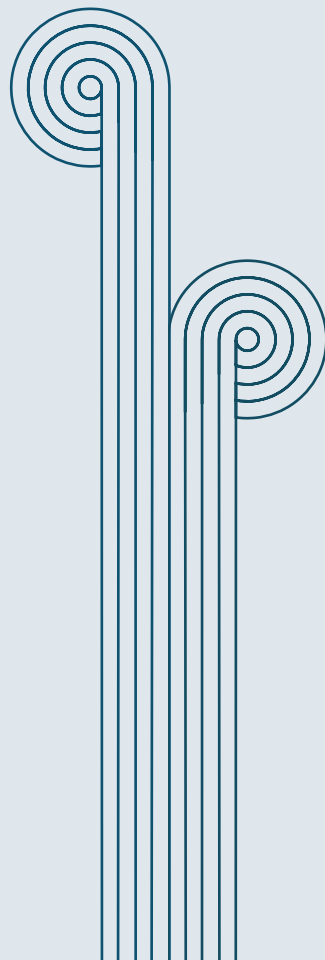


PART 3

# Financial Information



# Statement of Comprehensive Revenue and Expense

for the year ending 30 June:

	Note	2023 (AP) \$000s	2024 (LTP) \$000s	2024 \$000s
<b>Revenue:</b>				
Rates, excluding targeted water rates	2	76,296	81,071	82,810
Targeted rates for metered water supply	2	3,802	4,311	4,367
Subsidies and grants	4	63,721	10,197	57,839
Interest revenue	3	3,033	5,725	7,178
Development and financial contributions	4	7,321	7,478	7,469
Other revenue	4	47,306	38,411	46,794
Gains	4	1,020	1,434	1,167
<b>Total revenue</b>	<b>1</b>	<b>202,499</b>	<b>148,627</b>	<b>207,624</b>
<b>Expenditure by function:</b>				
<b>People</b>				
Democratic Process		3,963	3,866	4,425
Culture and Heritage		1,497	1,414	1,369
Housing for Seniors		1,902	1,675	1,911
Community Support		2,991	2,949	3,063
Library Services		3,280	3,521	4,793
Emergency Management		825	772	988
<b>Community Facilities</b>		<b>15,038</b>	<b>14,447</b>	<b>15,365</b>
<b>Roads and Footpaths</b>		<b>73,918</b>	<b>25,630</b>	<b>46,672</b>
<b>Flood Protection and Control Works</b>		<b>9,487</b>	<b>6,470</b>	<b>10,068</b>
<b>Sewerage</b>		<b>12,519</b>	<b>13,665</b>	<b>13,606</b>
<b>Stormwater Drainage</b>		<b>2,774</b>	<b>2,742</b>	<b>3,141</b>
<b>Water Supply</b>		<b>11,164</b>	<b>12,649</b>	<b>12,285</b>
<b>Solid Waste Management</b>		<b>15,669</b>	<b>12,921</b>	<b>18,079</b>
<b>Environmental Management</b>				
Environmental Policy		2,404	1,907	2,484
Environmental Science and Monitoring		8,563	6,481	10,116
Resource Consents		3,090	3,179	3,361
Environmental Protection		2,038	2,007	2,142
<b>Regulatory</b>				
Biosecurity		7,550	2,675	2,681
Building Control		4,443	4,671	5,185
Environmental Health		756	745	765
Animal Control		869	872	881
Harbours		2,015	1,995	2,208
<b>Regional Development</b>		<b>6,262</b>	<b>6,837</b>	<b>6,383</b>
		<b>193,017</b>	<b>134,090</b>	<b>171,971</b>
less internal interest eliminated	3	(145)	3,641	3,903
<b>Total expenditure by function</b>		<b>192,872</b>	<b>137,731</b>	<b>175,874</b>
<b>Non-activity expenditure:</b>				
Other expenditure	5	4,406	5,636	6,372
Marlborough Regional Forestry	5	738	1,209	748
<b>Total non-activity expenditure</b>		<b>5,144</b>	<b>6,845</b>	<b>7,120</b>
<b>Total expenditure</b>	<b>5</b>	<b>198,016</b>	<b>144,576</b>	<b>182,994</b>
<b>Surplus</b>		<b>4,483</b>	<b>4,051</b>	<b>24,630</b>

# Statement of Other Comprehensive Revenue and Expense

for the year ending 30 June:

	Note	2023 (AP) \$000s	2024 (LTP) \$000s	2024 \$000s
<b>Surplus for the year</b>		<b>4,483</b>	<b>4,051</b>	<b>24,630</b>
<b>Other comprehensive revenue:</b>				
Gain on property revaluations	8	38,676	54,584	89,266
<b>Total other comprehensive revenue and expense</b>		<b>38,676</b>	<b>54,584</b>	<b>89,266</b>
<b>Total comprehensive revenue and expense</b>		<b>43,159</b>	<b>58,635</b>	<b>113,896</b>

# Statement of Changes in Net Assets/Equity

for the year ending 30 June:

	2023 (AP) \$000s	2024 (LTP) \$000s	2024 \$000s
<b>Balance at 1 July</b>	1,843,091	1,847,879	2,011,524
Total comprehensive revenue and expense for the year	43,159	58,635	113,896
<b>Balance at 30 June</b>	<b>1,886,250</b>	<b>1,906,514</b>	<b>2,125,420</b>

# Statement of Financial Position

as at 30 June:

	Note	2023 (AP) \$000s	2024 (LTP) \$000s	2024 \$000s
<b>Assets:</b>				
<b>Non-current assets:</b>				
Property, plant and equipment	8	1,958,789	2,013,583	2,204,206
Intangible assets	8	15,017	11,371	13,684
Forestry assets		19,063	26,090	17,777
Other financial assets	7			
- Investments in subsidiaries		6,000	6,000	6,000
- Other		90,382	193,925	146,706
Investment property	11	10,950	10,750	11,500
<b>Total non-current assets</b>		<b>2,100,201</b>	<b>2,261,719</b>	<b>2,399,873</b>
<b>Current assets:</b>				
Cash and cash equivalents		185	110	340
Debtors and other receivables	6	14,957	13,670	14,826
Other financial assets	7	12,492	14,299	12,620
Inventory		344	329	328
Non-current assets land and buildings held for sale		-	-	-
<b>Total current assets</b>		<b>27,978</b>	<b>28,408</b>	<b>28,114</b>
<b>Total assets</b>		<b>2,128,179</b>	<b>2,290,127</b>	<b>2,427,987</b>
<b>Liabilities:</b>				
<b>Non-current liabilities:</b>				
Borrowings	10	207,155	352,120	275,285
Provisions		7,877	9,715	1,449
Employee entitlements		256	303	266
<b>Total non-current liabilities</b>		<b>215,288</b>	<b>362,138</b>	<b>277,000</b>
<b>Current liabilities:</b>				
Creditors and other payables	9	24,243	19,248	23,014
Employee entitlements		2,398	2,227	2,553
Borrowings	10	-	-	-
<b>Total current liabilities</b>		<b>26,641</b>	<b>21,475</b>	<b>25,567</b>
<b>Total liabilities</b>		<b>241,929</b>	<b>383,613</b>	<b>302,567</b>
<b>Net assets</b>		<b>1,886,250</b>	<b>1,906,514</b>	<b>2,125,420</b>
<b>Equity</b>				
Accumulated funds		705,011	724,189	789,243
Asset revaluation reserves		1,144,682	1,161,251	1,315,483
Other reserves	13	36,557	21,074	20,694
<b>Total equity</b>		<b>1,886,250</b>	<b>1,906,514</b>	<b>2,125,420</b>

# Statement of Cash Flows

as at 30 June:

	2023 (AP)	2024 (LTP)	2024
	\$000s	\$000s	\$000s
<b>Cash flows from operating activities:</b>			
Receipts from rates revenue	80,097	85,381	87,177
Receipts from other revenue	111,875	51,750	104,447
Interest received	3,033	5,725	7,178
Payments to suppliers and employees	(159,417)	(98,238)	(133,560)
Interest paid	(5,947)	(10,572)	(11,709)
<b>Net cash flow from operating activities</b>	<b>29,641</b>	<b>34,046</b>	<b>53,533</b>
<b>Cash flows from investing activities:</b>			
Receipts from sale of property, plant and equipment	-	22	3,500
Movement in investments	(18,367)	(50,352)	(60,345)
Dividends received	3,012	2,788	3,916
Purchase of property, plant and equipment	(71,082)	(69,357)	(93,875)
<b>Net cash flow from investing activities</b>	<b>(86,437)</b>	<b>(116,899)</b>	<b>(146,804)</b>
<b>Cash flows from financing activities:</b>			
Movement in borrowings	53,370	82,854	93,401
<b>Net cash flow from financing activities</b>	<b>53,370</b>	<b>82,854</b>	<b>93,401</b>
<b>Net increase / (decrease)</b>	<b>(3,426)</b>	<b>1</b>	<b>130</b>
<b>Cash, cash equivalents and bank overdrafts:</b>			
At the beginning of the year	3,611	109	210
<b>At the end of the year</b>	<b>185</b>	<b>110</b>	<b>340</b>

# Notes to Financial Statements

## 1. Summary Cost of Services

for the year ending 30 June:

	2023 (AP) \$000s	2024 (LTP) \$000s	2024 \$000s
<b>Revenue:</b>			
People	14,860	14,004	16,164
Community Facilities	15,610	16,248	20,313
The Provision of Roads and Footpaths	71,902	25,003	63,970
Flood Protection and Control Works	11,971	9,862	12,271
Sewerage	14,410	16,238	15,066
Stormwater Drainage	3,924	3,919	4,309
Water Supply	12,085	13,204	13,106
Solid Waste Management	15,857	12,921	17,979
Environmental Management	15,621	13,423	18,223
Regulatory	15,584	10,836	11,503
Regional Development	6,519	6,859	6,702
<b>Total activity revenue</b>	<b>198,343</b>	<b>142,517</b>	<b>199,606</b>
Plus other income (including Forestry)	9,272	11,674	14,823
Internal Interest - Loans	(6,136)	(6,976)	(7,882)
Forestry revaluation gains	1,020	1,412	1,078
<b>Total revenue</b>	<b>202,499</b>	<b>148,627</b>	<b>207,624</b>
<b>Expenditure:</b>			
People	14,458	14,198	16,551
Community Facilities	15,038	14,447	15,365
The Provision of Roads and Footpaths	73,918	25,630	46,672
Flood Protection and Control Works	9,487	6,470	10,068
Sewerage	12,519	13,665	13,606
Stormwater Drainage	2,774	2,742	3,141
Water Supply	11,164	12,649	12,285
Solid Waste Management	15,669	12,921	18,079
Environmental Management	16,095	13,573	18,103
Regulatory	15,633	10,958	11,719
Regional Development	6,262	6,837	6,383
<b>Total activity expenditure</b>	<b>193,017</b>	<b>134,090</b>	<b>171,971</b>
Plus other expenditure (including Forestry)	11,135	17,462	18,905
Interest - Internal Loans	(6,136)	(6,976)	(7,882)
<b>Total operating expenditure</b>	<b>198,016</b>	<b>144,576</b>	<b>182,994</b>

## 2. Rates Revenue

for the year ending 30 June:

	2023 (AP)	2024 (LTP)	2024
	'\$000s	'\$000s	'\$000s
People	9,881	10,295	11,465
Community Facilities	11,089	11,854	12,001
The Provision of Roads and Footpaths	11,313	11,938	12,647
Flood Protection and Control Works	5,232	5,716	5,611
Sewerage	8,719	9,925	9,375
Stormwater Drainage	2,403	2,428	2,728
Water Supply	10,787	11,864	11,525
Solid Waste Management	3,308	3,158	3,670
Environmental Management	9,282	9,447	9,599
Regulatory	3,912	4,259	4,366
Regional Development	4,170	4,495	4,188
<b>Total activity rates</b>	<b>80,096</b>	<b>85,380</b>	<b>87,175</b>
Non-activity rates	3	2	3
<b>Total gross rates revenue</b>	<b>80,098</b>	<b>85,382</b>	<b>87,177</b>
less rates remissions	(514)	(681)	(540)
<b>Rates revenue net of remissions</b>	<b>79,584</b>	<b>84,701</b>	<b>86,637</b>

## 3. Rates Revenue

for the year ending 30 June:

	2023 (AP)	2024 (LTP)	2024
	'\$000s	'\$000s	'\$000s
<b>Finance revenue - interest revenue:</b>			
Term deposits and investments	3,033	5,725	7,178
<b>Total finance revenue</b>	<b>3,033</b>	<b>5,725</b>	<b>7,178</b>
<b>Finance costs - interest expense:</b>			
Total activity related interest expense	6,136	6,976	7,882
(less)/plus net external interest	(145)	3,641	3,903
<b>Total finance costs</b>	<b>5,991</b>	<b>10,617</b>	<b>11,785</b>
Bank charges on borrowings	44	45	76
<b>Net finance costs</b>	<b>2,914</b>	<b>4,847</b>	<b>4,531</b>

## 4. Other Revenue Including Gains

for the year ending 30 June:

	2023 (AP)	2024 (LTP)	2024
	'\$000s	'\$000s	'\$000s
<b>Other revenue:</b>			
User charges	25,562	23,994	28,619
Regulatory revenues	5,732	5,624	6,150
Infringements and fines	970	1,030	1,030
Vested assets	1,139	1,210	1,139
Rental income from investment properties	734	782	742
Marlborough Regional Forestry distribution	-	-	-
Other revenue	13,170	5,771	9,113
<b>Total other revenue</b>	<b>47,306</b>	<b>38,411</b>	<b>46,794</b>
<b>Subsidies and grants:</b>			
Waka Kotahi roading subsidy	57,238	9,847	47,959
Other donations and grants	6,483	349	9,880
<b>Total subsidies and grants</b>	<b>63,721</b>	<b>10,196</b>	<b>57,839</b>
<b>Development and financial contributions:</b>			
Capital contributions	-	-	-
Development contributions	5,364	5,476	5,476
Development impact levies	100	106	100
Other contributions	50	53	50
Land subdivision revenues	1,807	1,843	1,843
<b>Total development and financial contributions</b>	<b>7,321</b>	<b>7,478</b>	<b>7,469</b>
<b>Gains</b>			
Gain on sale of fixed assets	-	22	89
Forestry revaluation gain	1,020	1,412	1,078
<b>Total gains</b>	<b>1,020</b>	<b>1,434</b>	<b>1,167</b>



## 5. Expenditure

for the year ending 30 June:

	2023 (AP) '\$000s	2024 (LTP) '\$000s	2024 '\$000s
<b>Other non-activity expenditure:</b>			
Non-activity expenditure in the Statement of Comprehensive Revenue and Expense is made of:			
Insurance	1,068	1,832	1,358
Property costs	1,836	1,736	2,257
Rate remissions as note 2	514	681	540
Other (including Forestry)	1,726	2,596	2,965
<b>Total non-activity expenditure</b>	<b>5,144</b>	<b>6,845</b>	<b>7,120</b>
Expenditure disclosures:			
Total expenditure in the Statement of Comprehensive Revenue and Expense includes the following amounts which are required to be disclosed separately:			
<b>Fees to principal Auditor:</b>			
Audit fees for the Annual Report	160	166	167
Audit fees for the LTP	-	126	120
Finance costs as note 3	5,989	10,617	11,785
Depreciation	31,453	34,661	35,688
Amortisation	482	528	688
Personnel costs	30,515	30,219	33,650
Grants and donations	4,588	3,548	3,301
Insurance premiums	3,520	3,248	4,460
Councillors remuneration	760	749	760
Operating leases payments	183	172	180
Loss on disposal of fixed assets	-	-	-
Investment properties direct operating expenses	70	49	291
Other operating expenses	119,558	59,284	91,156
Marlborough Regional Forestry	738	1,209	748
<b>Total expenditure disclosures</b>	<b>198,016</b>	<b>144,576</b>	<b>182,994</b>

## 6. Debtors and Other Receivables

as at 30 June:

	2023 (AP)	2024 (LTP)	2024
	\$000s	\$000s	\$000s
<b>Non-exchange receivables:</b>			
Rates receivables	1,206	1,314	1,291
Other	318	663	296
GST (net)	1,663	1,279	2,358
<b>Total non-exchange receivables</b>	<b>3,188</b>	<b>3,256</b>	<b>3,945</b>
<b>Exchange receivables:</b>			
Trade receivables	6,163	4,819	4,086
Other	4,284	3,032	5,728
Prepayments	1,348	2,575	1,100
<b>Total exchange receivables</b>	<b>11,795</b>	<b>10,426</b>	<b>10,914</b>
Less provision for impairment	(25)	(12)	(33)
<b>Total debtors and other receivables</b>	<b>14,957</b>	<b>13,670</b>	<b>14,826</b>

## 7. Other Financial Assets

as at 30 June:

	2023 (AP)	2024 (LTP)	2024
	'\$000s	'\$000s	'\$000s
<b>Current portion:</b>			
Term deposits and bonds with maturities of 4-12 months	12,492	14,299	12,620
<b>Total current portion</b>	<b>12,492</b>	<b>14,299</b>	<b>12,620</b>
<b>Non-current portion:</b>			
Term deposits and bonds and community loans with maturities 12 months plus	250	266	418
Community loans	6	2	2
Loan to joint venture Marlborough Regional Forestry	956	6,373	1,416
Loan to subsidiary MDC Holdings Ltd	87,572	185,830	142,408
Unlisted shares in subsidiaries	6,000	6,000	6,000
NZ Local Govt. Insurance Corp. and LGFA shares	1,597	1,453	2,461
Other shares	1	1	1
<b>Total non-current portion</b>	<b>96,382</b>	<b>199,925</b>	<b>152,706</b>
<b>Total other financial assets</b>	<b>108,874</b>	<b>214,224</b>	<b>165,326</b>

## 8. Property, Plant and Equipment and Intangible Assets

as at 30 June:

	2023 (AP)	2024 (LTP)	2024
	'\$000s	'\$000s	'\$000s
<b>Capital additions by activity:</b>			
<b>Opening value</b>	<b>1,892,862</b>	<b>1,934,990</b>	<b>2,071,412</b>
Democratic Process	-	-	-
Culture and Heritage	2,531	-	-
Housing for Seniors	3,180	-	3,000
Community Support	23	24	23
Library Services	7,187	399	479
Emergency Management	9	9	9
<b>People</b>	<b>12,930</b>	<b>432</b>	<b>3,510</b>
<b>Community Facilities</b>	<b>6,921</b>	<b>6,657</b>	<b>14,338</b>
<b>Roads and Footpaths</b>	<b>17,177</b>	<b>13,296</b>	<b>35,758</b>
<b>Flood protection and control works</b>	<b>5,166</b>	<b>3,239</b>	<b>4,773</b>
<b>Sewerage</b>	<b>10,572</b>	<b>29,146</b>	<b>16,840</b>
<b>Stormwater Drainage</b>	<b>3,420</b>	<b>3,628</b>	<b>2,073</b>
<b>Water Supply</b>	<b>16,194</b>	<b>15,709</b>	<b>19,766</b>
<b>Solid Waste Management</b>	<b>2,656</b>	<b>3,520</b>	<b>3,642</b>
Environmental Science and Monitoring	334	425	722
Environmental Policy and Protection	-	-	-
Resource Consents	3	-	-
<b>Environmental Management</b>	<b>337</b>	<b>425</b>	<b>722</b>
Building Control	-	-	-
Environmental Health	3	4	3
Biosecurity	-	-	-
Harbours	262	262	250
<b>Regulatory</b>	<b>265</b>	<b>266</b>	<b>253</b>
<b>Regional Development</b>	<b>5,089</b>	<b>108</b>	<b>1,204</b>
<b>Land Development</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Information Services</b>	<b>1,075</b>	<b>1,337</b>	<b>2,475</b>
<b>Corporate services and asset management</b>	<b>50</b>	<b>52</b>	<b>-</b>
<b>Plant Operations</b>	<b>272</b>	<b>185</b>	<b>164</b>
<b>Office Services</b>	<b>324</b>	<b>105</b>	<b>60</b>
<b>Total capital expenditure</b>	<b>82,448</b>	<b>78,105</b>	<b>105,579</b>
Disposal	-	(1)	(3,411)
(Less)/plus carryovers movement	(8,245)	(7,536)	(8,580)
Depreciation	(31,453)	(34,660)	(35,688)
Amortisation	(482)	(528)	(688)
Revaluation	38,676	54,584	89,266
<b>Closing value</b>	<b>1,973,806</b>	<b>2,024,954</b>	<b>2,217,889</b>

## 9. Creditors and Other Payables

as at 30 June:

	2023 (AP)	2024 (LTP)	2024
	'\$000s	'\$000s	'\$000s
Trade payables	9,931	9,102	10,325
Accrued expenses	6,224	1,922	3,477
Income in advance	3,223	3,196	3,840
Deposit	943	1,046	1,313
Agency account	157	121	134
Trust funds	88	242	69
Related party payables	3,677	3,619	3,857
<b>Total creditors and other payables</b>	<b>24,243</b>	<b>19,248</b>	<b>23,014</b>

## 10. Borrowings

as at 30 June:

	2023 (AP)	2024 (LTP)	2024
	'\$000s	'\$000s	'\$000s
People	8,191	6,412	5,089
Community Facilities	24,204	27,328	25,260
The Provision of Roads and Footpaths	19,411	16,730	22,748
Flood Protection and Control Works	6,672	11,375	8,166
Sewerage	47,309	46,409	46,268
Stormwater Drainage	445	65	398
Water Supply	31,121	39,082	32,167
Solid Waste Management	5,189	4,767	4,838
Environmental Management	314	294	295
Regulatory	687	739	1,125
Regional Development	13,513	20,318	9,169
Commercial Property	9,231	8,609	8,634
Plant Operations	515	475	476
Marlborough Regional Forestry	956	6,373	1,416
MDC Holdings Ltd financing	88,240	186,390	143,500
<b>Total loans</b>	<b>255,998</b>	<b>375,366</b>	<b>309,551</b>
<b>less internal loans</b>	<b>(48,844)</b>	<b>(23,246)</b>	<b>(34,265)</b>
<b>Total borrowings (external loans)</b>	<b>207,155</b>	<b>352,120</b>	<b>275,285</b>

## 11. Investment Property

as at 30 June:

	2023 (AP)	2024 (LTP)	2024
	'\$000s	'\$000s	'\$000s
Balance at 1 July	10,950	10,750	11,500
<b>Balance at 30 June</b>	<b>10,950</b>	<b>10,750</b>	<b>11,500</b>

## 12. Exchange and Non-exchange Revenue

for the year ending 30 June:

	2023 (AP) '\$000s	2024 (LTP) '\$000s	2024 '\$000s
<b>Non-exchange revenue:</b>			
General rates and charges	76,296	81,071	82,810
Donations, subsidies and grants	63,721	10,197	57,839
Fees and charges	22,371	20,106	25,091
Other revenue	23,423	17,471	18,738
<b>Total non-exchange revenue</b>	<b>185,810</b>	<b>128,845</b>	<b>184,477</b>
<b>Exchange revenue:</b>			
Metered water	3,801	4,311	4,367
Rentals and leases	6,843	6,959	7,686
Marlborough Regional Forestry distribution	-	-	-
Interest and dividends	6,045	8,512	11,094
<b>Total exchange revenue</b>	<b>16,689</b>	<b>19,782</b>	<b>23,147</b>
<b>Total revenue</b>	<b>202,500</b>	<b>148,627</b>	<b>207,624</b>

## 13. Other Reserves

as at 30 June:

### 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; and
- 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.

	2023 (AP) \$000s	2024 (LTP) \$000s	2024 \$000s
<b>Opening balance</b>	<b>6,888</b>	<b>1,349</b>	<b>6,284</b>
Transfer to reserve	494	361	386
Transfer from reserve	(3,382)	(3,092)	(2,745)
Capex transfer from reserve	(1,126)	-	(1,612)
<b>Closing balance</b>	<b>2,874</b>	<b>(1,382)</b>	<b>2,313</b>

	2023 (AP) \$000s	2024 (LTP) \$000s	2024 \$000s
<b>COVID-19 Rates Relief Reserve</b>			
<b>Purpose:</b> The reserve was created in 2021-31 to provide rates relief for the period of three years as part of Council's COVID-19 recovery strategy.			
<b>Activities to which it relates:</b> Any Activity rated by Council.			
<b>Opening balance</b>	<b>(4,000)</b>	<b>(8,300)</b>	<b>(8,300)</b>
Transfer to reserve	-		-
Transfer from reserve	(4,300)	(4,500)	(4,500)
Capex transfer from reserve	-		-
<b>Closing balance</b>	<b>(8,300)</b>	<b>(12,800)</b>	<b>(12,800)</b>
<b>Forestry and Land Development Reserve</b>			
<b>Purpose:</b> Receives revenue from Marlborough Regional Forestry and from the sale of non-activity assets for funding any projects approved by Council.			
<b>Activities to which it relates:</b> Any Activity approved by Council.			
<b>Opening balance</b>	<b>11,711</b>	<b>4,281</b>	<b>6,130</b>
Transfer to reserve	-		-
Transfer from reserve	(1,498)	(500)	(890)
Capex transfer from reserve	(4,525)	(1,392)	(1,724)
<b>Closing balance</b>	<b>5,688</b>	<b>2,389</b>	<b>3,516</b>
<b>Infrastructure Upgrade Reserve</b>			
<b>Purpose:</b> 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.			
<b>Activities to which it relates:</b> Infrastructure such as Water and Sewerage etc, and other Activities as determined by Council from time to time.			
<b>Opening balance</b>	<b>13,544</b>	<b>14,333</b>	<b>14,795</b>
Transfer to reserve	5,117	4,893	6,025
Transfer from reserve	(3,966)	(4,292)	(4,948)
Capex transfer from reserve	-		-
<b>Closing balance</b>	<b>14,695</b>	<b>14,934</b>	<b>15,872</b>
<b>Land Subdivision Reserve</b>			
<b>Purpose:</b> To provide for Development Contributions and their utilisation in accordance with the provisions of the Local Government Act 2002.			
<b>Activities to which it relates:</b> Community Facilities including Reserves, Halls, Swimming Pools.			
<b>Opening balance</b>	<b>3,045</b>	<b>2,077</b>	<b>4,379</b>
Transfer to reserve	2,414	2,462	2,462
Transfer from reserve	-		(10)
Capex transfer from reserve	(1,310)	(1,653)	(4,524)
<b>Closing balance</b>	<b>4,149</b>	<b>2,886</b>	<b>2,307</b>

	2023 (AP) \$000s	2024 (LTP) \$000s	2024 \$000s
<b>Port Marlborough NZ Ltd Special Dividend Reserve</b>			
<b>Purpose:</b> 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.			
<b>Activities to which it relates:</b> Various.			
<b>Opening balance</b>	<b>3,932</b>	<b>4,132</b>	<b>3,704</b>
Transfer to reserve	141	173	185
Transfer from reserve	(141)	(173)	(185)
Capex transfer from reserve	(200)	-	(200)
<b>Closing balance</b>	<b>3,732</b>	<b>4,132</b>	<b>3,504</b>

<b>Wairau Rivers Reserve</b>			
<b>Purpose:</b> Accumulates each year-end surplus or deficit from the Wairau Valley River Works rates.			
<b>Activities to which it relates:</b> Rivers and Land Drainage on the Wairau Plain.			
<b>Opening balance</b>	<b>(1,201)</b>	<b>(3,366)</b>	<b>(841)</b>
Transfer to reserve	1,157	1,201	1,118
Transfer from reserve	(494)	(584)	(489)
Capex transfer from reserve	(1,373)	(265)	(1,610)
<b>Closing balance</b>	<b>(1,912)</b>	<b>(3,015)</b>	<b>(1,822)</b>

## 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.

	2023 (AP) \$000s	2024 (LTP) \$000s	2024 \$000s
<b>Landfill aftercare reserve</b>			
<b>Opening balance</b>	<b>2,222</b>	<b>684</b>	<b>2,885</b>
Transfer to reserve	111	45	103
Transfer from reserve	-	-	-
Capex transfer from reserve	-	-	-
<b>Closing balance</b>	<b>2,332</b>	<b>728</b>	<b>2,988</b>
<b>Development Contribution reserves</b>			
<b>Opening balance</b>	<b>(5,806)</b>	<b>1,284</b>	<b>(6,363)</b>
Transfer to reserve	1,837	3,190	1,876
Transfer from reserve	-	-	-
Capex transfer from reserve	(548)	(2,366)	(536)
<b>Closing balance</b>	<b>(4,517)</b>	<b>2,108</b>	<b>(5,023)</b>
	<b>2023 (AP)</b>	<b>2024 (LTP)</b>	<b>2024</b>

	\$000s	\$000s	\$000s
<b>Operational (General and Depreciation) reserves</b>			
<b>Opening balance</b>	<b>7,898</b>	<b>730</b>	<b>8,767</b>
Transfer to reserve	30,952	31,592	31,731
Transfer from reserve	(10,042)	(9,866)	(10,250)
Capex transfer from reserve	(25,011)	(36,622)	(32,839)
<b>Closing balance</b>	<b>3,796</b>	<b>(14,165)</b>	<b>(2,591)</b>
<b>Road Funding reserves</b>			
<b>Opening balance</b>	<b>606</b>	<b>3,037</b>	<b>-</b>
Transfer to reserve	139	1,721	139
Transfer from reserve	-	(95)	-
Capex transfer from reserve	(441)	(147)	(139)
<b>Closing balance</b>	<b>303</b>	<b>4,516</b>	<b>-</b>
<b>MRF biological assets reserve</b>			
<b>Opening Balance</b>	<b>12,695</b>	<b>19,330</b>	<b>11,351</b>
Transfer to reserve	1,020	1,412	1,078
Transfer from reserve	-	-	-
<b>Closing balance</b>	<b>13,715</b>	<b>20,742</b>	<b>12,429</b>
<b>Total movements</b>			
<b>Opening balance</b>	<b>51,534</b>	<b>39,571</b>	<b>42,791</b>
Transfer to reserve	43,382	47,049	45,102
Transfer from reserve	(23,824)	(23,101)	(24,017)
Capex transfer from reserve	(34,535)	(42,445)	(43,183)
<b>Other reserves closing balance as shown in Equity</b>	<b>36,557</b>	<b>21,074</b>	<b>20,694</b>



# Statement of Accounting Policies

These prospective financial statements of Marlborough District Council (MDC) are for the year commencing 1 July 2023 and ending on 30 June 2024 and were authorised for issue by Council on 29 June 2023. 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 2022 which are on Council's website. The changes in PBE IPSAS accounting standards that have occurred since the 30 June 2021 reporting period do not have a material 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 2021-2031 Long Term Plan except for the inflation assumption.

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 October 2022 for Taituara.

# 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 as they are non-cash, 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.

- 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 not included as they are non-cash - 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.

For some activities a further breakdown is given of the operating and capital expenditure, eg; to individual scheme.

## Marlborough District Council: Funding Impact Statement

	2022-2023 Annual Plan \$000s	2023-2024 Long Term Plan \$000s	2023-2024 Annual Plan \$000s
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties	51,818	54,112	56,886
Targeted rates	28,595	31,585	30,606
Subsidies and grants for operating purposes	56,270	5,368	28,950
Fees and charges	22,538	20,269	25,261
Interest and dividends from investments	6,046	8,513	11,095
Local authorities fuel tax, fines, infringement fees, and other receipts	18,618	11,746	14,316
<b>Total Operating funding</b>	<b>183,885</b>	<b>131,593</b>	<b>167,114</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	152,403	94,242	126,883
Finance costs	5,991	10,617	11,785
Other operating funding applications	6,232	3,952	6,502
<b>Total applications of operating funding</b>	<b>164,626</b>	<b>108,811</b>	<b>145,170</b>
<b>Surplus of operating funding</b>	<b>19,259</b>	<b>22,782</b>	<b>21,944</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	7,451	4,829	28,889
Development and financial contributions	7,321	7,478	7,469
Increase (decrease) in debt	52,750	82,854	93,401
Gross proceeds from sale of assets	-	23	3,500
Lump sum contributions	173	157	173
Other dedicated capital funding	2,650	3,136	1,673
<b>Total sources of capital funding</b>	<b>70,345</b>	<b>98,477</b>	<b>135,105</b>
<b>Applications of capital funding</b>			
Capital expenditure to meet additional demand	15,280	14,698	10,403
Capital expenditure to improve the level of service	38,194	38,659	30,882
Capital expenditure to replace existing assets	28,974	24,748	63,155
Increase (decrease) in reserves	(18,244)	(19,909)	(23,174)
Increase (decrease) of investments	25,400	63,063	75,783
<b>Total applications of capital funding</b>	<b>89,604</b>	<b>121,259</b>	<b>157,049</b>
<b>Deficit of capital funding</b>	<b>(19,259)</b>	<b>(22,782)</b>	<b>(21,944)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Marlborough District Council: Funding Impact Statement

	2022-2023 Annual Plan	2023-2024 Long Term Plan	2023-2024 Annual Plan
	\$000s	\$000s	\$000s
<b>Reconciliation</b>			
<b>Total operating funding</b>	183,885	131,593	167,114
plus - Subsidies and grants for capital expenditure	7,451	4,829	28,889
plus - Development and financial contributions	7,321	7,478	7,469
plus - Lump sum contributions	173	157	173
plus - Other dedicated capital funding	1,511	1,926	1,673
plus - Contributions vested assets	1,139	1,210	1,139
plus - Gain on sale of fixed assets	-	22	89
plus - Fair value gains	-	-	-
plus - Fair value movement gain on SWAP	-	-	-
plus - Forestry asset revaluation gain	1,020	1,412	1,078
<b>Revenue as per Statement of Comprehensive Revenue and Expense</b>	202,500	148,627	207,624
<b>Total applications of operating funding</b>	164,626	108,811	145,170
plus - Depreciation and amortisation	31,935	35,188	36,376
plus - Loss on sale of fixed assets	-	-	-
plus - Surrendered New Zealand Carbon Units	1,345	532	1,345
plus - Landfill aftercare provision	111	45	103
plus - Forestry asset revaluation loss	-	-	-
<b>Expenditure as per Statement of Comprehensive Revenue and Expense</b>	198,017	144,576	182,994
<b>Surplus as per Statement of Comprehensive Revenue and Expense</b>	4,483	4,051	24,630