



Otorohanga District Council

Pre-Election Report



July 2016

Purpose

The purpose of a pre-election report is to provide information to promote public discussion about the issues facing the Council.

The preparation of and the nature of the content in this document is a legal requirement placed on the Chief Executive Officer of the council, by section 99A of the Local Government Act 2002.

Introduction

Legislation requires the following information is provided for residents and ratepayers of the Otorohanga District:-

- A Summary Balance Sheet for the three years leading up to the date of the election and for the three years after the election.
- A Funding Impact Statement for the three years prior to the date of the election.
- A Cashflow Statement for the three years prior to the date of the election
- Details of the major projects proposed in the 3 years following the election

Source of the Information in the Document

The information provided in this document is a summary of what can be found in the following publicly available documents. Readers who want more detail should refer to the followings audited documents which can be found on our web site (www.otodc.govt.nz).

- 2013/14 Annual Report
- 2014/15 Annual Report
- 2015/25 Long Term Plan
- 2016/17 Annual Plan

The data shown in the tables that follow is:-

- Actual financial results for the Council for the 2013/14 and 2014/15 financial years as per audited annual reports.
- Budgets and projections for the 2017/18, 2018/19 and 2019/20 financial years as per the audited 2015/25 Long Term Plan.
- The 2015/16 figures in the Statement of Cashflows and Balance Sheet are based on a best estimate of the final figures as at the date this document was published. Finalised audited figures for the 2015/16 year will not be available until October 2016.
- During the Annual Plan process, Council completes budgets for the following 10 years. As such, changes can occur to the timing of projects from the Long Term Plan. These updated figures are included in a separate table. All major projects included in the Major Capital Projects list are from the updated 10 year budgets.

Balance Sheet

The Balance Sheet shows the assets and liabilities of the Otorohanga District Council and the level of ratepayer's equity at the end of each financial year.

	Actual 2013/14 \$000's	Actual 2014/15 \$000's	Projected 2015/16 \$000's	Projected 2017/18 \$000's	Projected 2018/19 \$000's	Projected 2019/20 \$000's
Assets						
<i>Current Assets</i>						
Cash and Cash Equivalents	2,711	1,704	2,683	820	743	1,172
Trade and Other Receivables	2,076	2,450	1,760	2,455	2,548	2,548
Inventory	29	29	29	42	43	44
Assets Held for Sale	423	423	423	245	165	165
Total current assets	5,239	4,607	4,895	3,562	3,500	3,929
<i>Non-current Assets</i>						
Investments	776	776	779	779	779	779
Property, Plant and Equipment	257,173	298,717	299,858	298,224	298,980	300,226
Intangible Assets	73	116	116	139	139	139
Total non-current assets	258,022	299,610	300,753	299,143	299,899	301,145
Total assets	263,261	304,216	305,648	302,705	303,398	305,074
Liabilities						
<i>Current Liabilities</i>						
Trade and Other Payables	2,755	2,013	1,732	2,996	3,152	3,294
Provisions	1	1	1	-	-	-
Employee Benefit Liabilities	220	272	309	263	270	277
Income in Advance	616	690	563	-	-	-
Borrowings	1,000	-	-	500	500	-
Total current liabilities	4,592	2,976	2,604	3,759	3,922	3,571
<i>Non-current Liabilities</i>						
Provisions	20	20	19	19	18	17
Employee Benefit Liabilities	46	55	55	84	86	89
Borrowings	9,831	9,745	9,660	8,515	6,981	6,963
Total non-current liabilities	9,897	9,820	9,733	8,618	7,086	7,069
Total liabilities	14,489	12,795	12,337	12,376	11,008	10,640
Net Assets	248,772	291,421	293,311	290,329	292,390	294,434
Equity						
Retained Earnings	152,830	153,091	157,866	158,290	160,322	162,306
Council Controlled Reserves	1,490	1,675	- 1,211	- 402	- 512	- 510
Reserve Funds	869	864	864	938	1,077	1,134
Revaluation Reserves	93,583	135,789	135,793	131,503	131,503	131,503
Total equity attributable to Council	248,772	291,419	293,311	290,329	292,390	294,434

Statement of Cashflows

This statement shows the various sources of and the use of cash for the Otorohanga District Council

	Actual 2013/14 \$000's	Actual 2014/15 \$000's	Projected 2015/16 \$000's
Cash flows from operating activities			
Receipts from rates revenue	11,420	11,569	11,796
Receipts from other revenue	4,294	4,156	4,490
Interest received	65	98	89
Dividends received	11	11	10
Payments to suppliers and employees	- 8,037	- 11,141	- 9,645
Interest paid	- 618	- 473	- 440
Net cash provided by Operating Activities	7,135	4,220	6,300
Cash flows from investing activities			
Proceeds from sale of Property, Plant and Equipment	114	42	189
Proceeds from sale of development property held for sale	-	-	-
Purchase of property, plant and equipment	- 4,778	- 4,201	- 5,439
Purchase of investments	- 47		
Purchase of intangible assets	- 57	- 87	- 8
Net cash provided by Investing Activities	- 4,768	- 4,246	- 5,257
Cash flows from financing activities			
Proceeds from borrowings	4,182	19	-
Repayment of borrowings	- 5,410	- 1,000	- 64
Net cash provided by/(used in) Financing Activities	- 1,228	- 981	- 64
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	1,139	- 1,007	979
Cash, cash equivalents and bank overdrafts at the beginning of the year	1,572	2,711	1,704
Cash and cash equivalents at the end of the year	2,711	1,704	2,683

Funding Impact Statement – Long Term Plan

The Funding Impact Statement shows how funds raised from rates and other sources have been used to fund expenditure for the Otorohanga District Council.

	Projected 2015/16 \$000's	Projected 2017/18 \$000's	Projected 2018/19 \$000's	Projected 2019/20 \$000's
Source of Operating Funding				
General rates, uniform annual general charges, rates penalties	4,466	4,715	4,922	4,980
Targeted rates	7,330	8,055	8,201	8,575
Subsidies and grants for operating purposes	2,236	1,612	1,653	1,695
Fees and charges	725	661	688	719
Interest and dividends from investments	99	54	56	57
Local authorities fuel tax, fines, infringement fees, and other receipts	696	591	607	623
Total operating funding	15,552	15,688	16,127	16,650
Application of operating funding				
Payments to staff and suppliers	9,919	10,113	10,288	10,662
Finance Costs	440	485	426	423
Other operating funding applications	715	837	858	881
Total application of operating funding	11,073	11,435	11,573	11,966
Surplus/(deficit) of operating funding	4,479	4,252	4,554	4,684
Sources of capital funding				
Subsidies and grants for capital expenditure	820	1,836	2,109	2,275
Development and Financial Contributions	7	11	11	11
Increase (decrease) in debt	- 64	- 651	- 652	- 653
Gross proceeds from sale of assets	189	55	151	144
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	952	1,250	1,618	1,777
Application of capital funding				
Capital Growth	12	52	53	65
Capital Level of Service	1,748	938	735	762
Capital Renewals	3,686	4,244	4,568	5,328
Increase (decrease) in reserves	- 16	269	817	306
Increase (decrease) of investments	-	-	-	-
Total application of capital funding	5,431	5,503	6,173	6,461
Surplus/(deficit) of capital funding	- 4,478	- 4,253	- 4,554	- 4,684
Funding balance	-	-	-	-

Amended Funding Impact Statement – Annual Plan

This is an updated Funding Impact Statement to reflect changes made during the 2016/17 Annual Plan process.

	Projected 2017/18 \$000's	Projected 2018/19 \$000's	Projected 2019/20 \$000's
Source of Operating Funding			
General rates, uniform annual general charges, rates penalties	4,776	4,962	5,040
Targeted rates	8,050	8,375	8,852
Subsidies and grants for operating purposes	1,879	1,563	1,566
Fees and charges	676	699	719
Interest and dividends from investments	54	55	56
Local authorities fuel tax, fines, infringement fees, and other receipts	590	602	616
Total operating funding	16,025	16,255	16,848
Application of operating funding			
Payments to staff and suppliers	10,520	10,518	10,895
Finance Costs	560	369	219
Other operating funding applications	823	839	856
Total application of operating funding	11,904	11,726	11,970
Surplus/(deficit) of operating funding	4,121	4,530	4,878
Sources of capital funding			
Subsidies and grants for capital expenditure	1,740	2,098	2,211
Development and Financial Contributions	10	11	11
Increase (decrease) in debt	- 549	- 662	- 665
Gross proceeds from sale of assets	72	143	103
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	1,274	1,590	1,660
Application of capital funding			
Capital Growth	52	53	65
Capital Level of Service	956	731	756
Capital Renewals	4,241	4,538	5,218
Increase (decrease) in reserves	146	798	499
Increase (decrease) of investments	-	-	-
Total application of capital funding	5,395	6,120	6,537
Surplus/(deficit) of capital funding	- 4,121	- 4,530	- 4,878
Funding balance	-	-	-

Amended Balance Sheet – Annual Plan

This is an updated Balance Sheet to reflect changes made during the 2016/17 Annual Plan process.

	Projected 2017/18 \$000's	Projected 2018/19 \$000's	Projected 2019/20 \$000's
Assets			
<i>Current Assets</i>			
Cash and Cash Equivalents	3,151	3,074	3,503
Trade and Other Receivables	2,675	2,767	2,767
Inventory	32	34	37
Assets Held for Sale	668	588	588
Total current assets	6,526	6,463	6,895
<i>Non-current Assets</i>			
Investments	777	777	777
Property, Plant and Equipment	316,854	317,318	318,380
Intangible Assets	131	131	131
Total non-current assets	317,761	318,226	319,288
Total assets	324,287	324,689	326,182
Liabilities			
<i>Current Liabilities</i>			
Trade and Other Payables	2,253	2,410	2,552
Provisions	1	1	1
Employee Benefit Liabilities	267	283	305
Income in Advance	722	722	722
Borrowings	-	-	500
Total current liabilities	3,243	3,415	4,079
<i>Non-current Liabilities</i>			
Provisions	18	18	17
Employee Benefit Liabilities	85	91	97
Borrowings	8,515	6,981	6,963
Total non-current liabilities	8,618	7,089	7,078
Total liabilities	11,861	10,505	11,156
Net Assets	312,425	314,184	315,026
Equity			
Retained Earnings	155,816.33	157,482.03	158,424.49
Council Controlled Reserves	- 859	- 906	- 1,064
Reserve Funds	1,090	1,230	1,287
Revaluation Reserves	156,379	156,379	156,379
Total equity attributable to Council	312,425	314,185	315,026

Major Capital Projects

These are the major capital projects in the coming three year period.

	Projected 2017/18 \$000's	Projected 2018/19 \$000's	Projected 2019/20 \$000's
Land Transport			
Unsealed Road Metalling	374	505	652
Sealed Road Resurfacing	1,158	1,317	1,346
Pavement Rehabilitation	838	979	1,000
Minor Improvements	468	512	577
Sealed Smoothing	688	670	690
Total Land Transport	3,527	3,982	4,264
Water Supply			
Pump Renewals	77	118	33
Pipe Renewals	36	37	135
Sundry Renewals	69	65	51
Total Water Supply	181	220	220
Sewerage Treatment and Disposal			
Pump Renewals	11	11	62
Wetlands Cell Renewals	171	68	139
Total Sewerage Treatment and Disposal	181	78	201
Community Services			
Library Books	61	62	63
Total Community Services	61	62	63
Governance and Leadership			
Information Systems - Hardware	52	53	54
Vehicle Renewals	167	90	223
Total Governance and Leadership	219	144	277



Dave Clibbery
Chief Executive
Otorohanga District Council