

Introduction

The following forecast financial statements outline how the Council will be funded for the next 10 years and how that money will be spent from the point of view of the entire set of Council operations.

Volume 3 of this Plan includes income and expenditure details for each major activity of the Council, as well as a summary of Projects, Grants and Capital Expenditure.

These statements are based on estimates of costs into the future. It is likely that changes will be needed as events alter and actual quotes for work are obtained and as new Projects are added as the result of continuing Community consultation.

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Significant Forecasting Assumptions

Waimate 2020

Assumptions Used in the Preparation of the Long-Term Council Community Plan

The following assumptions were applied in the preparation of this Long-Term Council Community Plan and its forecast financial statements.

- The financial model is based on constant year 2005 dollars. Inflation will impact on Council's input and output costs, however as the future levels of inflation are not known, no allowance has been made.
- Interest on current borrowing will be based on 7%.
- Income from forestry is recognised (a) at the time of harvest and (b) on gain on growth as determined by valuations.
- There will be no significant asset disposals that will impact substantially on the strategy.
- Depreciation costs have been included in the model. Most assets are maintained to specified standards and most roading, water and sewerage scheme budgets allow for the establishment and maintenance of a fund to cover the unexpected or provide renewals expenditure.
- Operating expenditure is programmed to include increased operating costs associated with the implementation of asset management plan and strategic objectives. Other operating costs are generally assumed constant. Costs associated with new debt are included.
- It is assumed there will be no changes in the nature of the District's business.
- Anticipated vehicle usage on Council roads will be monitored, with expenditure on roads reflecting their expected use over the next ten years. Transfund subsidy rate is 55% for 2004/05.