Financial Statements

Reporting entity

Upper Hutt City Council (Council) is a territorial local authority established by the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing Council's operations include the LGA and the Local Government (Rating) Act 2002 (LGRA).

The Upper Hutt City Council **'Group'** consists of Council, Whirinaki Whare Taonga trust (Whirinaki) and Te Aka o te Kupenga Maidstone Park Trust (Te Aka o te Kupenga). For the purposes of the Annual Plan, **'Council'** is Upper Hutt City Council only. Whirinaki and Te Aka o te Kupenga do not materially impact the prospective financial statements and are therefore not included.

Council has an interest in the Hutt Valley Wastewater Scheme.

Council is a 12.24% shareholder in Wellington Water Limited (WWL). As this is a minority shareholding, the financial results of WWL are not consolidated into the Group's accounts. Instead, the shareholding is held as an investment. Council contracts WWL to carry out the maintenance and development of the Three Waters infrastructure on its behalf.

The primary objective of Council is to provide local infrastructure, local public services, and perform regulatory functions for the community. Council does not operate to make a financial return.

Accordingly, Council has designated itself a public benefit entity (PBE) in Tier 1 entity for the purposes of New Zealand equivalents to International Public Sector Accounting Standards (IPSAS).

Basis of preparation

The prospective financial statements are for Council as a separate legal entity. Consolidated prospective financial statements comprising Council and its controlled entities and associates have not been prepared.

Statement of compliance

The prospective financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R) which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The prospective financial statements comply with IPSAS, and other applicable financial reporting standards, as appropriate for public benefit entities, in accordance with Tier 1 PBE accounting standards.

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

Presentation currency and rounding	The prospective financial statements are presented in New Zealand dollars, rounded to the nearest thousand ($000), unless otherwise stated. Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the Prospective Statement of Financial Performance.
Changes in accounting policies	There have been no changes in accounting policies since the previous year.

Measurement basis

Historical cost measurement basis	The measurement basis applied is historical cost, modified by the revaluation of land and buildings, certain infrastructure assets and financial instruments, and investment property. The accrual basis of accounting has been used unless otherwise stated.
Forecast figures	The forecast figures are those approved by Council after a period of consultation with the public as part of the Annual plan process. The forecast figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Council for the preparation of financial statements and in accordance with Financial Reporting Standard No. 42 (FRS 42) which applies to Prospective Financial Statements. The financial statements, associated notes and accounting policies have been prepared under NZ IPSAS standards, as applying for a Public Benefit Entity ('PBE'). This is an entity whose primary objective is to provide goods or services for community or social benefit and where equity has been provided with a view to supporting that primary objective rather than for a financial return. A 'forecast' means prospective financial information prepared on the basis of assumptions as to future events which Council reasonably expects to occur at the date the information is prepared. A forecast differs from a 'projection'. A projection contains financial information prepared on the basis of more hypothetical assumptions (or 'what if' scenarios).

Significant risks

It should be noted that:

1. Actual results achieved during the 2024 – 2025 year are likely to vary from the forecasts presented in this document and the variations may

prove to be material.

2. The information in this document may not be appropriate for purposes other than as described herein.

3. The rate of inflation and interest rates may differ significantly from the assumptions used in preparing these forecast financial statements. The actual results are likely to vary materially depending upon other circumstances that arise during the period.

Historical cost basis The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructure assets, and financial instruments (including derivative instruments).

Judgements and estimations

Preparation and policy The preparation of prospective financial statements using Public Benefit Entities standards requires the use of judgements, estimates, and assumptions. Where material, information on the main assumptions is provided in the relevant accounting policy.

Justification The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates.

Review The estimates and assumptions are reviewed on an ongoing basis and adjustments are made where necessary.

Significant effects Judgements that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the Statement of Accounting Policies. Significant judgements and estimations include asset revaluations, impairments, certain fair value calculations and provisions.

Financial statements

Rate funding requirement— (forecast $000)

LTP Y1 2024 – 2025	GROUPS OF ACTIVITIES	LTP Y2 2025 – 2026	ANNUAL PLAN 2025 – 2026	VARIATION 2025 – 2026
3,062	**Leadership**	3,439	4,018	579
	Community and Recreation			
659	Community development	675	538	(137)
433	Activation	492	0	(492)
472	Emergency management	492	664	172
5,718	H_2O Xtream	9,296	9,666	370
3,963	Upper Hutt Libraries	4,210	3,539	(671)
2,357	Whirinaki Whare Taonga	2,160	2,758	598
1,382	Property	1,294	1,288	(6)
6,833	Parks and reserves	9,731	7,239	(2,492)
0	Te Aka o te Kupenga	0	2,179	2,179
(4)	Akatārawa Cemetery	254	87	(167)
0	Support services	0	0	0
2,450	**Economic Development**	2,601	580	(2,021)
11,865	**Water Supply**	13,966	14,209	243
9,918	**Wastewater**	10,707	11,691	984
3,457	**Stormwater**	4,086	4,093	7
7,769	**Land Transport**	10,167	8,869	(1,298)
349	**Sustainability**	490	873	383
	Planning and Regulatory			
2,216	City planning	2,459	1,745	(714)
1,428	Building and compliance services	1,599	1,405	(194)
64,326	**Total rate funding requirement**	**78,117**	**75,441**	**(2,676)**
	Funded by			
0	Accumulated General Fund	0	0	0
64,326	Rates revenue requirement	78,117	75,441	(2,676)
64,326	**Total**	**78,117**	**75,441**	**(2,676)**
21.43%	Change in rating requirement	21.44%	17.28%	(4.16%)
1.50%	Forecast growth (in rating database)	1.50%	1.50%	0
19.93%	**Forecast net change in overall rate funding requirement**	**19.94%**	**15.78%**	**(4.16%)**
0.0%	Less forecast inflation	2.7%	2.7%	0

	(Local Government Cost Index)			
19.93%	**Forecast real change in core rate funding requirement**	**17.24%**	**13.08%**	**(4.16%)**

Financial position (prospective statement $000)

LTP Y1 2024 – 2025	ASSETS	LTP Y2 2025 – 2026	ANNUAL PLAN 2025 – 2026	VARIATION 2025 – 2026
	Current assets			
2,255	Cash and cash equivalents	2,271	26,691	24,420
15,424	Other financial assets	14,039	23,189	9,150
0	Derivative financial instruments	0	170	170
7,345	Trade and other receivables	7,552	9,305	1,753
600	Assets held for sale	600	590	(10)
0	Inventories	0	3	3
25,624	**Total current assets**	**24,462**	**59,948**	**35,486**
	Non-current assets			
6,132	Non-current financial assets	6,699	4,232	(2,467)
5,000	Derivative financial instruments	5,000	3,910	(1,090)
15	Trade and other receivables	11	15	4
242,482	Property, plant, and equipment	260,567	268,080	7,513
63,658	Aquatic assets	66,321	52,324	(13,997)
1,003,803	Infrastructure assets	1,031,794	1,405,981	374,187
0	Intangible assets	0	0	0
1,321,090	**Total non-current assets**	**1,370,392**	**1,734,542**	**364,150**
1,346,714	**TOTAL ASSETS**	**1,394,854**	**1,794,491**	**399,637**
	LIABILITIES			
	Current liabilities			
16,400	Payables and deferred revenue	16,843	15,943	(900)
0	Derivative financial instruments	0	0	0
1,500	Employee entitlements	1,541	2,084	543
12,124	Borrowings	12,771	4,250	(8,521)
30,024	**Total current liabilities**	**31,155**	**22,277**	**(8,878)**
	Non-current liabilities			
0	Derivatives financial instruments	0	128	128
250	Employee entitlements	257	241	(16)
209,449	Borrowings	230,672	251,513	20,841
209,699	**Total non-current liabilities**	**230,929**	**251,882**	**20,593**

239,723	**Total liabilities**	**262,084**	**274,158**	**12,074**
1,106,991	**NET ASSETS**	**1,132,770**	**1,520,332**	**387,562**

LTP Y1 2024 – 2025	EQUITY	LTP Y2 2025 – 2026	ANNUAL PLAN 2025 – 2026	VARIATION 2025 – 2026
234,163	Accumulated funds	234,048	202,737	(31,311)
26,156	Restricted reserves	26,338	33,282	6,944
846,672	Asset revaluation reserves	872,385	1,284,313	411,928
1,106,991	**TOTAL EQUITY**	**1,132,771**	**1,520,332**	**387.562**

Comprehensive revenue and expense (forecast $000)

LTP Y1 2024 – 2025	REVENUE	LTP Y2 2025 – 2026	ANNUAL PLAN 2025 – 2026	VARIATION 2025 – 2026
64,666	Rates	78,467	75,113	(3,354)
5,347	Fees and charges	8,541	5,641	(2,900)
1,950	Development and financial contributions	3,598	4,190	592
9,579	Subsidies and grants	8,119	8,084	(35)
1,000	Interest and dividends	1,000	1,828	828
8,201	Other revenue	5,761	8,391	2,630
90,743	**Total revenue**	**105,486**	**103,247**	**(2,239)**
	OPERATING EXPENDITURE			
18,159	Personnel costs	18,855	18,985	130
24,154	Depreciation and amortisation expense	28,645	40,327	11,682
8,384	Finance costs	11,489	10,862	(627)
3,996	Bulk drainage levy	4,143	4,143	(0)
7,889	Bulk water levy	8,089	9,222	1,133
30,868	Other expenses	34,198	39,049	4,851
93,450	**Total operating expenditure**	**105,419**	**122,588**	**17,169**
(2,707)	**Surplus/(deficit) before tax**	**67**	**(19,341)**	**(19,408)**
0	Tax expense	0	0	0
(2,707)	**Surplus/(deficit) after tax**	**67**	**(19,341)**	**(19,408)**
	OTHER COMPREHENSIVE REVENUE			
0	Gains/(loss) on infrastructure assets revaluation	0	42,006	42,006
0	Financial assets at fair value through equity	0	0	0
0	Gains on operational, aquatic, and restricted assets revaluation	25,714	23,792	(1,922)
0	**Total other comprehensive revenue**	**25,714**	**65,799**	**40,085**

	for the year—net of tax			
(2,707)	**TOTAL COMPREHENSIVE REVENUE FOR THE YEAR**	**25,781**	**46,458**	**20,677**

Cashflow (forecast $000)

LTP Y1 2024 – 2025	**OPERATING ACTIVITIES**	**LTP Y2 2025 – 2026**	**ANNUAL PLAN 2025 – 2026**	**VARIATION 2025 – 2026**
	Cash was provided from:			
85,073	Rates and other receipts	99,123	95,588	(3,535)
1,000	Interest received	1,000	1,828	828
86,073		**100,123**	**97,416**	**(2,707)**
	Cash was applied to:			
(51,606)	Payments to suppliers and employees	(63,708)	(70,193)	(6,485)
(8,384)	Interest paid	(11,489)	(10,862)	627
(59,990)		**(75,197)**	**(81,055)**	**(5,858)**
26,083	**Net cash inflow/(outflow) from operating activities**	**24,926**	**16,361**	**(8,565)**
	INVESTING ACTIVITIES			
	Cash was provided from:			
0	Proceeds from sale of fixed assets	0	0	0
0	Decrease in investments	644	0	(644)
0		**644**	**0**	**(644)**
	Cash was applied to:			
(437)	Increase in investments	0	0	0
(89,565)	Purchase of fixed assets	(47,424)	(45,568)	1,856
(90,002)		**(47,424)**	**(45,568)**	**1,856**
(90,002)	**Net cash inflow/(outflow) from investing activities**	**(46,780)**	**(45,568)**	**(1,212)**
	FINANCING ACTIVITIES			
	Cash was provided from:			
57,533	Loan raised	34,002	39,409	5,407
	Cash was applied to:			
(9,038)	Loan repayments	(12,131)	(7,968)	4,163
48,495	**Net cash inflow/(outflow) from financing activities**	**21,871**	**31,441**	**9,570**
17,679	Cash, cash equivalents and bank overdrafts as at 1 July	2,255	24,457	22,202
(15,424)	Net increase (decrease) in cash, cash equivalents, and bank overdrafts	16	2,234	2,218
2,255	**Cash, cash equivalents, and bank overdrafts as at 30 June**	**2,271**	**26,691**	**24,420**
	COMPOSITION OF CASH			

(2,745)	Cash and bank balances	(2,729)	11,691	14,420
5,000	Call account	5,000	15,000	10,000
2,255	**Closing cash balance**	**2,271**	**26,691**	**24,420**

Changes in equity (forecast $000)

LTP Y1 2024 – 2025		LTP Y2 2025 – 2026	ANNUAL PLAN 2025 – 2026	VARIATION 2025 – 2026
1,109,698	Equity at the start of the year	1,106,991	1,473,874	366,884
(2,707)	Total comprehensive income	25,780	46,458	20,678
1,106,991	**Prospective equity at end of year**	**1,132,771**	**1,520,332**	**387,562**
234,163	Accumulated funds	234,048	202,737	(31,311)
846,672	Asset revaluation reserves	872,385	1,284,313	411,928
26,156	Restricted reserves	26,338	33,282	6,944
1,106,991	**Total recognised revenues and expenses for the period**	**1,132,771**	1,520,332	387,561

The opening balance of Year 2 [25|26] may not agree with closing balance of Year 1 [24|25]. This is because Council is taking into account the actual transactions for the [24|25] year, which presents a more accurate forecast of the opening balance of Year 1.

The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The accompanying accounting policies and 'notes' form part of these financial statements.

Note 1 | General Accounting policies (forecast)

Revenue

Revenue comprises rates, revenue from operating activities, investment revenue, gains, finance and other revenue and is measured at the fair value of consideration received or receivable. Revenue may be derived from either ***exchange*** or ***non-exchange*** transactions.

Exchange transactions	Exchange transactions are transactions where Council receives assets (primarily cash) or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange.
Non-exchange transactions	Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange. An inflow of resources from a non-exchange transaction recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow. As Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Specific policies

Specific accounting policies for major categories of revenue are outlined below.

Rates	Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which rates have been set. Rates revenue is recognised when payable. Rates collected on behalf of Greater Wellington Regional Council (GWRC) are not recognised in the financial statements as Council is acting as an agent for GWRC. Rates remissions are recognised as a reduction of rates revenue when Council has received an application that satisfies its rates remission policy. Revenue from late payment penalties is recognised when they are incurred.
Subsidies and grants	**New Zealand Transport Agency Waka Kotahi roading subsidies** Council receives government grants from New Zealand Transport Agency

	(NZTA) Waka Kotahi, which subsidises part of Council's costs in maintaining the local roading infrastructure and capital expenditure on the roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled. **Other grants received** Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.
Fees and charges	**Infringements and fines** Revenue from fines and penalties (e.g. traffic and parking infringements) are recognised when tickets/infringement notices are paid. **Metered water charges** Revenue from water charges by meter is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year-end, is accrued on an average usage basis. **Building and resource consent revenue** Fees and charges for building and resource consent services are initially recognised at time of application with any additional charges being recognised prior to completion.
Sale of goods	Revenue from sale of goods is recognised when a product is sold to the customer. Sales are usually in cash or by credit card.
Vested or donated physical assets	For assets received for no or nominal consideration, the asset is recognised at its fair value when Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset. The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer. For long-life assets that must be used for a specific use (e.g. land must be used as a recreation reserve), Council immediately recognises that fair value of the asset as revenue. A liability is recognised only if Council expects that it will need to return or pass the asset to another party.
Reserve fund and development	The revenue is recognised when Council provides, or is able to provide, the service for which the contribution was charged or when the subdivision is

contributions	substantially complete. Contributions in advance are collected and transferred into their respective special funds. These funds can only be used when the capital works in their respective areas can be fully funded.
Commission	Where revenue is derived by acting for another party, the revenue that is recognised is the commission or fees on the transactions.
Interest and dividends	Interest income is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate. Dividends are recognised when the right to receive payment has been established. Dividends are recognised in surplus or deficit unless the dividend clearly represents a recovery as part of the cost of the investment.

Expenses

Expenditure is recognised when Council has been supplied with the service or has control of the goods supplied.

Borrowing costs	All borrowing costs are recognised as an expense in the period in which they are incurred. Council does not capitalise its interest on borrowings
Grant expenditure	Non-discretionary grants are those grants that are awarded if the grant applications meet the specified criteria and are approved. They are recognised as expenditure when an application that meets those criteria is received. Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of Council's decision.
Allocation of overheads to significant activities	The gross costs of Support Services have been allocated to individual significant activities. These overheads have been allocated at the most appropriate pre-determined basis e.g. actual usage, staff numbers, rates contribution, floor area etc. applicable to the service provided to each significant activity.
Internal transactions	Each cost centre is stated with the inclusion of internal costs and revenues. In order to present a true and fair view in the financial statements these transactions have not been eliminated. This method has no effect on the operating result for the year.
Income taxation	Council has a tax exemption in relation to the surplus or deficit for

the period.

Personnel costs

Salaries and wages are recognised as an expense as employees provide services.

Employer contributions to KiwiSaver and the Government Superannuation Fund are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Depreciation and amortisation

Depreciation of property, plant, and equipment and amortisation of intangible assets are charged on a straight-line basis over the estimated useful life of the associated assets.

Cash and cash equivalents

Cash and cash equivalents include cash in hand; deposits held on call with bank; other short-term, highly-liquid investments with original maturities of three months or less; and bank overdrafts.

Bank overdrafts

Bank overdrafts are shown within borrowing in current liabilities in the Prospective Statement of Financial Position (page 6).

Short term-deposits

The carrying value of short term-deposits with maturity dates of three months or less approximates their fair value.

Council holds unspent funds included in cash at bank, and term deposits that are subject to restrictions. These unspent funds relate to monies which are received or levied for a specific purpose or benefit a discrete group of users. These are contained within our restricted reserves and are detailed in Note 5 (page 29).

Other financial assets

Recognition

Council classifies its financial assets into the following three categories:

- financial assets at fair value through surplus or deficit;
- financial assets at amortised cost; and
- financial assets at fair value through other comprehensive revenue and expense.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets at fair value through surplus or deficit

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so, designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in surplus or deficit.

Financial assets in this category include shares, bonds, and derivatives.

Financial assets at amortised cost

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the assets are impaired or derecognised are recognised in the surplus or deficit.

Investments in this category include term deposits and borrower notes.

Financial assets at fair value through other comprehensive revenue and expenses

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above.

They are included in non-current assets unless management intends to dispose of share investments within 12 months of balance date or if the debt instrument is not expected to be realised within 12 months of balance date.

This category encompasses:

- investments that Council intends to hold long term but which may be realised before maturity; and
- shareholding that Council holds for strategic purposes.

After initial recognition, these investments are measured at their fair value.

Gains and losses are recognised directly in other comprehensive revenue and expense except for impairment losses which are recognised in the surplus or deficit.

On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to surplus or deficit.

Impairment of financial assets

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

Financial assets at amortised cost and held-to-maturity investments

Impairment is established when there is evidence that Council and Group will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired.

The amount of the impairment is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit.

When the receivable is uncollectible, it is written off against the allowance account.

Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

Impairment of term deposits, local authority stock, government bonds, and community loans, are recognised directly against the instrument's carrying amount.

Financial assets at fair value through other comprehensive revenue and expenses

For shares, a significant or prolonged decline in the fair value of the shares below its cost is considered to be objective evidence of impairment. For listed bonds, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments is considered to be objective evidence of impairment. If impairment evidence exists, the cumulative loss recognised in other comprehensive revenue and expense is transferred to the surplus or deficit.

Impairment losses on shares recognised in the surplus or deficit are not reversed through the surplus or deficit. If in a subsequent period the fair value of listed bonds increases and the increase can be objectively related to an event after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

Trade and other receivables

Recording receivables

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

The ECL allowance has been calculated based on rate of actual bad debts written off plus forward adjustment factors to derive the forecast default rate. The forward adjustment factors used were the average Treasury forecasted unemployment rate, inflation rate, and GDP growth rate.

Uncollectable receivables

A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

Receivables are generally short-term and not interest-bearing. Therefore, the carrying value of receivables approximates their fair value.

Council does not provide for any uncollectability on rates receivable, as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgment, then Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

Writing off rates

Rates are written off:

- when remitted in accordance with the Council's Rates Remission Policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Writing off other receivables

Other receivables are written-off when there is no reasonable expectation of recovery.

Payment plans

Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material.

Impairment of receivables

The impairment provision has been calculated based on expected losses for council's pool of debtors. Expected losses have been determined based on an analysis of Council's losses in previous periods, and a review of specific debtors.

Council does not provide for any impairment on rates receivable as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. Ratepayers can apply for payment plan options in special circumstances.

Loans

Loans (including loans to community organisations) made by Council at nil, or below market value interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method.

The difference between face value and present value of expected future cash flow of the loan is recognised in the Prospective Statement of Comprehensive Revenue and Expense as a grant.

Carrying value

The estimated carrying value of receivables (excluding community loans) approximates their fair value.

Community loans

Council's community loan scheme is designed to help not-for-profit organisations in the Upper Hutt community to develop or improve new or existing facilities and other major projects. Only organisations with the ability to repay are granted loans. Council may, at its discretion, require a qualifying body to provide security for a loan.

Interest in the first year of the loan is 0%, second year is 1%, third year is 2%, and fourth and subsequent years is 3%. The fair value of loans at initial recognition has been determined using cashflows at a rate based on the loans recipient's assessed financial risk factors.

Non-current assets classified as held for sale

Recognition

Non-current assets held for resale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less cost of sales.

Impairment losses

Any impairment losses for write down of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less cost to sell) are recognised up to the level of any impairment losses that have been previously recognised.

No depreciation or amortisation

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Council land

Council has identified a parcel of land as being made available for sale at Duncraig Street.

Property, plant, and equipment

Property, plant, and equipment is divided into four major categories

- **Operational property, plant, and equipment**: this includes land, buildings, street trees, improvements, library books, plant and equipment, and motor vehicles.
- **Restricted property, plant, and equipment**: restricted assets are parks and reserves owned by Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.
- **Aquatic assets**: building, plant, and equipment relating to H_2O Xtream aquatic centre.
- **Infrastructure assets**: infrastructure assets are the fixed utility network systems owned by Council and include roading, water, stormwater, and wastewater piping. Each asset class includes all items that are required for the network to function.
- Infrastructure assets (except land under roads) are measured at fair value less accumulated depreciation and impairment losses. Land under roads is held at cost.

Council has Asset Management Plans for all major assets. These plans have provided the basis for development of the forecast financial statements.

All property, plant, and equipment is shown at cost or valuation less accumulated depreciation and impairment losses.

Revaluation

Council accounts for revaluations of property, plant, and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset in other comprehensive revenue and expenses. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the surplus or deficit. Any subsequent increase or revaluation that offset a previous decrease in value is recognised in the surplus or deficit up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset under other comprehensive revenue and expenses.

Those asset classes that are revalued are valued on a set revaluation cycle and all other asset classes are carried at depreciated historical costs. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

While assumptions are used in all revaluations, the most significant of these are in infrastructure. For example, where stormwater, wastewater and water supply pipes are underground, the physical deterioration and condition of assets are not visible and must therefore be estimated. Any revaluation risk is minimised by performing a combination of physical inspections and condition modelling assessments.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential of the item will flow to Council and the cost of the item can be measured reliably. In most instances, an item of property, plant, and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Prospective Statement of Comprehensive Revenue and Expense. Where revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Impairment of property, plant, and equipment, and intangible assets

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use and goodwill, are not subject to amortisation and are tested annually for impairment.

Property, plant, and equipment, and intangible assets subsequently measured at cost that have an infinite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit in the Prospective Statement of Comprehensive Revenue and Expense (page 7).

Value in use for non-cash generating assets

Non-cash generating assets are those not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash generating assets

Cash generating assets are those held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash generating units is the present value of expected future cash flows.

Depreciation

All assets, except for land and road formations, have been depreciated on either a straight line or diminishing value basis at rates estimated to write off the cost of the assets over their estimated useful life.

Hutt Valley Wastewater Scheme assets are controlled by Hutt City Council. Council is entitled to a share in any sale proceeds of these assets. The Seaview wastewater treatment plant is depreciated over 20 years and sewage pipelines over 40 – 80 years.

The specific rates of depreciation applied to major classes of property, plant, and equipment are detailed below as in Appendix 1 of the Infrastructure Strategy (Long Term Plan 2024 – 2034, page 251. The residual value and useful life of an asset is reviewed, and adjusted (if applicable), at each financial year-end.

OPERATIONAL ASSETS	YEARS
Buildings	10 – 100
Buildings fit-out and services	10 – 40
Furniture and office equipment	5 – 15
Library books	3 – 5
Motor vehicles	5 – 25
Parks and reserves services	10 – 100
Plant and equipment	4 – 50
INFRASTRUCTURE ASSETS	**YEARS**
Water supply	
Civil works	80 – 100
Mechanical and electrical plant, associated structures	20 – 50
Pipework, appurtenances, and associated structures	50 – 100
Reservoirs, intake structure	100
Wastewater	
Civil works	80 – 100
Electronic equipment	10 – 20
Mechanical and electrical plant, outlets, pumps	15 – 50
Pipework, wastewater mains	50 – 100
Stormwater	
Civil works	80 – 100
Mechanical and electrical plant, outlets, pumps	20 – 50
Pipework, appurtenances, and associated structures	50 – 100

INFRASTRUCTURE ASSETS	YEARS
Telemetry	
Civil works	80 – 100
Mechanical and electrical plant, outlets, pumps	20 – 50
Pipework, appurtenances, and associated structures	50 – 100
Electronic equipment	10 – 20
Roading	
Bridges	20 – 100
Car parks	50
Culverts	50 – 80
Footpaths/accessways	30 – 60
Roads (except land and formation)	4 – 30
Roundabouts	50
Stormwater channels	15 – 60
Street and traffic lights	5 – 50
Street furniture and other features	12 – 25
Subways	80
Sumps	60
DIMINISHING VALUE DEPRECIATION	**YEARS**
Furniture and office equipment	5
Plant and equipment	4 – 50
Vehicles and plant	5 – 105

Critical accounting estimates and assumptions

In preparing these financial statements, Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and based on historical experience and other factors, including reasonable expectations or future events. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are discussed below.

Infrastructure assets

There are several assumptions and estimates used when performing depreciated replacement cost valuations over infrastructure assets. These include:

- The physical deterioration and condition of an asset, for example Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If the useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the Prospective Statement of Comprehensive Revenue and Expense (page 260 under surplus/deficit).

  To minimise this risk, Council infrastructure asset useful lives have been determined with reference to the New Zealand Infrastructure Asset Valuation and Depreciation Guidelines (published by the New Zealand National Asset Management Steering Group) and have been adjusted for local conditions, based on past experience. Asset inspections, deterioration, and condition modelling are also carried out regularly as part of Council's asset management planning activities, which gives Council further assurance over its useful life estimates.
- Experienced independent valuers perform Council's infrastructure asset revaluations.

Council has no flood protection or control works to disclose as this function is carried out by GWRC. Water supply has no treatment plants and facilities. Council's wastewater treatment plant and facilities are shared under a joint arrangement with Hutt City Council called the Hutt Valley Wastewater Scheme.

Payables and deferred revenue

Recorded at the amount payable

Short-term creditors and other payables are recorded at the amount payable.

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their value.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) resulting from a past event. It is probable that expenditure will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Employee entitlements

Short-term entitlements

Wages and salaries, annual leave and other entitlements that are expected to be settled within twelve months of reporting date are measured at nominal values on an actual entitlement basis at current rates of pay. Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year.

Long-term entitlements

Entitlements that are payable beyond twelve months, such as long service leave and retirement gratuity, have been calculated on an actuarial basis.

The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information.
- The present value of the estimated future cash flows.

Presentation of employee entitlements

Sick leave, annual leave, and vested long service leave are classified as a current liability. Non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Critical accounting estimates and assumptions

The present value of retirement and long service leave obligations depend on a number of factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

Expected future payments are discounted using forward discount rates derived from the 90-day call rate from NZ Treasury. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining advice from an independent actuary.

Financial instrument risks

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest expose Council and Group to fair value interest rate risk. The Council's Treasury Risk Management policy requires the use of a 'corridor approach,' whereby the percentage of fixed rate lending is required to stay within set minimum and maximum amounts for current and future years. Fixed to floating interest rate swaps are entered into to hedge the fair value interest rate risk.

Cash flow interest rate risk

Cash flow Interest rate risk is the risk that cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Council to cash flow interest rate risks.

Generally, Council and Group raises long-term borrowings at floating rates and swaps them into fixed rates using interest rate swaps in order to manage the cashflow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rate that are generally lower than those available if Council or Group agrees with other parties to exchange, at specific intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

Credit risk

Credit risk is the risk that a third party will default on its obligations to Council causing Council to incur a loss. Due to the timing of its cash inflows and outflows, Council invests surplus cash into term deposits which gives rise to credit risk. Council's Investment policy limits the amount of credit exposure to any one financial institution or organisation. Council only invests with entities that have a S&P Global credit rating of at least A+ for short-term and A– for long-term investments.

Council has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

Borrowings and other financial liabilities

Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the council or group has an unconditional right to defer settlement of the liability for at least twelve months after balance date or if the borrowings are expected to be settled within twelve months of balance date.

Council manages its borrowing in accordance with its funding and financial policies, which include a Liability Management Policy.

Goods and services tax (GST)

The Financial Statements have been prepared exclusive of GST, with the exception of trade payable and trade receivable, which are stated as GST inclusive. Where GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

The net amount for GST recoverable from, or payable to the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position (page 6).

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cashflow (page 7).

Commitments are disclosed exclusive of GST. Contingencies are exclusive of GST.

Interest expense rates

Loans are secured by a rate pursuant to Section 115 of the LGA upon the rateable property of the City of Upper Hutt.

Equity

Capital is equity, represented by net assets.

Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires Council to manage its revenues, expenses, assets, liabilities, investment, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the LGA and applied by Council.

Intergenerational equity requires today's ratepayers to meet the costs of utilising Council's assets today and not expecting them to meet the full costs of long-term assets that will benefit ratepayers in future generations.

The LGA requires Council to make adequate and effective provision in its LTP and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The LGA sets outs the factors that Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in Council's Long Term Plan.

Components of equity are:

- Accumulated funds
- Restricted reserves (other accounts restricted by law and special funds)
- Asset revaluation reserves

Restricted reserves

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

Council has the following restricted reserves:

- **Other accounts restricted by law.** These accounts are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves. Conditions applying to these reserves may not be revised by Council without reference to the Courts or third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.
- **Special funds.** These funds are set up where Council has defined a specific purpose. Interest is added to these reserves where applicable and deductions are made where funds have been used for the purpose they were created. Special funds are reserves established by Council decision. Council is legally allowed to alter them without reference to any third party. Transfers to and from these reserves are at the discretion of Council.

Asset revaluation reserves

This reserve relates to the revaluation of property, plant, and equipment to fair value.

Note 2 | Other revenue (forecast %000)

LTP Y1 2024 – 2025	GROUPS OF ACTIVITIES	LTP Y2 2025 – 2026	ANNUAL PLAN 2025 – 2026	VARIATION 2025 – 2026
2,559	Cost reimbursement from other agencies	94	2,176	2,802
5,160	Vested assets	5,160	5,805	645
129	Petrol tax subsidies	126	126	0
353	Parking and vehicle infringements	381	283	(98)
8,201	**Total other revenue**	**5,761**	**8,390**	**2,629**

Note 3 | Depreciation and amortization (forecast %000)

LTP Y1 2024 – 2025	GROUPS OF ACTIVITIES	LTP Y2 2025 – 2026	ANNUAL PLAN 2025 – 2026	VARIATION 2025 – 2026
0	Leadership	0	7	7
5,468	Community and Recreation	8,523	9,986	1,463
9	Economic Development	9	0	(9)
2,892	Water Supply	3,032	4,914	1,882
6,067	Wastewater	7,063	11,260	4,197
3,022	Stormwater	3,142	6,044	2,902
6,659	Land Transport	6,832	8,070	1,238
33	Sustainability	39	41	2
4	Planning and Regulatory	5	6	1
24,154	**Total depreciation and amortisation expense**	**28,645**	**40,327**	**11,682**

Note 4 | Other expenses (forecast $000)

LTP Y1 2024 – 2025	GROUPS OF ACTIVITIES	LTP Y2 2025 – 2026	ANNUAL PLAN 2025 – 2026	VARIATION 2025 – 2026
259	Advertising, Communications and Promotions	282	246	(36)
216	Audit Fees	266	266	0
39	Bank Fees	40	75	34
400	Cloud software implementation	514	500	(14)
1,419	Consultants	1,475	2,732	1,258
388	Contractors	400	2,639	2,239
78	Corporate Subscriptions/Membership	46	99	53
22	Election Expenses	226	241	15
342	Electricity and gas energy	604	600	(4)
103	Fringe benefit tax (FBT)	104	90	(14)
1,158	Grants paid	1,303	1,406	103
2,723	Insurance	3,330	3,002	(328)
1,888	Loss on Disposal of Assets	1,071	1,071	0
613	Maintenance	541	615	74
44	Materials	46	39	(7)
482	Motor vehicles	503	480	(23)
46	NZTA Road Safety Programme	47	28	(20)
4,596	Other operating expenses	6,211	8,054	1,844
1,546	Outsourced/managed services	1,659	1,639	(20)
597	Personnel Other Expense	626	483	(143)
405	Professional Services	427	375	(52)
3,079	Projects	4,601	4,960	359
3,139	Rates Expenses Council Property	3,755	3,394	(362)
3,093	Roading Maintenance	3,212	3,312	100
1,302	Software Licenses & Subscriptions	1,377	1,632	255
617	Stormwater Maintenance	634	634	0
100	Transition costs	103	0	(103)
1,069	Wastewater Maintenance	1,098	1,098	0
2,769	Water Supply Maintenance	2,844	2,844	0
1,416	Wellington Water Management Fee	1,455	1,455	0
30,868	**Total Other Expenses**	**34,198**	**39,049**	**4,851**

Note 5 | Restricted reserves

Special funds

Schedule of special funds forecast—LTP Year 2 ($000)

		Opening balance 1 July 2025	Total deposits	Total withdrawals	Closing balance 30 June 2026
1	General reserve	5,760	230	(570)	5,420
2	Amenities fund	653	26	0	679
3	Civic amenities fund	1	0	0	2
4	Plant renewal	229	9	(239)	0
5	Reserve fund contributions	8,377	2,933	(2,080)	9,230
6	Cash in lieu of parking	3	0	0	3
7	Property sales	58	2	0	60
8	Sierra Way subdivision	165	7	0	171
9	Akatārawa roading levy	321	13	0	334
10	Kaitoke roading levy	86	3	0	89
11	Mangaroa roading levy	356	14	0	371
12	Katherine Mansfield levy	241	10	0	251
13	Blue Mountains levy	114	5	0	119
14	Moonshine Hill levy	29	1	0	30
15	Alexander Road levy	31	1	0	33
16	Swamp Road levy	462	18	0	480
17	Harcourt Park maintenance fund	18	5	0	23
18	Cemetery development	0	0	0	0
19	Trench resealing levy	14	1	0	15
20	Kurth Crescent development levy	56	2	0	59
21	H2O Xtream plant renewal	807	32	0	839
22	Maidstone Park turf renewal	0	0	0	0
23	Library vehicles plant renewal reserve	0	0	0	0
24	General depreciation reserve	69	3,511	(2,307)	1,274
25	Water supply depreciation reserve (targeted)	0	0	0	0
26	Wastewater depreciation reserve (targeted)	0	0	0	0
27	Stormwater depreciation reserve (targeted)	0	0	0	0
28	Roading depreciation reserve (targeted)	1,076	2,167	(2,515)	728
	Total special funds	**18,929**	**8,992**	**(7,710)**	**20,210**

Schedule of special funds forecast—Annual Plan 2025 – 2026 ($000)

		Opening balance 1 July 2025	Total deposits	Total withdrawals	Closing balance 30 June 2026	Balance variation
1	General reserve	6,254	0	0	6,254	834
2	Amenities fund	645	0	0	645	(34)
3	Civic amenities fund	1	0	0	1	0
4	Plant renewal	76	0	(206)	(130)	(130)
5	Reserve fund contributions	10,428	2,568	(1,248)	11,748	2,518
6	Cash in lieu of parking	3	0	0	3	0
7	Property sales	57	0	0	57	(3)
8	Sierra Way subdivision	162	0	0	162	(10)
9	Akatārawa roading levy	322	0	0	322	(12)
10	Kaitoke roading levy	34	0	0	34	(56)
11	Mangaroa roading levy	354	0	0	354	(17)
12	Katherine Mansfield levy	168	0	0	168	(83)
13	Blue Mountains levy	73	0	0	73	(46)
14	Moonshine Hill levy	28	0	0	28	(2)
15	Alexander Road levy	31	0	0	31	(2)
16	Swamp Road levy	436	0	0	436	(44)
17	Harcourt Park maintenance fund	1	0	0	1	(22)
18	Cemetery development	1,321	0	0	1,321	1,321
19	Trench resealing levy	14	0	0	14	(1)
20	Kurth Crescent development levy	0	0	0	-	(59)
21	H2O Xtream plant renewal	790	0	0	790	(49)
22	Maidstone Park turf renewal	648	0	0	648	648
23	Library vehicles plant renewal reserve	127	0	0	127	127
24	General depreciation reserve	177	4,392	(2,317)	2,253	979
25	Water supply depreciation reserve (targeted)	0	0	0	0	0
26	Wastewater depreciation reserve (targeted)	0	0	0	0	0
27	Stormwater depreciation reserve (targeted)	0	0	0	0	0
28	Roading depreciation reserve (targeted)	666	634	(7)	1,293	565
29	Roading Sub depreciation reserve (targeted)	320	1,271	(2,957)	(1,366)	(1,366)
30	District Wide Transport DC Fund	364	376	0	740	740
31	Community Facilities DC Fund	19	894	(894)	19	19
32	Infrastructure DC Fund - Water	61	31	(54)	38	38

		Opening balance 1 July 2025	Total deposits	Total withdrawals	Closing balance 30 June 2026	Balance variation
33	Infrastructure DC Fund - Storm Water	0	1	0	1	1
34	Infrastructure DC Fund - Waste Water	(51)	139	(54)	33	33
35	Rural Roads Development Contribution Fund	182	182	0	364	364
36	Waste Levy Reserve Fund	757	0	0	757	757
	Total special funds	**24,468**	**10,487**	**(7,737)**	**27,218**	**7,008**

Special fund purposes

General reserve	**1**	Available for any appropriate purpose.
Amenity fund(s)	**2, 3**	Available for lending at concessional rates to community groups for the development/construction of assets that will generate a benefit for the overall community.
Plant renewal	**4**	Funds allocated from rates to replace/upgrade plant assets in the activity charged with the original allocation.
Reserve fund contributions	**5**	Contributions levied on the developers of sub-divisions which are used to maintain and increase Council-provided community assets or fund interest costs and loan repayments in relation to providing such assets.
Cash in lieu of parking	**6**	Funds collected instead of requiring the provision of parking by developers and used for parking purposes.
Property sales	**7**	Profits generated by the sale of property and available to assist in the funding of a Council work programme.
Roading levies	**8 – 16**	Funds raised from subdivisions in specific catchments and available for roading projects only in the catchment that provided the funds.
Harcourt Park maintenance	**17**	Funds collected from fees and charges for this activity and only available for approved maintenance purposes in that park.
Library and cemetery development	**18**	Funds collected for or generated by the specific activity and only available for projects in that activity.
Trench resealing levy	**19**	Funds collected to ensure the correct reinstatement of trenching work by third parties.

Kurth Crescent development levy	**20**	Funds to be collected from developers to provide stormwater upgrade in Kurth Crescent.
H2O Xtream plant renewal reserve	**21**	Funds allocated from rates to replace/upgrade H2O Xtream plant and equipment.
Maidstone Park turf renewal	**22**	Funds allocated from rates and fees and charges to replace/upgrade the artificial turf.
Library vehicles plant renewal	**23**	Funds allocated from rates to replace/upgrade library vehicles and plant and equipment.
General depreciation reserve	**24**	Funds allocated from rates to replace/renew community assets, and to repay debt.
Targeted depreciation reserves	**25 – 29**	Funds allocated from targeted rates to replace/renew roading, water supply, wastewater, and stormwater assets, and to repay debt.
Development Contributions	**30-35**	Contributions levied on developers and new home builders which are used to contribute towards paying for growth-related infrastructure
Waste Levy Fund	**36**	Funds received by the specific activity and only available for projects in that activity
Purpose of each fund	The income from fees or rates for each of these activities can only be expended on each specific activity. Any surpluses are transferred into these accounts and applied in future periods to mitigate income requirements.	

Other accounts restricted by law

Other accounts restricted by law forecast LTP Year 2 ($000)

		Opening balance 1 July 2025	Total deposits	Total withdrawals	Closing balance 30 June 2026
1	Dog control account	114	0	0	114
2	Water supply rate account	624	0	0	624
3	Wastewater rate account	5,260	0	(1,100)	4,160
4	Stormwater rate account	1,230	0	0	1,230

	Total	**7,228**	**0**	**0**	**6,128**

Other accounts restricted by law forecast— Annual Plan 2025 – 2026 ($000)

		Opening balance 1 July 2025	Total deposits	Total withdrawals	Closing balance 30 June 2026	Balance variation
1	Dog control account	216	0	0	216	102
2	Water supply rate account	(134)	0	0	(134)	(758)
3	Wastewater rate account	4,876	0	0	4,876	716
4	Stormwater rate account	2,955	0	0	2,955	1,725
	Total	**7,914**	**0**	**0**	**7,914**	**1,785**