

Part 3: Forecast Financial Information

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Statement of comprehensive revenue and expense

for the year ending 30 June:		2020 (AP)	2021 (LTP)	2021
	Notes	\$000s	\$000s	\$000s
Revenue:				
Rates, excluding targeted water rates	2	67,695	72,495	69,492
Targeted rates for metered water supply	2	2,339	2,750	2,522
Subsidies and grants	4	11,024	9,444	10,349
Interest revenue	3	2,617	2,716	1,720
Development and financial contributions	4	4,083	3,305	3,572
Other revenue	4	36,554	32,579	33,575
Gains	4	9	2,311	4,884
Total revenue	1	124,321	125,600	126,114
Expenditure by function:				
Democratic Process		3,467	3,456	3,438
Culture and Heritage		1,360	1,284	1,248
Housing for Seniors		1,455	1,595	1,560
Community Support		2,621	2,379	3,194
Library Services		2,820	2,952	2,748
Emergency Management		598	593	654
Community Facilities		12,337	12,277	13,899
Roads and Footpaths		22,135	22,515	22,128
Flood Protection and Control Works		5,251	5,639	5,652
Sewerage		12,298	13,241	11,491
Stormwater Drainage		2,219	2,353	1,871
Water Supply		9,194	10,428	9,181
Solid Waste Management		10,786	10,531	11,163
Environmental Policy		1,533	1,413	1,270
Environmental Science and Monitoring		4,303	4,897	4,708
Resource Consents		2,812	2,776	2,613
Environmental Protection		1,490	1,622	1,663
Biosecurity (Pest Management)		1,660	1,745	1,842
Building Control		4,187	3,787	3,974
Environmental Health		565	586	486
Animal Control		781	798	803
Harbours		1,607	1,636	1,713
Regional Development		6,245	7,216	6,929
		111,724	115,719	114,228
less internal interest eliminated	3	(2,273)	(2,201)	(2,041)
Total expenditure by function		109,451	113,518	112,187
Non-activity expenditure:				
Other expenditure	5	4,419	5,414	7,006
Marlborough Regional Forestry	5	4,942	941	1,108
Total non-activity expenditure		9,361	6,355	8,114
Total expenditure	5	118,812	119,872	120,301
Surplus		5,509	5,728	5,813

Statement of other comprehensive revenue and expense

for the year ending 30 June:	Note	2020 (AP) \$000s	2021 (LTP) \$000s	2021 \$000s
Surplus for the year		5,509	5,728	5,813
Other comprehensive revenue:				
Gain on property revaluations	8	33,505	32,304	32,571
Total other comprehensive revenue and expense		33,505	32,304	32,571
Total comprehensive revenue and expense		39,014	38,032	38,384

Statement of changes in net assets/equity

for the year ending 30 June:	Note	2020 (AP) \$000s	2021 (LTP) \$000s	2021 \$000s
Balance at 1 July		1,664,256	1,586,481	1,720,456
Total comprehensive revenue and expense for the year		39,014	38,032	38,384
Balance at 30 June		1,703,270	1,624,512	1,758,840

Statement of financial position

as at 30 June:	Notes	2020 (AP) \$000s	2021 (LTP) \$000s	2021 \$000s
Assets:				
Non-current assets:				
Property, plant and equipment	8	1,744,803	1,697,207	1,809,037
Intangible assets	8	5,682	4,336	9,512
Forestry assets		13,341	13,939	17,750
Other financial assets:				
- Investments in subsidiaries	7	6,000	6,000	6,000
- Other	7	68,882	88,523	76,711
Investment property	11	-	-	10,500
Total non-current assets		1,838,708	1,810,005	1,929,510
Current assets:				
Cash and cash equivalents		197	172	111
Debtors and other receivables	6	11,060	11,941	11,064
Other financial assets	7	8,980	9,223	11,263
Inventory		274	241	329
Non-current assets land and buildings held for sale		-	809	-
Total current assets		20,511	22,386	22,767
Total assets		1,859,219	1,832,391	1,952,277
Liabilities:				
Non-current liabilities:				
Borrowings	10	131,137	184,494	166,864
Provisions		3,106	2,485	6,049
Employee entitlements		300	305	282
Total non-current liabilities		134,543	187,284	173,195
Current liabilities:				
Creditors and other payables	9	19,260	18,474	17,958
Employee entitlements		2,146	2,121	2,284
Borrowings	10	-	-	-
Total current liabilities		21,406	20,595	20,242
Total liabilities		155,949	207,879	193,437
Net assets		1,703,270	1,624,512	1,758,840
Equity				
Accumulated funds		633,586	636,255	649,743
Asset revaluation reserves		1,019,512	951,335	1,063,148
Other reserves	13	50,172	36,922	45,949
Total equity		1,703,270	1,624,512	1,758,840

Statement of cash flows

as at 30 June:	2020 (AP) 2021 (LTP)		2021
	\$000s	\$000s	\$000s
Cash flows from operating activities:			
Receipts from rates revenue	70,034	75,245	72,014
Receipts from other revenue	46,985	40,708	42,707
Interest received	2,617	2,716	1,720
Payments to suppliers and employees	(87,162)	(85,152)	(88,060)
Interest paid	(4,715)	(6,395)	(3,832)
Net cash flow from operating activities	27,759	27,122	24,549
Cash flows from investing activities:			
Receipts from sale of property, plant	30	4,329	6,000
Movement in investments	(10,326)	(17,213)	(6,667)
Dividends received	2,911	3,174	2,995
Purchase of property, plant and	(60,172)	(60,226)	(66,439)
Net cash flow from investing activities	(67,557)	(69,936)	(64,111)
Cash flows from financing activities:			
Movement in borrowings	39,164	42,714	39,571
Net cash flow from financing activities	39,164	42,714	39,571
Net increase / (decrease)	(634)	(100)	9
Cash, cash equivalents and bank overdrafts:			
At the beginning of the year	831	272	102
At the end of the year	197	172	111

Notes to financial statements

1. Summary cost of services

for the year ending 30 June:	2020 (AP)	2021 (LTP)	2021
	\$000s	\$000s	\$000s
Revenue:			
People	12,202	12,060	11,873
Community Facilities	13,039	12,326	12,919
The Provision of Roads and Footpaths	23,253	22,498	23,015
Flood Protection and Control Works	7,880	8,384	7,998
Sewerage	12,172	13,371	12,031
Stormwater Drainage	2,495	2,606	2,512
Water Supply	9,279	10,358	9,648
Solid Waste Management	11,191	11,062	12,131
Environmental Management	9,952	10,637	10,321
Regulatory	8,610	8,601	8,750
Regional Development	5,740	6,279	5,908
Total activity revenue	115,811	118,181	117,108
Plus other income (including MRF)	15,579	15,418	14,540
Less activity related interest revenue	(7,070)	(8,596)	(5,917)
MRF fair value gain biological assets	-	598	384
Total revenue	124,321	125,600	126,114
Expenditure:			
People	12,323	12,258	12,841
Community Facilities	12,337	12,277	13,899
The Provision of Roads and Footpaths	22,135	22,515	22,128
Flood Protection and Control Works	5,251	5,639	5,652
Sewerage	12,298	13,241	11,491
Stormwater Drainage	2,219	2,353	1,871
Water Supply	9,194	10,428	9,181
Solid Waste Management	10,786	10,531	11,163
Environmental Management	10,137	10,708	10,255
Regulatory	8,799	8,552	8,818
Regional Development	6,245	7,216	6,929
Total activity expenditure	111,724	115,718	114,228
Plus other expenditure (including MRF)	14,141	12,750	11,991
Interest - Internal Loans	(7,053)	(8,596)	(5,918)
Total operating expenditure	118,812	119,872	120,301

2. Rates revenue

for the year ending 30 June:

	2020 (AP)	2021 (LTP)	2021
	'\$000s	'\$000s	'\$000s
People	8,991	9,290	9,087
Community Facilities	9,723	10,149	10,030
The Provision of Roads and Footpaths	10,691	10,987	11,007
Flood Protection and Control Works	4,361	4,775	4,478
Sewerage	8,465	9,524	8,289
Stormwater Drainage	2,058	2,175	2,071
Water Supply	8,636	9,698	9,005
Solid Waste Management	2,804	3,176	3,058
Environmental Management	6,982	7,712	7,581
Regulatory	3,452	3,495	3,575
Regional Development	3,868	4,262	3,830
Total activity rates	70,032	75,243	72,012
Non-activity rates	2	2	2
Total gross rates revenue	70,034	75,245	72,014
less rates remissions	(763)	(741)	(851)
Rates revenue net of remissions	69,271	74,504	71,163

3. Finance revenue and finance costs

for the year ending 30 June:

	2020 (AP)	2021 (LTP)	2021
	'\$000s	'\$000s	'\$000s
Finance revenue - interest revenue:			
Term deposits and investments	2,617	2,716	1,720
Total finance revenue	2,617	2,716	1,720
Finance costs - interest expense:			
Total activity related interest expense	7,053	8,596	5,917
Less internal interest eliminated	(2,273)	(2,201)	(2,041)
Total finance costs	4,779	6,395	3,876
Bank charges on borrowings	82	49	44
Net finance costs	2,080	3,631	2,113

4. Other revenue including gains

for the year ending 30 June:

	2020 (AP)	2021 (LTP)	2021
	'\$000s	'\$000s	'\$000s
Other revenue:			
User charges	20,692	19,764	20,519
Regulatory revenues	5,158	5,913	5,176
Infringements and fines	462	562	642
Vested assets	1,139	1,191	1,139
Rental income from investment properties	-	-	1,978
Marlborough Regional Forestry	4,165	34	34
Other revenue	4,938	5,114	4,087
Total other revenue	36,554	32,578	33,575
Subsidies and grants:			
NZTA roading subsidy	9,672	9,038	9,501
Other donations and grants	1,352	406	847
Total subsidies and grants	11,024	9,444	10,349
Development and financial contributions:			
Capital contributions	426	-	300
Development contributions	2,236	1,722	1,944
Development impact levies	160	167	100
Other contributions	305	433	244
Land subdivision revenues	955	984	984
Total development and financial contributions	4,083	3,305	3,572
Gains			
Gain on sale of fixed assets	9	1,713	4,500
MRF fair value gain biological assets	-	598	384
Total gains	9	2,311	4,884

5. Expenditure

for the year ending 30 June:

	2020 (AP)	2021 (LTP)	2021
	'\$000s	'\$000s	'\$000s
Other non-activity expenditure:			
Non-activity expenditure in the Statement of Comprehensive Revenue and Expense is made of:			
Insurance	1,422	1,482	1,535
Property costs	1,317	1,435	3,753
Rate remissions as note 2	763	741	851
Other (including MRF)	5,859	2,696	1,975
Total non-activity expenditure	9,361	6,354	8,114
Expenditure disclosures:			
Expense includes the following amounts which are required to be disclosed separately:			
Fees to principal Auditor:			
Audit fees for the Annual Report	137	145	140
Audit fees for the LTP	-	92	120
Finance costs as note 3	4,780	6,395	3,876
Depreciation	26,093	27,439	27,541
Amortisation	211	422	426
Personnel costs	24,466	25,182	24,657
Grants and donations	4,288	3,939	6,549
Insurance premiums	2,478	2,423	2,798
Councillors remuneration	702	724	739
Operating leases payments	489	567	515
Loss on disposal of fixed assets	4	-	-
Investment properties direct operating expenses	-	-	90
Other operating expenses	50,222	51,603	51,832
Marlborough Regional Forestry	4,942	941	1,108
Total expenditure disclosures	118,812	119,872	120,301

6. Debtors and other receivables

as at 30 June:

	2020 (AP)	2021 (LTP)	2021
	\$000s	\$000s	\$000s
Non-exchange receivables:			
Rates receivables	911	2,766	1,018
Other	2,469	1,161	2,476
GST (net)	1,352	914	759
Total non-exchange receivables	4,733	4,840	4,253
Exchange receivables:			
Trade receivables	4,621	5,778	3,516
Other	1,464	626	3,273
Prepayments	247	704	35
Total exchange receivables	6,331	7,109	6,824
Less provision for impairment	(5)	(8)	(13)
Total debtors and other receivables	11,060	11,941	11,064

7. Other financial assets

as at 30 June:

	2020 (AP)	2021 (LTP)	2021
	'\$000s	'\$000s	'\$000s
Current portion:			
Term deposits and bonds with maturities of 4-12 months	8,980	9,223	11,263
Total current portion	8,980	9,223	11,263
Non-current portion:			
Term deposits and bonds and community loans with maturities 12 months plus	3,355	4,295	1,400
Community loans	62	-	14
Loan to joint venture Marlborough Regional Forestry	-	-	3,983
Loan to subsidiary MDC Holdings Ltd	64,171	82,934	69,860
Unlisted shares in subsidiaries	6,000	6,000	6,000
NZ Local Govt. Insurance Corp. and LGFA shares	1,293	1,293	1,453
Other shares	1	1	1
Total non-current portion	74,882	94,523	82,711
Total other financial assets	83,862	103,746	93,974

8. Property, plant and equipment and Intangible assets

as at 30 June:

	2020 (AP)	2021 (LTP)	2021
	'\$000s	'\$000s	'\$000s
Capital additions by activity:			
Opening value	1,681,584	1,638,286	1,747,403
Culture and Heritage	10	2,083	-
Housing for Seniors	-	162	160
Community Support	20	21	20
Library Services	340	6,583	4,320
Emergency Management	335	9	9
People	705	8,858	4,509
Community Facilities	7,370	3,459	8,521
Roads and Footpaths	15,268	13,481	14,018
Flood protection and control works	4,550	4,119	4,177
Sewerage	17,001	9,065	18,184
Stormwater Drainage	3,010	639	2,432
Water Supply	7,688	16,451	5,562
Solid Waste Management	946	623	4,286
Environmental Science and Monitoring	1,180	1,249	454
Resource Consents	3	3	3
Environmental Management	1,183	1,252	457
Environmental Health	3	4	3
Animal Control	-	-	-
Harbours	112	497	792
Regulatory	115	501	795
Regional Development	7,388	160	902
Land Development	-	-	700
Information Services	2,792	1,128	1,742
Commercial Property	200	-	-
Plant Operations	222	160	118
Office Services	100	104	100
Total capital expenditure	68,538	60,000	66,504
Disposal	(21)	(2,616)	(1,500)
(Less)/plus carryovers movement	(6,853)	1,429	1,491
Depreciation	(26,056)	(27,439)	(27,493)
Amortisation	(211)	(422)	(426)
Revaluation	33,505	32,304	32,571
Closing value	1,750,485	1,701,543	1,818,549

9. Creditors and other payables

as at 30 June:

	2020 (AP)	2021 (LTP)	2021
	'\$000s	'\$000s	'\$000s
Trade payables	10,196	10,040	7,848
Accrued expenses	1,799	2,393	2,085
Income in advance	1,789	1,469	2,802
Deposit	1,991	1,796	1,340
Agency account	209	114	143
Trust funds	254	263	244
Related party payables	3,022	2,401	3,496
Total creditors and other payables	19,260	18,474	17,958

10. Borrowings

as at 30 June:

	2020 (AP)	2021 (LTP)	2021
	'\$000s	'\$000s	'\$000s
People	2,021	8,614	4,292
Community Facilities	17,772	18,817	20,328
The Provision of Roads and Footpaths	10,563	13,902	9,693
Flood Protection and Control Works	4,255	6,307	2,954
Sewerage	47,934	43,081	49,126
Stormwater Drainage	202	171	170
Water Supply	21,946	31,477	20,948
Solid Waste Management	6,651	5,391	5,923
Environmental Management	367	341	350
Regulatory	146	633	633
Regional Development	18,429	28,616	11,063
Commerical Property	5,457	5,203	10,416
Plant Operations	627	594	591
Marlborough Regional Forestry	-	-	2,655
MDC Holdings Ltd financing	64,731	83,494	70,420
Total loans	201,102	246,640	209,563
less internal loans	(69,965)	(62,146)	(42,699)
Total borrowings (external loans)	131,137	184,494	166,864

11. Investment property

	2020 (AP)	2021 (LTP)	2021
	'\$000s	'\$000s	'\$000s
Balance at 1 July	-	-	10,500
Additions from acquisition	-	-	-
Transfer from property plant and equipment	-	-	-
Transfer from inventory	-	-	-
Disposals	-	-	-
Fair valuation gains/(losses)	-	-	-
Balance at 30 June	-	-	10,500

12. Exchange and non-exchange revenue

for the year ending 30 June:	2020 (AP)	2021 (LTP)	2021
	'\$000s	'\$000s	'\$000s
Non-exchange revenue:			
General rates and charges	66,193	72,495	69,492
Donations, subsidies and grants	11,048	9,444	10,373
Fees and charges	17,530	16,997	17,793
Other revenue	10,573	11,931	15,281
Total non-exchange revenue	106,846	110,866	112,938
Exchange revenue:			
Metered water	3,841	2,750	2,522
Rentals and leases	5,443	6,057	5,905
Marlborough Regional Forestry	4,165	34	34
Interest and dividends	5,528	5,890	4,715
Total exchange revenue	17,475	14,730	13,175
Total revenue	124,321	125,596	126,113

13. Reserves

as at 30 June:	2020 (AP)	2021 (LTP)	2021
	\$000s	\$000s	\$000s

13.1 Reserve funds - Council wide

Emergency Events Reserve

Purpose: Council's Emergency Events Reserve, which is part of Council's risk management strategy, exists to:

- protect Council's infrastructural assets; - make a provision for restoration of Council's roading network in the event of extraordinary flood damage; - provide for the restoration of Council's Wairau floodplain river protection assets;

Activities to which it relates: Infrastructural Assets including the roading network and rivers.

Opening balance	15,260	8,034	12,776
Transfer to reserve	1,177	1,279	1,262
Transfer from reserve	(1,691)	(2,061)	(5,351)
Capex transfer from reserve	-	(1,399)	(247)
Closing balance	14,745	5,853	8,440

Forestry and Land Development Reserve

Purpose: Receives revenue from Marlborough Regional Forestry and from the sale of non-activity assets for funding any projects approved by Council.

Activities to which it relates: Any Activity approved by Council.

Opening balance	21,792	12,565	11,022
Transfer to reserve	2,500	4,321	7,503
Transfer from reserve	(1,866)	(902)	(4,039)
Capex transfer from reserve	(4,417)	(2,963)	(6,185)
Closing balance	18,009	13,022	8,300

Infrastructure Upgrade Reserve

Purpose: To be used for essential infrastructure; to assist funding of new assets (up to a maximum of 50%), and to assist the funding of significant capital upgrades which will increase the targeted level of service supplied to the community.

Activities to which it relates: Infrastructure such as Water and Sewerage etc, and other Activities as determined by Council from time to time.

Opening balance	7,503	8,585	9,433
Transfer to reserve	4,523	5,041	4,657
Transfer from reserve	(3,159)	(3,890)	(3,232)
Capex transfer from reserve			-
Closing balance	8,867	9,736	10,858

Land Subdivision Reserve

Purpose: To provide for Development Contributions and their utilisation in accordance with the provisions of the Local Government Act 2002.

Activities to which it relates: Community Facilities including Reserves, Halls, Swimming Pools.

Opening balance	3,263	2,189	3,824
Transfer to reserve	1,278	1,316	3,536
Transfer from reserve			-
Capex transfer from reserve	(1,606)	(1,932)	(2,619)
Closing balance	2,935	1,573	4,741

Port Marlborough NZ Ltd Special Dividend Reserve

Purpose: Defined amounts to be available to the Blenheim Vicinity, Picton Vicinity and General Rural geographic rating areas, or the interest on any unspent balance to be used to subsidise General rates in those areas.

Activities to which it relates: Various.

Opening balance	4,313	4,313	4,313
Transfer to reserve	237	237	194
Transfer from reserve	(237)	(237)	(194)
Capex transfer from reserve			-
Closing balance	4,313	4,313	4,313

Wairau Rivers Reserve

Purpose: Accumulates each year-end surplus or deficit from the Wairau Valley River Works rates.

Activities to which it relates: Rivers and Land Drainage on the Wairau Plain.

Opening balance	483	(257)	263
Transfer to reserve	1,235	1,005	1,233
Transfer from reserve	(444)	(533)	(444)
Capex transfer from reserve	(2,140)	(1,466)	(3,197)
Closing balance	(866)	(1,251)	(2,145)

13.2 Reserve funds - Activity specific

These reserves are "owned" by a specific activity or individual scheme etc and exist for the following purposes:

General Reserve: to accumulate targeted rates or other revenue for use in subsequent years.

Depreciation Reserve: to accumulate rates levied to fund depreciation expense, may be used to fund capital expenditure or repayment of debt raised to fund capital expenditure.

Landfill Aftercare Reserve: to accumulate "dump fees" charged from the operation of the landfill (or of a stage) required to fund its closure and management once it is fully utilised.

Development Contribution Reserve: to accumulate development and financial contributions to fund qualifying capital expenditure.

Landfill aftercare reserve

Opening balance	382	510	574
Transfer to reserve	36	42	48
Transfer from reserve	-	-	-
Capex transfer from reserve	-	-	-
Closing balance	418	552	621

Development Contribution reserves

Opening balance	(2,231)	(4,545)	(1,941)
Transfer to reserve	201	353	602
Transfer from reserve	(5)	-	-
Capex transfer from reserve	(3,758)	-	(1,540)
Closing balance	(5,793)	(4,192)	(2,879)

Operational (General and Depreciation) reserves

Opening balance	4,781	1,710	6,378
Transfer to reserve	23,184	24,895	25,055
Transfer from reserve	(7,264)	(8,674)	(7,772)
Capex transfer from reserve	(21,152)	(19,206)	(22,364)
Closing balance	(451)	(1,276)	1,297

Road Funding reserves

Opening balance	-	-	-
Transfer to reserve	-	144	138
Transfer from reserve	-	-	-
Capex transfer from reserve	-	(144)	(138)
Closing balance	-	-	-

Statement of accounting policies

These prospective financial statements of Marlborough District Council (MDC) are for the year commencing 1 July 2020 and ending on 30 June 2021 and were authorised for issue by Council on 25 June 2020.

The accounting policies used to prepare these prospective financial statements are the same as those contained in the financial statements for the year ended 30 June 2019 which are on Council's website. The changes in PBE IPSAS accounting standards that have occurred since the 30 June 2019 reporting period have no impact in the preparation of this Annual Plan.

Assumptions, disclosure and compliance

Assumptions

With any financial forecasting, a number of assumptions must be made. The assumptions used in the preparation of this Plan are largely the same as those contained in the 2018-2028 Long Term Plan except for the inflation assumption and the assumed impacts of COVID-19.

The costs, revenues and asset values contained in this Plan have been updated to reflect the latest "Forecasts of Price Level Change Adjustors" produced by Business Economic Research Limited (BERL) in September 2019 for the Society of Local Government Managers.

The costs and revenues have also been adjusted for the anticipated impacts of COVID-19 and the decisions taken to date by Council to mitigate the effects of this pandemic.

Financial funding impact statement (FIS)

Accounting policies

The “Sources of operating funding” section of the FIS includes revenue to the activity, but note:

- Grants and contributions received which are specified for funding capital expenditure are not included, they are included in “Sources of capital funding” - whereas under GAAP they are included in either “Development and financial contributions” or “Other revenue” in the Forecast Statement of Comprehensive Revenue and Expense.
- Any gain from sale of assets is not included, instead the sale proceeds are included in “Sources of capital funding” - whereas under GAAP any such gain is included in “Gains” in the Forecast Statement of Comprehensive Revenue and Expense.
- Internal charges and overheads recovered are shown as a source of operating funding in the FIS – whereas in Council’s Forecast Statement of Comprehensive Revenue and Expense they are deducted from operating expenditure.
- The value of assets vested in (effectively donated to) Council which are specified for funding capital expenditure are not included, they are included in “Other dedicated capital funding” - whereas under GAAP they are included in “Other revenue” in the Forecast Statement of Comprehensive Revenue and Expense.

The “Applications of operating funding” section includes operating expenditure of the activity, but note:

- Depreciation and amortisation expense is excluded as it does not involve a cash payment - whereas under GAAP it is included in Expenditure in the Forecast Statement of Comprehensive Revenue and Expense. The value of this expense is shown in the reconciliation section.
- In Council’s Forecast Statement of Comprehensive Revenue and Expense internal charges and overheads recovered are deducted from operating expenditure whereas in the FIS they are shown as a source of operating funding.
- The “Finance costs” shown are the amount paid by the activity to Council’s Investment unit and so are also an internal cost.
- Any loss on sale of assets is not included as it does not involve a cash payment - whereas under GAAP it is included in Expenditure in the Forecast Statement of Comprehensive Revenue and Expense.

The “Sources of capital funding” section shows direct sources of funding the capital expenditure of the activity, but note:

- Grants and contributions received which are specified for funding capital expenditure are included - whereas under GAAP they are included in either “Development and financial contributions” or “Other revenue” in the Forecast Statement of Comprehensive Revenue and Expense.
- Any proceeds from the sale of an asset are included in here - whereas under GAAP only the loss or gain on sale would be included in the Forecast Statement of Comprehensive Revenue and Expense.
- The value of assets vested in (effectively donated to) Council which are specified for funding capital expenditure are included - whereas under GAAP they are included in “Other revenue” in the Forecast Statement of Comprehensive Revenue and Expense
- Funding from a reserve is included as a negative value of “Increase (decrease) in reserves” in the “Applications of capital funding” section.
- While loans are included here there are some situations in which a loan is used to fund operating expenditure.
- Capital expenditure may also be funded from items included as “Sources of operating funding”, e.g. activities with low levels of capital expenditure often fund it directly from rates.

The “Applications of capital funding” section shows how much funding has been:

- Used to fund capital expenditure.
- Transferred to a reserve, less the amount taken from a reserve to fund capital expenditure.

The Surplus (Deficit) of operating funding and capital funding represent funds transferred between these two uses as defined by the FIS, for the reasons outlined here they differ from a surplus which would be calculated under GAAP.

Council’s management and investment units are not included in any activity, their costs and revenues are allocated over all activities, using appropriate allocation bases. For this reason adding the information provided for all activity groups will not agree to Councils financial statements. Similarly adding all “Internal charges and overheads recovered” gives a different answer to adding all “Internal charges and overheads applied” as most recoveries are to the management units.

Below each FIS a reconciliation is given of the “Total applications of operating funding” in the FIS and the operating expenditure disclosed for that activity in the Forecast Statement of Comprehensive Revenue and Expense. For some activities a further breakdown is given of the operating and capital expenditure, eg; to individual scheme. This operating expenditure breakdown uses information from the Statement of Comprehensive Revenue and Expense and is prepared as per GAAP, similarly the capital expenditure includes vested assets as per GAAP.

Marlborough District Council: Funding Impact Statement for 2020-21

	AP 2019-20 \$000s	LTP 2020-21 \$000s	AP 2020-21 \$000s
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	45,299	47,895	47,150
Targeted rates	25,050	27,666	25,414
Subsidies and grants for operating purposes	6,113	5,148	5,694
Fees and charges	17,888	17,366	18,150
Interest and dividends from investments	5,529	5,890	4,716
Fuel tax, fines, infringement fees and other receipts	14,286	10,963	9,788
Total operating funding	114,165	114,928	110,912
Applications of operating funding			
Payments to staff and suppliers	82,867	81,304	81,253
Finance costs	4,780	6,395	3,876
Other operating funding applications	4,714	4,366	7,205
Total applications of operating funding	92,361	92,065	92,334
Surplus of operating funding	21,804	22,863	18,578
Sources of capital funding			
Subsidies and grants for capital expenditure	4,935	4,296	4,679
Development and financial contributions	3,352	2,873	3,028
Increase (decrease) in debt	39,164	42,713	39,915
Gross proceeds from sale of assets	27	4,329	6,000
Lump sum contributions	100	-	150
Other dedicated capital funding	1,761	-	2,464
Total sources of capital funding	49,339	54,211	56,236
Applications of capital funding			
Capital expenditure to meet additional demand	15,104	15,675	14,082
Capital expenditure to improve the level of service	29,763	23,802	23,193
Capital expenditure to replace existing assets	23,670	20,524	29,228
Increase (decrease) in reserves	(16,661)	(143)	(13,452)
Increase (decrease) of investments	19,267	17,216	21,763
Total applications of capital funding	71,143	77,074	74,814
Deficit of capital funding	(21,804)	(22,863)	(18,578)
Funding balance	-	-	-

Marlborough District Council: Funding Impact Statement for 2020-21

	AP	LTP	Annual Plan
	2019-20	2020-21	2020-21
	\$000s	\$000s	\$000s
Reconciliation			
Total operating funding	114,165	114,928	110,912
plus - Subsidies and grants for capital expenditure	4,935	4,296	4,679
plus - Development and financial contributions	3,352	2,873	3,028
plus - Lump sum contributions	100	-	150
plus - Other dedicated capital funding	1,761	-	1,325
plus - Contributions vested assets	-	1,191	1,139
plus - Gain on sale of fixed assets	8	2,311	4,500
plus - Sale of inventory	-	-	-
plus - Fair value gains	-	-	-
plus - Forestry asset revaluation gain	-	-	-
Revenue as per Forecast Statement of Comprehensive Revenue and Expense	124,321	125,599	125,733
Total applications of operating funding	92,361	92,065	92,334
plus - Depreciation and amortisation	26,303	27,807	27,967
plus - Loss on sale of fixed assets	4	-	-
plus - Cost of sales	-	-	-
plus - Impairment of fixed assets	-	-	-
plus - Fair value movement (gain) loss on SWAP	-	-	-
plus - Fair value losses	144	-	-
plus - Forestry asset revaluation loss	-	-	-
Expenditure as per Forecast Statement of Comprehensive Revenue and Expense	118,812	119,872	120,301
Surplus of operating funding	21,804	22,863	18,578
less - Depreciation and amortisation	(26,303)	(27,807)	(27,967)
less - Loss on sale of fixed assets	(4)	-	-
plus - Cost of sales	-	-	-
less - Impairment of fixed assets	-	-	-
less - Fair value movement gain (loss) on SWAP	-	-	-
plus - Subsidies and grants for capital expenditure	4,935	4,296	4,679
plus - Development and financial contributions	3,352	2,873	3,028
plus - Lump sum contributions	100	-	150
plus - Other dedicated capital funding	1,761	-	1,325
plus - Contributions vested assets	-	1,191	1,139
plus - Gain on sale of fixed assets	8	2,311	4,500
plus - Sale of inventory	-	-	-
plus - Fair value movement gain (loss)	(144)	-	-
plus - Forestry asset revaluation	-	-	-
Surplus as per Forecast Statement of Comprehensive Revenue and Expense	5,509	5,727	5,432