,766         3,059           Investment Funding Investment Fund)         378         3,64           Investments (including Investment Fund)         378         3,64           Investments (including Airport)         378         3,64           Investment Fund)         378         3,64           Investment Fund)         378         3,64           Investment Fund)         378         3,64           Investment Fund)         378         4,79           Interstruct         780         1,360           Iters Depretation         1,1200         1,376           Less Depretation         1,200         1,376           Less Depretation         1,200         1,376           Less Depretation         1,200         1,376           Ration Record         1,200         1,376           Plus Deh Reporter	27	Investments (including Investment Fund)	130	130	
TOTAL REVENUE         3,813         3,900           EXPENSES         3,813         3,900           EXPENSES         3,813         3,900           EXPENSES         2,766         3,059           Investment Contracts         972         2,382           Investment Fund)         972         2,361           Investment fund)         972         2,361           Investments (including Airport)         497         4,56           IOTAL EXPENSES         4,594         6,261           IOTAL EXPENSES         4,594         6,261           IOTAL EXPENSES         4,79         5,361           INET OPERATING COST OF ACTIVITY         780         2,361           INET OPERATING COST OF ACTIVITY         780         2,361           INET OPERATING COST OF ACTIVITY         780         2,361           INTING REQUIREMENT         780         1,376           Less Deprectation         (1,200)         (1,376)           Less Deprectation         (1,200)         (1,376)           Less Deprectation         (1,200)         (1,376)           Less Deprectation         (1,200)         (1,376)           Less Deprectation         (1,200)         (1,360)           Plu	00	Investments in Companies (including Airport)	550	550	
EXPENSES         2,766         3,059           External Contracts         2,766         3,059           Investment Property         372         2,382           Investment Fund()         378         364           Investments (including hitport)         497         456           TOTAL EXPENSES         4,594         6,261           NET OPERATING COST OF ACTIVITY         780         2,361           Institution of the event of the eve	96	TOTAL REVENUE	3,813	3,900	
External Contracts         2,766         3.059           Investment Property         972         2.382           Investment Fonderty         972         2.382           Investments in Companies (including Airport)         364         364           Investments in Companies (including Airport)         379         364           IOIAL EXPENSES         4,594         6.261           NET OPERATING COST OF ACTIVITY         780         2,361           RATING REQUIREMENT         780         2,361           Less Depreciation         (1,200)         (1,376)           Less Transfers To/(From) Reserves         (434)         (1,998)           Plus Debt Repayment         69         47           RATES REQUIREMENT         736         1,263           Plus Debt Repayment         736         1,263           Renewal         1,376         1,263           Plus Debt Repayment         730         1,960           Renewal         1,376         1,320           New         310         309           OTAL CAPITAL EXPENDITURE         1,320         1,960           New         310         310         2,269           New         10TAL CAPITAL EXPENDITURE         1,263		EXPENSES			
Investment Property         972         2,382           Investments (including Investment Fund)         358         364           Investments in companies (including Airport)         497         456           IOIAL EXPENSES         4,594         6,261           INT OPERATING COST OF ACTIVITY         780         2,361           RATING REQUIREMENT         780         2,361           Less Depreciation         (1,200)         (1,376)           Less Depreciation         (1,200)         (1,376)           Less Depreciation         (1,200)         (1,376)           Plus Net Capital Renewal (3 Year Average)         1,263         1,589           Plus Debt Repayment         69         47           RATES REQUIREMENT         79         630           Plus Debt Repayment         1,320         1,589           Renewal         1,320         1,560           New         310         309           OTAL CAPITAL EXPENDITURE         1,320         1,560           Renewal         New         310         2,269           New         310         309         309           New         101AL CAPITAL EXPENDITURE         1,563         1,569           New         101AL	63	External Contracts	2,766	3,059	
Investments (including Investment Fund) 358 Investments in Companies (including Airport) 497 TOTAL EXPENSES 4,594 NET OPERATING COST OF ACTIVITY 780 RATING REQUIREMENT Less Depreciation (1,200) Less Transfers fo/(From) Reserves (434) Plus Net Capital Renewal (3 Year Average) (1,263 Plus Debt Repayment 69 RATES REQUIREMENT 479 CAPITAL EXPENDITURE 1,263 Renewal 3 Year Average) 1,263 New 310 New 310 New 310 New 107LL CAPITAL EXPENDITURE 1,630 Rates 60 Rates 7,500 107LL CAPITAL EXPENDITURE 1,630 New 0000 1,680 New 00000 1,680 New 0000 1,680 New 00000 1,680 New 00000 1,680 New 00000 1,680 New 0000 1,680 New 00000 1,680 New 000000 1,680 New 000000 1,680 New 0000000 1,680 New 0000000 1,680 New 000000000000000000000000000000000000	87	Investment Property	972	2,382	Change in accounting treatment for programme #1485-Whakarongo Council Subdivision Development - Layout 1
Investments in Companies (including Airport)     497       TOTAL EXPENSES     4,594       NET OPERATING COST OF ACTIVITY     4,594       NET OPERATING COST OF ACTIVITY     780       RATING REQUIREMENT     4,594       Less Depreciation     (1,200)       Less Depreciation     (1,200)       Less Transfers To/Fform Reserves     (1,200)       Plus Net Capital Renewal (3 Year Average)     (1,200)       Plus Net Capital Renewal (3 Year Average)     (1,200)       RATES REQUIREMENT     479       RATES REQUIREMENT     479       Renewal     1,320       New     310       New     1,320       New     1,320       Renewal     1,320       New     1,320       Renewal     1,320       New     310       TOTAL CAPITAL EXPENDITURE     1,530       Renewal     1,320       New     310       TOTAL CAPITAL EXPENDITURE     1,630       Rates     1,630       Rates     10/AL       TOTAL     1,630	85	Investments (including Investment Fund)	358	364	
TOTAL EXPENSES         4,594           NET OPERATING COST OF ACTIVITY         780           NET OPERATING COST OF ACTIVITY         780           RATING REQUIREMENT         780           Less Depreciation         (1,200)           Less Depreciation         (1,200)           Less Transfers To/(From) Reserves         (1,200)           Plus Net Gapital Renewal (3 Year Average)         (1,200)           Plus Net Gapital Renewal (3 Year Average)         (1,200)           Plus Debt Repayment         (1,200)           RATES REQUIREMENT         479           Rates Requirement         (1,320)           New         310           OTOLAL EXPENDITURE         1,320           New         310           TOTAL CAPITAL EXPENDITURE         1,630           Renewal         310           New         367           New Borrowing / (Repayment)         367           TOTAL         10/AL	76	Investments in Companies (including Airport)	497	456	
NET OPERATING COST OF ACTIVITY     780       RATING REQUIREMENT     730       Ratinds REQUIREMENT     (1,200)       Less Depreciation     (1,200)       Less Tractes Requirement     (1,200)       Plus Debt Repayment     479       Rattes REQUIREMENT     479       Rattes Requirement     1,320       New     310       New     1,320       New     1,320       Renewal     1,320       New     310       TOTAL CAPITAL EXPENDITURE     1,630       Rates     1,630       Rates     107AL	31	TOTAL EXPENSES	4,594	6,261	
REQUIREMENT         (1,200)           clation         (1,200)           ders To/(From) Reserves         (434)           apital Renewal (3 Year Average)         (434)           Repayment         69           Repayment         69           COUREMENT         479           L EXPENDITURE         1,220           DITAL EXPENDITURE         1,320           DITAL EXPENDITURE         1,520           OWING / (Repayment)         367           Joing / (Repayment)         1,630	2,835	NET OPERATING COST OF ACTIVITY	780	2,361	
Less Depreciation       (1,200)         Less Transfers To/(From) Reserves       (1,200)         Dius Net Capital Renewal (3 Year Average)       (1,263)         Plus Deht Repayment       69         RATES REQUIREMENT       479         Renewal       1,320         Renewal       1,320         Renewal       1,320         Renewal       1,320         Renewal       1,530         Renewal       1,630         TOTAL CAPITAL EXPENDITURE       1,630         Renewal       1,530         New       310         TOTAL CAPITAL EXPENDITURE       1,630         Renewal       1,530         New       1,530         TOTAL CAPITAL EXPENDITURE       1,630         TOTAL CAPITAL EXPENDITURE       1,530         Rates       1,563         New Borrowing / (Repayment)       367         TOTAL       10/AL		RATING REQUIREMENT			
Less Transfers To//From Reserves     (434)       Plus Net Capital Renewal (3 Year Average)     1,263       Plus Debt Repayment     69       RATES REQUIREMENT     479       RATES REQUIREMENT     479       CAPITAL EXPENDITURE     1,320       Renewal     1,320       New     310       TOTAL CAPITAL EXPENDITURE     1,630       Renewal     016L CAPITAL EXPENDITURE       Renewal     1,530       Renewal     310       TOTAL CAPITAL EXPENDITURE     1,630       Renewal     1,263       Rates     1,530       New Borrowing / (Repayment)     367       TOTAL     10/AL	=	Less Depreciation	(1,200)	(1,376)	
Plus Net Capital Renewal (3 Year Average)         1,263           Plus Net Capital Renewal (3 Year Average)         69           RATES REQUIREMENT         479           RATES REQUIREMENT         479           CAPITAL EXPENDITURE         1,320           Renewal         1,320           New         310           TOTAL CAPITAL EXPENDITURE         1,630           Renewal         310           New         1,630           Rates         1,530           New Borrowing / (Repayment)         367           TOTAL         1,630	0	Less Transfers To/(From) Reserves	(434)	(1,998)	
Plus Debt Repayment         69           RATES REQUIREMENT         479           CAPITAL EXPENDITURE         479           Renewal         1,320           Renewal         310           New         310           TOTAL CAPITAL EXPENDITURE         1,530           New Borrowing / (Repayment)         367           TOTAL         1,530	39	Plus Net Capital Renewal (3 Year Average)	1,263	1,589	
RATES REQUIREMENT         479           CAPITAL EXPENDITURE         1,320           Renewal         1,320           Renewal         310           New         310           TOTAL CAPITAL EXPENDITURE         1,630           New Borrowing / (Repayment)         367           TOTAL         1,630	44	Plus Debt Repayment	69	47	
CAPITAL EXPENDITURE     1,320       Renewal     1,320       New     310       TOTAL CAPITAL EXPENDITURE     1,630       FUNDED BY     1,263       New Borrowing / (Repayment)     367       TOTAL     1,630	12	RATES REQUIREMENT	479	623	
Renewal         1,320           New         310           New         310           TOTAL CAPITAL EXPENDITURE         1,630           FUNDED BY         1,263           Rates         1,263           New Borrowing / (Repayment)         367           TOTAL         1,630		CAPITAL EXPENDITURE			
NUME         1,630         2           FUNDED BY         1,630         2           Rates         1,263         1           New Borrowing / (Repayment)         367         2           TOTAL         1,630         2	32	Renewal New	1,320	1,960	
FUNDED BY Rates 1,263 New Borrowing / (Repayment) 367 TOTAL 1,630	40	TOTAL CAPITAL EXPENDITURE	1,630	2,269	
Rates         1,263           New Borrowing / (Repayment)         367           TOTAL         1,630		FUNDED BY			
New Borrowing / (Repayment)         367           TOTAL         1,630         2	39	Rates	1,263	1,589	
T0TAL 1,630	02	New Borrowing / (Repayment)	367	680	
	40	TOTAL	1,630	2,269	

Small City Benefits, Big City Ambition

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COMMERCIAL OR STRATEGIC INVESTMENTS - OPERATIONAL		AB	
STATUS ID-NAME	2019/20 20 \$'000s \$	2019/20 \$'000s INI	INFORMATION / MAIN REASON FOR CHANGE
1485-Whakarongo Council Subdivision Development - Layout 1	(3,532)	(2,090) Cha	Change in accounting assumptions.
TOTAL	(3,532) (7	(2,090) -	
COMMERCIAL OR STRATEGIC INVESTMENTS - CAPITAL RENEWAL			
	10YP 2019/20 20	AB 2019/20	
STATUS ID-NAME			INFORMATION / MAIN REASON FOR CHANGE
63-Council's Plant and Vehicles - Replacements	1,098	1,748 Plar	Plan to purchase rather than lease some new trucks.
🗸 80-Council's Plant and Equipment - Replacement	170	170	
<ul> <li>85-Council's Depot Buildings and Structures</li> </ul>	42	42	
🖌 86-Council Wide - Furniture Replacements	10	- Trar	Transferred to the Corporate Support Activity.
TOTAL	1,320	- 1,960	
COMMERCIAL OR STRATEGIC INVESTMENTS - CAPITAL NEW			
STATUS ID-NAME	2019/20 20 \$'000s \$	AB 2019/20 \$'000s INI	INFORMATION / MAIN REASON FOR CHANGE
99-Council's Service Development - New Technology and Programmes	295	295	
🗸 🛛 245-Gordon Kear Forest - Development of Internal Roading	14	14 .	
TOTAL	310	- 608	

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