

Notes to the Financial Statements

Note - the 2008/09 figures reported are based on the annual plan approved in June 2008 and that the opening balances at 1 July 2009 are based on the most recent forecasts. Therefore the closing balances at 30 June 2009 will not reconcile to the opening balances at 1 July 2009

1	Rates	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
		Annual Plan	LTCCP	LTCCP	LTCCP	LTCCP	LTCCP	LTCCP	LTCCP	LTCCP	LTCCP	LTCCP
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
		(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
	General Rates	13,804	15,168	15,702	16,836	16,641	16,789	17,376	17,287	18,027	18,639	18,641
	Targeted Rates Water Fire Protection	990	1,015	1,003	1,096	1,251	1,261	1,362	1,416	1,489	1,591	1,689
	Targeted Rates Water Supply	2,859	2,979	2,899	3,241	3,832	3,843	4,218	4,406	4,666	5,045	5,408
	Targeted Rates Stormwater	2,064	1,701	2,130	1,933	1,466	1,818	1,699	1,829	1,931	1,869	1,791
	Targeted Rates Wastewater	4,968	5,100	5,470	5,443	5,729	5,919	6,141	6,377	6,361	6,798	7,296
	Targeted Rate Karapoti Bridge	2	2	2	2	2	2	2	0	0	0	0
	Rates Penalties	190	190	195	201	206	210	215	221	226	231	237
Total Rates Income		24,877	26,155	27,401	28,752	29,127	29,842	31,013	31,536	32,700	34,173	35,062

Rates Remission

Rates revenue is shown net of rate remission.

Upper Hutt City Council's Rate Remission policy allows Upper Hutt City Council to remit or postpone rate or penalties on condition of ratepayer's extreme hardship, land used for sport, and land protected for historical or cultural purposes and general rate under selected criteria for the Upper Hutt City Council's Economic Development Policy.

Rates Remissions	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	Annual Plan	LTCCP	LTCCP	LTCCP	LTCCP	LTCCP	LTCCP	LTCCP	LTCCP	LTCCP	LTCCP	LTCCP
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
		(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
	Total Gross Rates Revenue	25,084	26,367	27,617	28,866	29,244	29,962	31,136	31,662	32,829	34,305	35,197
	Less Rates remission											
	Land used for sport	83	88	91	93	95	98	100	103	105	108	110
	Rate penalties remission	20	20	21	21	22	22	23	23	24	24	25
	Remission Economic Development Policy	104	104	104	0	0	0	0	0	0	0	0
Rates Revenue Net of Remissions		24,877	26,155	27,401	28,752	29,127	29,842	31,013	31,536	32,700	34,173	35,062

Non-rateable land

Under the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates.

These properties include schools, place of worship, public gardens and reserves. These non-rateable properties may be subject to targeted rates in respected of sewerage, water, refuse and sanitation.

Notes to the Financial Statements

2	Fees and Charges	Forecast Annual Plan Year 0 2008/09 (\$ 000)	Forecast LTCCP Year 1 2009/10 (\$ 000)	Forecast LTCCP Year 2 2010/11 (\$ 000)	Forecast LTCCP Year 3 2011/12 (\$ 000)	Forecast LTCCP Year 4 2012/13 (\$ 000)	Forecast LTCCP Year 5 2013/14 (\$ 000)	Forecast LTCCP Year 6 2014/15 (\$ 000)	Forecast LTCCP Year 7 2015/16 (\$ 000)	Forecast LTCCP Year 8 2016/17 (\$ 000)	Forecast LTCCP Year 9 2017/18 (\$ 000)	Forecast LTCCP Year 10 2018/19 (\$ 000)
	Metered Water Charges	1,078	1,059	1,090	1,118	1,146	1,174	1,202	1,232	1,262	1,291	1,321
	Property Rentals	268	967	275	282	289	296	303	310	318	325	333
	Permit and Licence Fees	1,873	1,539	1,654	1,768	1,812	1,877	1,918	1,963	2,011	2,057	2,104
	H ² O Xstream and Expression Charges	940	1,293	1,331	1,259	1,399	1,433	1,354	1,504	1,541	1,454	1,612
	Library, Parks, Cemetery and Community Charges	401	451	461	473	484	496	510	522	535	548	560
	Vested Assets	895	2,301	2,343	2,332	2,374	2,416	2,458	2,502	2,547	2,590	2,635
	Reserve and Rooding Development Fund Charges	704	565	644	685	873	908	920	913	932	842	842
	Solidwaste Charges	503	584	676	693	710	728	745	764	782	800	819
	Other Charges	524	522	659	575	558	625	539	554	652	576	588
	Total Fees and Charges Income	7,186	9,281	9,133	9,185	9,645	9,953	9,949	10,264	10,580	10,483	10,814

N.B.

1. Metered Water charges, although levied and recoverable under the Local Government (Rating) Act, are included with fees and charges as this more accurately represents the nature of the charge.
2. Metered properties are properties that consume more than 260 cubic metres of water per year.

Notes to the Financial Statements

3	Subsidies and Grants	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
		Annual Plan Year 0 2008/09 (\$ 000)	LTCCP Year 1 2009/10 (\$ 000)	LTCCP Year 2 2010/11 (\$ 000)	LTCCP Year 3 2011/12 (\$ 000)	LTCCP Year 4 2012/13 (\$ 000)	LTCCP Year 5 2013/14 (\$ 000)	LTCCP Year 6 2014/15 (\$ 000)	LTCCP Year 7 2015/16 (\$ 000)	LTCCP Year 8 2016/17 (\$ 000)	LTCCP Year 9 2017/18 (\$ 000)	LTCCP Year 10 2018/19 (\$ 000)
	Roading Subsidies - Land Transport New Zealand (LTNZ1)	1,642	2,155	2,399	2,834	2,392	3,233	2,443	3,385	3,055	2,434	2,481
	Petrol Tax (Crown)	142	155	159	164	168	172	176	180	185	189	193
	Public Transport Subsidies (GWRC2)	26	32	33	34	34	35	36	37	38	39	40
	Rural Fire Subsidies (GWRC2 and NRFA3)	3	8	8	8	9	9	9	9	10	10	10
	Subsidies for Activation	335	128	67	69	70	72	0	0	0	0	0
	Other Grants and Subsidies	116	423	436	445	458	469	89	91	92	94	97
	Total Subsidies and Grants Income	2,264	2,901	3,102	3,554	3,131	3,990	2,753	3,702	3,380	2,766	2,821

¹ LTNZ - Land Transport New Zealand

² GWRC - Greater Wellington Regional Council

³ NFRA - National Rural Fire Authority

4	Interest and Dividends	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
		Annual Plan Year 0 2008/09 (\$ 000)	LTCCP Year 1 2009/10 (\$ 000)	LTCCP Year 2 2010/11 (\$ 000)	LTCCP Year 3 2011/12 (\$ 000)	LTCCP Year 4 2012/13 (\$ 000)	LTCCP Year 5 2013/14 (\$ 000)	LTCCP Year 6 2014/15 (\$ 000)	LTCCP Year 7 2015/16 (\$ 000)	LTCCP Year 8 2016/17 (\$ 000)	LTCCP Year 9 2017/18 (\$ 000)	LTCCP Year 10 2018/19 (\$ 000)
	Interest on General Funds	226	101	102	102	102	101	100	99	99	99	98
	Interest on Special Funds	219	178	154	139	112	130	156	184	220	270	327
	Total Interest and Dividend Income	445	279	256	241	214	231	256	283	319	369	425

Notes to the Financial Statements

5	Other Expenditure and Items for Disclosure	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
		Annual Plan Year 0 2008/09 (\$ 000)	LTCCP Year 1 2009/10 (\$ 000)	LTCCP Year 2 2010/11 (\$ 000)	LTCCP Year 3 2011/12 (\$ 000)	LTCCP Year 4 2012/13 (\$ 000)	LTCCP Year 5 2013/14 (\$ 000)	LTCCP Year 6 2014/15 (\$ 000)	LTCCP Year 7 2015/16 (\$ 000)	LTCCP Year 8 2016/17 (\$ 000)	LTCCP Year 9 2017/18 (\$ 000)	LTCCP Year 10 2018/19 (\$ 000)
	Employees Costs - Salaries and Wages	7,240	7,559	7,606	7,798	7,994	8,187	8,244	8,447	8,648	8,842	9,043
	Increase/Decrease in employee benefit liabilities	0	75	0	0	0	0	0	0	0	0	0
	Local Government Association	23	30	31	32	32	33	34	35	36	37	37
	Employees Association	4	4	4	4	4	4	4	4	4	4	4
	Insurance	334	204	210	216	221	226	232	238	243	249	255
	Disaster Fund Insurance	51	55	57	58	60	61	63	64	66	67	69
	Entertainment	18	15	15	16	16	17	17	17	18	18	19
	Civic Functions	13	18	19	19	19	20	20	21	21	22	22
	Audit Fees	101	129	133	136	139	143	146	150	153	157	161
	Audit Fees - LTCCP	70	0	0	74	0	0	79	0	0	85	0
	Interest Expenses	1,583	1,532	1,574	1,624	1,691	1,815	1,850	1,929	1,798	2,122	2,400
	Rental	295	299	308	318	327	335	348	357	368	377	385
	Depreciation:											
	Individual components are:											
	Buildings (operational)	590	954	990	1,005	914	900	1,071	1,071	998	997	997
	Buildings (restricted)	61	62	66	71	76	80	98	100	102	104	103
	Furniture and Equipment (operational)	69	69	63	55	50	45	50	47	46	41	40
	Vehicle and Plant	402	605	599	614	559	561	591	540	530	487	463
	Library Books	119	283	264	293	337	311	281	282	326	401	433
	Parks and Reserves Services	335	365	204	46	56	60	75	77	80	79	71
	Land Transport	2,119	3,536	3,559	3,668	3,721	4,091	4,134	4,176	4,202	4,218	4,497
	Stormwater	1,049	1,103	1,108	1,115	1,121	1,175	1,181	1,187	1,193	1,198	1,226
	Wastewater	1,998	1,290	1,294	1,298	1,301	1,357	1,361	1,365	1,368	1,371	1,395
	Water Supply	893	1,113	1,110	1,102	1,089	1,125	1,117	1,111	1,106	1,098	1,141
	Hutt Valley Wastewater Project	0	1,293	1,293	1,293	1,293	1,413	1,413	1,413	1,413	1,413	1,413
	Impairment of Receivable	12	14	14	14	15	15	15	15	16	16	16
	Impairment of Property, Plant and Equipment											
	Loss on sale of assets	0	322	292	607	541	566	703	756	663	850	28

Notes to the Financial Statements

5	Other Expenditure and Items for Disclosure	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
		Annual Plan	LTCCP	LTCCP	LTCCP	LTCCP	LTCCP	LTCCP	LTCCP	LTCCP	LTCCP	LTCCP
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
		(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
	Rates Remissions - sports clubs and other non Profit bodies as per the Upper Hutt City Council	83	88	91	93	95	98	100	103	105	108	110
	Rates Remission or Postponement											
	Polices											
	Penalty Remissions	20	20	21	21	22	22	23	23	24	24	25
	Derivative Expenses	0	0	44	44	0	0	0	0	0	0	0
	Other Items for Disclosure											
	Derivative Income	0	(27)	(76)	(49)	(9)	(9)	0	0	0	0	0
	Profit on sale of assets	0	0	0	0	0	0	0	0	0	0	0

6	Cash and Cash Equivalents	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
		Annual Plan	LTCCP	LTCCP	LTCCP	LTCCP	LTCCP	LTCCP	LTCCP	LTCCP	LTCCP	LTCCP
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
		(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
	Cash on hand	4	4	5	3	4	3	3	4	4	3	3
	Bank Balances (overdrafts)	70	450	417	330	438	352	496	382	565	444	419
	Call Account	300	300	300	300	300	300	300	300	300	300	300
	Short term deposits maturing three months or less from data of acquisition	0	0	0	0	0	0	0	0	0	0	0
	Total Cash and Cash Equivalents	374	754	722	633	742	655	799	686	869	747	722

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

Refer to Note 7 on estimated weighted average effective interest rate for cash and cash equivalents.

The bank overdraft is unsecured. The facility totals \$600,000.

The current interest rates on the facility are 13.90% per annum.

In the table above in Note 6, Cash and bank overdrafts are estimated as the same for the purposes of the Prospective Cash Flow Statement.

Notes to the Financial Statements

7	Other Financial Assets	Forecast Annual Plan Year 0 2008/09 (\$ 000)	Forecast LTCCP Year 1 2009/10 (\$ 000)	Forecast LTCCP Year 2 2010/11 (\$ 000)	Forecast LTCCP Year 3 2011/12 (\$ 000)	Forecast LTCCP Year 4 2012/13 (\$ 000)	Forecast LTCCP Year 5 2013/14 (\$ 000)	Forecast LTCCP Year 6 2014/15 (\$ 000)	Forecast LTCCP Year 7 2015/16 (\$ 000)	Forecast LTCCP Year 8 2016/17 (\$ 000)	Forecast LTCCP Year 9 2017/18 (\$ 000)	Forecast LTCCP Year 10 2018/19 (\$ 000)
	Current Portion											
	<i>Loans and receivables</i>											
	Short-term deposits with maturities of 4-12 months	2,574	6,723	6,044	4,969	4,883	5,278	5,445	5,874	6,185	6,996	7,690
	Total Current Portion	2,574	6,723	6,044	4,969	4,883	5,278	5,445	5,874	6,185	6,996	7,690
	Non-Current portion											
	<i>Loans and receivables</i>											
	PINS Security <i>Fair Value through Equity- Unlisted Shares</i>	15	7	7	7	7	7	0	0	0	0	0
	Investment in Civic Assurance Ltd	51	51	51	51	51	51	51	51	51	51	51
	Investment in Smartlinx3 Ltd	175	175	175	175	175	175	175	175	175	175	175
	Total Non-Current Portion	241	233	233	233	233	233	226	226	226	226	226

Estimated Carry value of short term equates to estimated fair value.

Valuation of unlisted shares is based on the carrying value which approximates their fair value.

PINS Investment has been written down to its current realisable value as at 30 June 2008.

The estimated maturity dates for all financial assets with the exception of equity investments are on the following page:

There were no impairment provisions for other financial assets.

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	Forecast Annual Plan	Forecast LTCCP	Forecast LTCCP	Forecast LTCCP	Forecast LTCCP	Forecast LTCCP	Forecast LTCCP	Forecast LTCCP	Forecast LTCCP	Forecast LTCCP	Forecast LTCCP
Estimated Maturity Analysis and Effective Interest Rates	Year 0 2008/09 (\$ 000)	Year 1 2009/10 (\$ 000)	Year 2 2010/11 (\$ 000)	Year 3 2011/12 (\$ 000)	Year 4 2012/13 (\$ 000)	Year 5 2013/14 (\$ 000)	Year 6 2014/15 (\$ 000)	Year 7 2015/16 (\$ 000)	Year 8 2016/17 (\$ 000)	Year 9 2017/18 (\$ 000)	Year 10 2018/19 (\$ 000)

The estimated maturity dates for all financial assets with the exception of equity investments are as follows:

Short Term deposits (with maturities 3 months or less)	0	0	0	0	0	0	0	0	0	0	0
Estimated Weighted average effective interest rate	8.25%	3.67%	4.17%	4.83%	4.83%	4.83%	4.83%	4.83%	4.83%	4.83%	4.83%
Short term deposits (with maturities of 4-12 months or less)	2,574	6,723	6,044	4,969	4,883	5,278	5,445	5,874	6,185	6,996	7,690
Estimated Weighted average effective interest rate	8.25%	3.67%	4.17%	4.83%	4.83%	4.83%	4.83%	4.83%	4.83%	4.83%	4.83%
PINS Security (maturity 31/01/2014)	15	7	7	7	7	7	0	0	0	0	0
Estimated Weighted average effective interest rate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Call account	300	300	300	300	300	300	300	300	300	300	300
Estimated Weighted average effective interest rate	8.25%	3.67%	4.17%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%

Notes to the Financial Statements

8 Derivative Financial Instruments	Forecast Annual Plan Year 0 2008/09 (\$ 000)	Forecast LTCCP Year 1 2009/10 (\$ 000)	Forecast LTCCP Year 2 2010/11 (\$ 000)	Forecast LTCCP Year 3 2011/12 (\$ 000)	Forecast LTCCP Year 4 2012/13 (\$ 000)	Forecast LTCCP Year 5 2013/14 (\$ 000)	Forecast LTCCP Year 6 2014/15 (\$ 000)	Forecast LTCCP Year 7 2015/16 (\$ 000)	Forecast LTCCP Year 8 2016/17 (\$ 000)	Forecast LTCCP Year 9 2017/18 (\$ 000)	Forecast LTCCP Year 10 2018/19 (\$ 000)
Current asset portion	0	27	49	0	0	0	0	0	0	0	0
Non-current asset portion	0	58	9	9	9	0	0	0	0	0	0
Current liability portion	0	0	(44)	0	0	0	0	0	0	0	0
Non-current liability portion	0	(44)	0	0	0	0	0	0	0	0	0

The swaps mature 14 June 2011 (\$5.542M), 27 June 2011 (\$2.5M), 14 June 2010 (\$1.25M), 26 June 2011 (\$2.9M) and 27 March 2013 (\$2.895M).

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9 Trade and Other Receivables	Forecast Annual Plan Year 0 2008/09 (\$ 000)	Forecast LTCCP Year 1 2009/10 (\$ 000)	Forecast LTCCP Year 2 2010/11 (\$ 000)	Forecast LTCCP Year 3 2011/12 (\$ 000)	Forecast LTCCP Year 4 2012/13 (\$ 000)	Forecast LTCCP Year 5 2013/14 (\$ 000)	Forecast LTCCP Year 6 2014/15 (\$ 000)	Forecast LTCCP Year 7 2015/16 (\$ 000)	Forecast LTCCP Year 8 2016/17 (\$ 000)	Forecast LTCCP Year 9 2017/18 (\$ 000)	Forecast LTCCP Year 10 2018/19 (\$ 000)
Rates Receivable	727	727	727	727	727	727	727	727	727	727	727
Sundry Debtors	264	935	960	977	996	1,015	1,035	1,056	1,073	1,090	1,090
Community Loans	185	155	130	113	94	75	55	34	17	0	0
GST	339	339	339	339	339	339	339	339	339	339	339
Accrued Revenue	466	806	806	806	806	806	806	806	806	806	806
Prepayments	112	212	212	212	212	212	212	212	212	212	212
	2,093	3,174	3,174	3,174	3,174	3,174	3,174	3,174	3,174	3,174	3,174
Less Provision for Impairment of Receivables	(82)	(82)	(82)	(82)	(82)	(82)	(82)	(82)	(82)	(82)	(82)
Total Trade and Other Receivables	2,011	3,092	3,092	3,092	3,092	3,092	3,092	3,092	3,092	3,092	3,092
Less Non-current portion:											
Community Loans	136	115	97	89	71	51	31	10	0	0	0
Total Non-current portion	136	115	97	89	71	51	31	10	0	0	0
Current Portion	1,875	2,977	2,995	3,003	3,021	3,041	3,061	3,082	3,092	3,092	3,092
Fair value has been determined using cashflows discounted at a rate of 7.75%											
The fair value of Community Loans over the 10 years is:	185	155	130	113	94	75	55	34	17	0	0
The face value of Community Loans over the 10 years is:	227	185	144	116	94	19	52	31	15	0	0

The estimated carrying value of trade and other receivables (excluding community loans) approximates their fair value. There is no concentration of credit risk with respect to receivables outside the group, as the group has a large number of customers. Upper Hutt City 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. Upper Hutt City Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

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	Forecast Annual Plan Year 0 2008/09 (\$ 000)	Forecast LTCCP Year 1 2009/10 (\$ 000)	Forecast LTCCP Year 2 2010/11 (\$ 000)	Forecast LTCCP Year 3 2011/12 (\$ 000)	Forecast LTCCP Year 4 2012/13 (\$ 000)	Forecast LTCCP Year 5 2013/14 (\$ 000)	Forecast LTCCP Year 6 2014/15 (\$ 000)	Forecast LTCCP Year 7 2015/16 (\$ 000)	Forecast LTCCP Year 8 2016/17 (\$ 000)	Forecast LTCCP Year 9 2017/18 (\$ 000)	Forecast LTCCP Year 10 2018/19 (\$ 000)
Movement in the provision of impairment of receivables and community loans											
Opening balance as at 1 July	82	82	82	82	82	82	82	82	82	82	82
Additional provisions made during the year	12	14	14	14	15	15	15	15	16	16	16
Receivables written off during the period	(12)	(14)	(14)	(14)	(15)	(15)	(15)	(15)	(16)	(16)	(16)
Closing balance as at 30 June	82	82	82	82	82	82	82	82	82	82	82

	Forecast Annual Plan Year 0 2008/09 (\$ 000)	Forecast LTCCP Year 1 2009/10 (\$ 000)	Forecast LTCCP Year 2 2010/11 (\$ 000)	Forecast LTCCP Year 3 2011/12 (\$ 000)	Forecast LTCCP Year 4 2012/13 (\$ 000)	Forecast LTCCP Year 5 2013/14 (\$ 000)	Forecast LTCCP Year 6 2014/15 (\$ 000)	Forecast LTCCP Year 7 2015/16 (\$ 000)	Forecast LTCCP Year 8 2016/17 (\$ 000)	Forecast LTCCP Year 9 2017/18 (\$ 000)	Forecast LTCCP Year 10 2018/19 (\$ 000)
Estimated age of Rates Receivables											

The age of rates receivables overdue that have not been impaired are as follows:

Current 90 days over	625	625	625	625	625	625	625	625	625	625	625
1-2 years old	24	24	24	24	24	24	24	24	24	24	24
2-3 years old	5	5	5	5	5	5	5	5	5	5	5
2 Greater than 3 years old	73	73	73	73	73	73	73	73	73	73	73
Carrying Amount as at 30 June	727	727	727	727	727	727	727	727	727	727	727

Notes to the Financial Statements

10 (A)	Operational Property, Plant and Equipment	Forecast Annual Plan Year 0 2008/09 (\$ 000)	Forecast LTCCP Year 1 2009/10 (\$ 000)	Forecast LTCCP Year 2 2010/11 (\$ 000)	Forecast LTCCP Year 3 2011/12 (\$ 000)	Forecast LTCCP Year 4 2012/13 (\$ 000)	Forecast LTCCP Year 5 2013/14 (\$ 000)	Forecast LTCCP Year 6 2014/15 (\$ 000)	Forecast LTCCP Year 7 2015/16 (\$ 000)	Forecast LTCCP Year 8 2016/17 (\$ 000)	Forecast LTCCP Year 9 2017/18 (\$ 000)	Forecast LTCCP Year 10 2018/19 (\$ 000)
	Opening Cost/ Valuation as at 1 July	34,249	46,612	48,896	50,195	50,704	51,336	51,769	52,189	52,704	53,222	53,730
	Accumulated Depreciation and Impairment Charge	(7,505)	(5,686)	(7,406)	(9,133)	(10,744)	(12,426)	(5,026)	(6,814)	(8,568)	(9,972)	(11,747)
	Opening Book Value as at 1 July	26,744	40,926	41,490	41,062	39,960	38,910	46,743	45,375	44,136	43,250	41,983
	Current years Additions	612	2,984	1,299	509	632	433	421	515	518	508	537
	Current years Disposals	0	(700)	0	0	0	0	0	0	0	0	0
	Current Year Revaluation	0	0	0	170	0	9,035	0	0	316	0	9,650
	Current Year Depreciation	(1,088)	(1,720)	(1,727)	(1,781)	(1,682)	(1,635)	(1,789)	(1,754)	(1,720)	(1,775)	(1,787)
	WIP Transferred	0	0	0	0	0	0	0	0	0	0	0
	Closing Book Value as at 30 June	26,268	41,490	41,062	39,960	38,910	46,743	45,375	44,136	43,250	41,983	50,383
	Closing Cost/ Valuation	34,861	48,896	50,195	50,704	51,336	51,769	52,189	52,704	53,222	53,730	54,267
	Closing Accumulated Depreciation	(8,593)	(7,406)	(9,133)	(10,744)	(12,426)	(5,026)	(6,814)	(8,568)	(9,972)	(11,747)	(3,884)
	Closing Book Value as at 30 June	26,268	41,490	41,062	39,960	38,910	46,743	45,375	44,136	43,250	41,983	50,383

Notes to the Financial Statements

10 (B)	Restricted, Property, Plant and Equipment	Forecast Annual Plan Year 0 2008/09 (\$ 000)	Forecast LTCCP Year 1 2009/10 (\$ 000)	Forecast LTCCP Year 2 2010/11 (\$ 000)	Forecast LTCCP Year 3 2011/12 (\$ 000)	Forecast LTCCP Year 4 2012/13 (\$ 000)	Forecast LTCCP Year 5 2013/14 (\$ 000)	Forecast LTCCP Year 6 2014/15 (\$ 000)	Forecast LTCCP Year 7 2015/16 (\$ 000)	Forecast LTCCP Year 8 2016/17 (\$ 000)	Forecast LTCCP Year 9 2017/18 (\$ 000)	Forecast LTCCP Year 10 2018/19 (\$ 000)
	Opening Cost/ Valuation as at 1 July	15,671	17,298	17,759	18,444	19,586	20,008	21,974	22,304	22,636	22,842	23,046
	Accumulated Depreciation and Impairment Charge	(2,228)	(732)	(1,349)	(1,809)	(2,112)	(2,422)	0	(377)	(741)	(1,103)	(1,437)
	Opening Book Value as at 1 July	13,443	16,566	16,410	16,635	17,474	17,586	21,974	21,927	21,895	21,739	21,609
	Current years Additions	335	461	685	1,142	422	360	330	332	206	204	214
	Current years Disposals	0	0	0	0	0	0	0	0	0	0	0
	Current Year Revaluation	0	0	0	0	0	4,350	0	0	0	0	5,374
	Current Year Depreciation	(487)	(617)	(460)	(303)	(310)	(322)	(377)	(364)	(362)	(334)	(319)
	WIP Transferred	0	0	0	0	0	0	0	0	0	0	0
	Closing Book Value as at 30 June	13,291	16,410	16,635	17,474	17,586	21,974	21,927	21,895	21,739	21,609	26,878
	Closing Cost/ Valuation	16,006	17,759	18,444	19,586	20,008	21,974	22,304	22,636	22,842	23,046	26,878
	Closing Accumulated Depreciation	(2,715)	(1,349)	(1,809)	(2,112)	(2,422)	0	(377)	(741)	(1,103)	(1,437)	0
	Closing Book Value as at 30 June	13,291	16,410	16,635	17,474	17,586	21,974	21,927	21,895	21,739	21,609	26,878
	Total Operational & Restricted Property, Plant and Equipment Book Value	57,492	57,900	57,697	57,433	56,496	68,718	67,302	66,031	64,989	63,592	77,261

Notes to the Financial Statements

11 Infrastructure Assets	Forecast Annual Plan Year 0 2008/09 (\$ 000)	Forecast LTCCP Year 1 2009/10 (\$ 000)	Forecast LTCCP Year 2 2010/11 (\$ 000)	Forecast LTCCP Year 3 2011/12 (\$ 000)	Forecast LTCCP Year 4 2012/13 (\$ 000)	Forecast LTCCP Year 5 2013/14 (\$ 000)	Forecast LTCCP Year 6 2014/15 (\$ 000)	Forecast LTCCP Year 7 2015/16 (\$ 000)	Forecast LTCCP Year 8 2016/17 (\$ 000)	Forecast LTCCP Year 9 2017/18 (\$ 000)	Forecast LTCCP Year 10 2018/19 (\$ 000)
Opening Cost/ Valuation as at 1 July	379,026	464,293	473,978	482,963	492,937	503,147	515,557	526,247	537,839	548,300	562,207
Accumulated Depreciation and Impairment Charge	(24,310)	(10,081)	(18,416)	(26,780)	(35,256)	(12,524)	(21,685)	(30,891)	(40,144)	(49,425)	(31,700)
Opening Book Value as at 1 July	354,716	454,212	455,562	456,183	457,681	490,623	493,872	495,356	497,695	498,875	530,507
Current years Additions	7,124	10,007	9,277	10,581	10,751	12,976	11,393	12,348	11,124	14,757	15,102
Current years Disposals	0	(322)	(292)	(607)	(541)	(566)	(703)	(756)	(663)	(850)	(28)
Current Year Revaluation	20,301	0	0	0	31,258	0	0	0	0	27,023	0
Current Year Depreciation	(6,058)	(8,335)	(8,364)	(8,476)	(8,526)	(9,161)	(9,206)	(9,253)	(9,281)	(9,298)	(9,673)
WIP Transferred	0	0	0	0	0	0	0	0	0	0	0
Closing Book Value as at 30 June	376,083	455,562	456,183	457,681	490,623	493,872	495,356	497,695	498,875	530,507	535,908
Closing Cost/ Valuation	386,150	473,978	482,963	492,937	503,147	515,557	526,247	537,839	548,300	562,207	577,281
Closing Accumulated Depreciation	(10,067)	(18,416)	(26,780)	(35,256)	(12,524)	(21,685)	(30,891)	(40,144)	(49,425)	(31,700)	(41,373)
Closing Book Value as at 30 June	376,083	455,562	456,183	457,681	490,623	493,872	495,356	497,695	498,875	530,507	535,908

Notes to the Financial Statements

12 Hutt Valley Wastewater Scheme

The Local Government (Wellington Region) Reorganisation Order 1989 transferred the functions of the Hutt Valley Drainage Board to the Hutt City Council. In so doing, the reorganisation provided for a joint committee to be established between the Upper Hutt and Hutt City Councils to consider the coordination of the two Councils in respect of matters affecting the Hutt Valley as a whole, and the disposal of wastewater in particular.

The joint Hutt Valley Wastewater Scheme has been constructed to improve the operation of the system and quality of the discharge. Upper Hutt pays an annual levy to the Hutt City Council, which manages the Wastewater system, based on an apportionment of between 26% and 31% for Upper Hutt City Council.

Upper Hutt City Council is funding the Hutt Valley Wastewater Scheme in line with the Strategic Plan Funding model.

While Upper Hutt City Council does not have any direct control over the Scheme it is entitled to a share of the proceeds from any sale of the Scheme's assets.

The Hutt Valley Wastewater Scheme was valued on the depreciated replacement value basis as at 1 July 2006.

The valuation of these assets was independently reviewed by Graham Hughson, BE (Civil), DIP Mgmt, CPEng, MIPENZ, Senior Infrastructure Management Consultant of Maunsell Ltd.

Upper Hutt City Council has an equitable interest in the total asset as recognised as part of Infrastructural assets in Note 10.

This is the assessed net book value of the Upper Hutt City Council share.

	Forecast Annual Plan Year 0 2008/09 (\$ 000)	Forecast LTCCP Year 1 2009/10 (\$ 000)	Forecast LTCCP Year 2 2010/11 (\$ 000)	Forecast LTCCP Year 3 2011/12 (\$ 000)	Forecast LTCCP Year 4 2012/13 (\$ 000)	Forecast LTCCP Year 5 2013/14 (\$ 000)	Forecast LTCCP Year 6 2014/15 (\$ 000)	Forecast LTCCP Year 7 2015/16 (\$ 000)	Forecast LTCCP Year 8 2016/17 (\$ 000)	Forecast LTCCP Year 9 2017/18 (\$ 000)	Forecast LTCCP Year 10 2018/19 (\$ 000)
Hutt Valley Wastewater Scheme Transactions											
Drainage Levy	2,230	2,210	2,323	2,292	2,349	2,406	2,464	2,526	2,587	2,646	2,707
Capital Contributions	692	629	514	527	626	730	664	1,458	643	4,833	5,313
Trade Waste Income	(110)	(125)	(129)	(132)	(135)	(139)	(142)	(145)	(149)	(152)	(156)

Notes to the Financial Statements

13 Trade and Other Payables	Forecast Annual Plan Year 0 2008/09 (\$ 000)	Forecast LTCCP Year 1 2009/10 (\$ 000)	Forecast LTCCP Year 2 2010/11 (\$ 000)	Forecast LTCCP Year 3 2011/12 (\$ 000)	Forecast LTCCP Year 4 2012/13 (\$ 000)	Forecast LTCCP Year 5 2013/14 (\$ 000)	Forecast LTCCP Year 6 2014/15 (\$ 000)	Forecast LTCCP Year 7 2015/16 (\$ 000)	Forecast LTCCP Year 8 2016/17 (\$ 000)	Forecast LTCCP Year 9 2017/18 (\$ 000)	Forecast LTCCP Year 10 2018/19 (\$ 000)
Trade Creditors	2,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244
Rates In Advance Greater Wellington Regional Council Rates	403	403	403	403	403	403	403	403	403	403	403
Fees in Advance	122	222	222	222	222	222	222	222	222	222	222
Accrued interest Payable	50	850	850	850	850	850	850	850	850	850	850
Payroll Liability	49	49	49	49	49	49	49	49	49	49	49
Other Liabilities	106	106	106	106	106	106	106	106	106	106	106
Deposits and Trust Accounts	40	40	40	40	40	40	40	40	40	40	40
	886	1,086	1,086	1,086	1,086	1,086	1,086	1,086	1,086	1,086	1,086
Total Trade and Other Payables	3,900	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000

14 Employees Entitlements	Forecast Annual Plan Year 0 2008/09 (\$ 000)	Forecast LTCCP Year 1 2009/10 (\$ 000)	Forecast LTCCP Year 2 2010/11 (\$ 000)	Forecast LTCCP Year 3 2011/12 (\$ 000)	Forecast LTCCP Year 4 2012/13 (\$ 000)	Forecast LTCCP Year 5 2013/14 (\$ 000)	Forecast LTCCP Year 6 2014/15 (\$ 000)	Forecast LTCCP Year 7 2015/16 (\$ 000)	Forecast LTCCP Year 8 2016/17 (\$ 000)	Forecast LTCCP Year 9 2017/18 (\$ 000)	Forecast LTCCP Year 10 2018/19 (\$ 000)
Accrued Pay	25	100	100	100	100	100	100	100	100	100	100
Annual Leave	400	425	425	425	425	425	425	425	425	425	425
Sick Leave	50	25	25	25	25	25	25	25	25	25	25
Long Service Leave	0	0	0	0	0	0	0	0	0	0	0
Total Current Portion	475	550	550	550	550	550	550	550	550	550	550
Non Current Liabilities											
Retirement and Long service Leave	175	175	175	175	175	175	175	175	175	175	175
Total Non-Current Portion	175	175	175	175	175	175	175	175	175	175	175
Total Employee Entitlements	650	725	725	725	725	725	725	725	725	725	725

Notes to the Financial Statements

15 Borrowings	Forecast Annual Plan Year 0 2008/09 (\$ 000)	Forecast LTCCP Year 1 2009/10 (\$ 000)	Forecast LTCCP Year 2 2010/11 (\$ 000)	Forecast LTCCP Year 3 2011/12 (\$ 000)	Forecast LTCCP Year 4 2012/13 (\$ 000)	Forecast LTCCP Year 5 2013/14 (\$ 000)	Forecast LTCCP Year 6 2014/15 (\$ 000)	Forecast LTCCP Year 7 2015/16 (\$ 000)	Forecast LTCCP Year 8 2016/17 (\$ 000)	Forecast LTCCP Year 9 2017/18 (\$ 000)	Forecast LTCCP Year 10 2018/19 (\$ 000)
(a) Opening Balance	17,783	17,979	19,621	20,457	21,366	22,036	24,195	25,927	27,332	27,560	31,892
Loans raised during the year	1,921	2,204	1,408	1,518	1,287	2,857	2,509	2,295	1,180	5,323	5,313
Less repayments during the year	(519)	(562)	(572)	(609)	(617)	(698)	(777)	(890)	(952)	(991)	(1,013)
Balance as at 30 June	19,185	19,621	20,457	21,366	22,036	24,195	25,927	27,332	27,560	31,892	36,192
Less Current Borrowings Repayable in 12 months	(587)	(572)	(609)	(617)	(698)	(777)	(890)	(1,065)	(1,065)	(1,065)	(1,065)
Closing Balance for Non-current Borrowings	18,598	19,049	19,848	20,749	21,338	23,418	25,037	26,267	26,495	30,827	35,127

Fixed-rate debt

Upper Hutt City Council's secured debt of \$1.629M (2008) is issued at fixed rates of interest.

Floating-rate debt

Upper Hutt City Council's secured debt of \$15.892M (2008) is issued at floating rates of interest.

Security

From 27 June 2001 all current fixed term loan facilities are secured by the Council's Debenture Trust Deed with security over rates income.

Upper Hutt City Council has issued security stock to the value of \$19.29M at 30 June 2008, under its Debenture Trust Deed. This stock has been issued to three banking institutions, as security for existing committed funds of \$17.696M and uncommitted facilities available to the value of \$0.62M.

	Forecast Annual Plan Year 0 2008/09	Forecast LTCCP Year 1 2009/10	Forecast LTCCP Year 2 2010/11	Forecast LTCCP Year 3 2011/12	Forecast LTCCP Year 4 2012/13	Forecast LTCCP Year 5 2013/14	Forecast LTCCP Year 6 2014/15	Forecast LTCCP Year 7 2015/16	Forecast LTCCP Year 8 2016/17	Forecast LTCCP Year 9 2017/18	Forecast LTCCP Year 10 2018/19
The weighted average interest rate on loans outstanding (current and non current) at 30 June 2007 is estimated as:	8.4%	7.9%	7.7%	7.6%	7.6%	7.2%	7.0%	7.0%	6.5%	6.6%	6.6%

The loans are secured by a rate pursuant to Section 115 of the Local Government Act 2002 upon the rateable property of the City of Upper Hutt.

Notes to the Financial Statements

16 Financial Instruments

The financial instruments which expose the Council to credit risk are principally bank balances, investments, accounts receivable, creditors and term loans.

The Council's main bank accounts are held with the ANZ National Bank Limited. The credit risk is reduced by ensuring that the balances in the accounts are at sufficient levels to fund day to day operations of the Council. Surplus funds are invested with trading banks and organisations with credit ratings of not less than AA-

The level and spread of accounts receivable minimises the Council's exposure to credit risk. Council does not engage in any material transactions in foreign currencies and therefore is not exposed to any material foreign currency risk.

Council's term loans are borrowed at fixed and floating interest rates. The main interest rate risk Council is exposed to is that interest rates will fluctuate during the currency of the loans.

In addition, many of Council's term loans are refinanced before ultimate repayment. Council is exposed to a risk that interest rates will have increased at the time loans are refinanced.

To minimise this risk, loans are structured to avoid a concentration of refinancing at one time, and a portion of the current loans are covered by interest rate swaps to the value of \$7.44M.

The swap matures 24 June 2011 (\$5.542M), 13 July 2007 (\$0.79 M), 27 June 2011 (\$2.5M), 13 June 2010 (\$1.25M), 26 June 2011 (\$2.9M) and 27 March 2013 (\$2.895M).

The fair value of other financial instruments (except for Stocks and Bonds) is equivalent to the carrying amount disclosed in the Prospective Statement of Financial Position.

17	Accumulated Funds	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
		Annual Plan Year 0 2008/09 (\$ 000)	LTCCP Year 1 2009/10 (\$ 000)	LTCCP Year 2 2010/11 (\$ 000)	LTCCP Year 3 2011/12 (\$ 000)	LTCCP Year 4 2012/13 (\$ 000)	LTCCP Year 5 2013/14 (\$ 000)	LTCCP Year 6 2014/15 (\$ 000)	LTCCP Year 7 2015/16 (\$ 000)	LTCCP Year 8 2016/17 (\$ 000)	LTCCP Year 9 2017/18 (\$ 000)	LTCCP Year 10 2018/19 (\$ 000)
	Opening Balance	226,006	241,426	241,973	241,496	241,558	241,543	241,373	239,654	239,204	238,681	237,439
	Net Operating Surplus (deficit)	(1,742)	(1,529)	(1,156)	(1,013)	99	225	(1,359)	(21)	88	(431)	415
		224,264	239,897	240,817	240,483	241,657	241,768	240,014	239,633	239,292	238,250	237,854
	Transfer to:											
	Restricted reserves	1,005	1,537	893	930	1,109	1,144	1,182	1,205	1,262	1,223	1,281
	Accounts restricted by law	0	0	0	0	0	7	4	0	0	0	0
	Asset revaluation reserve on disposal of Property, Plant and Equipment	0	0	0	0	0	0	0	0	0	0	0
		1,005	1,537	893	930	1,109	1,151	1,186	1,205	1,262	1,223	1,281
	Transfer from:											
	Restricted reserves	1,802	2,890	1,088	1,819	983	756	826	775	647	410	483
	Accounts restricted by law	186	723	484	186	12	0	0	1	4	2	4
	Asset revaluation reserve on disposal of Property, Plant and Equipment	0	0	0	0	0	0	0	0	0	0	0
		1,988	3,613	1,572	2,005	995	756	826	776	651	412	487
	Closing Balance as at 30 June	225,247	241,973	241,496	241,558	241,543	241,373	239,654	239,204	238,681	237,439	237,060

Notes to the Financial Statements

18 Reserves

The 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 the Council to manage its revenues, expenses, assets, liabilities, investment and general financial dealings and in a manner that promotes the current and future interests of the community. Ratepayer's 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 Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full costs of long term assets that will benefit ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Council Community Plan (LTCCP) and in its Annual Plan (where) applicable to meet the expenditure need identified in those plans, and the Act sets out the factors that the 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 the Council's LTCCP.

Upper Hutt City Council has the following Council reserves:

- Reserves for different benefit
- Special Reserves
- Reserves for different areas of benefit 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.

Special reserves are set up where Council has defined a specific purpose.

Interest is added to these reserves where applicable and deductions made when funds have been used for the purpose they were created.

		Forecast Annual Plan Year 0 2008/09 (\$ 000)	Forecast LTCCP Year 1 2009/10 (\$ 000)	Forecast LTCCP Year 2 2010/11 (\$ 000)	Forecast LTCCP Year 3 2011/12 (\$ 000)	Forecast LTCCP Year 4 2012/13 (\$ 000)	Forecast LTCCP Year 5 2013/14 (\$ 000)	Forecast LTCCP Year 6 2014/15 (\$ 000)	Forecast LTCCP Year 7 2015/16 (\$ 000)	Forecast LTCCP Year 8 2016/17 (\$ 000)	Forecast LTCCP Year 9 2017/18 (\$ 000)	Forecast LTCCP Year 10 2018/19 (\$ 000)
18	Restricted Reserves Funds											
(A)	Special Funds	2,323	2,573	2,378	1,489	1,615	2,003	2,359	2,789	3,404	4,217	5,015
(B)	Other Accounts Restricted By Law	1,142	683	199	13	1	8	12	11	7	5	1
	Total Restricted Reserves	3,465	3,256	2,577	1,502	1,616	2,011	2,371	2,800	3,411	4,222	5,016

Notes to the Financial Statements

(A) Special Funds	Forecast Annual Plan Year 0 2008/09 (\$ 000)	Forecast LTCCP Year 1 2009/10 (\$ 000)	Forecast LTCCP Year 2 2010/11 (\$ 000)	Forecast LTCCP Year 3 2011/12 (\$ 000)	Forecast LTCCP Year 4 2012/13 (\$ 000)	Forecast LTCCP Year 5 2013/14 (\$ 000)	Forecast LTCCP Year 6 2014/15 (\$ 000)	Forecast LTCCP Year 7 2015/16 (\$ 000)	Forecast LTCCP Year 8 2016/17 (\$ 000)	Forecast LTCCP Year 9 2017/18 (\$ 000)	Forecast LTCCP Year 10 2018/19 (\$ 000)
Opening Balance	3,119	3,926	2,573	2,378	1,489	1,615	2,003	2,359	2,789	3,404	4,217
Transfer From Net Surplus	787	1,359	739	791	997	1,014	1,026	1,021	1,042	953	954
Interest Received	219	178	154	139	112	130	156	184	220	270	327
	4,125	5,463	3,466	3,308	2,598	2,759	3,185	3,564	4,051	4,627	5,498
Transfers to Net Surplus	(1,802)	(2,890)	(1,088)	(1,819)	(983)	(756)	(826)	(775)	(647)	(410)	(483)
Total Special Funds Balance as at 30 June	2,323	2,573	2,378	1,489	1,615	2,003	2,359	2,789	3,404	4,217	5,015

Special Funds Closing balances as at 30 June consists of:

General Reserve	117	1	0	0	0	0	0	0	0	0	0
Amenities Fund	133	227	245	267	290	314	339	365	392	421	452
Civic Amenities Fund	13	263	25	27	29	31	34	36	39	42	45
Plant Renewal	62	194	83	84	33	103	216	274	361	498	648
Reserve Fund Contribution	74	1,213	1,298	571	711	938	1,229	1,554	2,046	2,594	3,186
Property Sales	220	131	63	71	80	38	45	52	8	13	18
Sierra Way Subdivision	102	107	113	122	130	140	96	103	110	118	127
Harcourt Park Maintenance Fund	13	0	0	0	0	0	0	3	6	4	7
Akatarawa Roding Levy	44	48	52	66	91	76	49	31	54	36	58
Kaitoke Roding Levy	215	137	164	55	34	97	84	71	57	112	84
Mangaroa Roding Levy	84	127	118	95	77	109	92	121	105	134	109
Katherine Mansfield Levy	205	15	17	18	47	53	44	44	50	51	57
Blue Mountain Levy	137	50	61	64	55	56	59	63	82	76	80
Moonshine Hill Levy	40	3	23	4	3	24	25	15	15	17	18
Alexander Road Levy	41	57	116	45	35	24	30	21	23	24	26
Swamp Road Levy	0	0	0	0	0	0	17	36	56	77	100
Library Development	800	0	0	0	0	0	0	0	0	0	0
Cemetery Development	23	0	0	0	0	0	0	0	0	0	0
Total Special Funds	2,323	2,573	2,378	1,489	1,615	2,003	2,359	2,789	3,404	4,217	5,015

Notes to the Financial Statements

(B) Other Accounts Restricted by Law	Forecast Annual Plan Year 0 2008/09 (\$ 000)	Forecast LTCCP Year 1 2009/10 (\$ 000)	Forecast LTCCP Year 2 2010/11 (\$ 000)	Forecast LTCCP Year 3 2011/12 (\$ 000)	Forecast LTCCP Year 4 2012/13 (\$ 000)	Forecast LTCCP Year 5 2013/14 (\$ 000)	Forecast LTCCP Year 6 2014/15 (\$ 000)	Forecast LTCCP Year 7 2015/16 (\$ 000)	Forecast LTCCP Year 8 2016/17 (\$ 000)	Forecast LTCCP Year 9 2017/18 (\$ 000)	Forecast LTCCP Year 10 2018/19 (\$ 000)
Opening Balance	1,328	1,406	683	199	13	1	8	12	11	7	5
Transfer From Net Surplus	0	0	0	0	0	7	4	0	0	0	0
Transfer From Accumulated Funds	0	0	0	0	0	0	0	0	0	0	0
	1,328	1,406	683	199	13	8	12	12	11	7	5
Transfer to Accumulated Funds	(186)	(723)	(484)	(186)	(12)	0	0	(1)	(4)	(2)	(4)
Transfers to Net Surplus	0	0	0	0	0	0	0	0	0	0	0
Total Other Accounts Restricted by Law as at 30 June	1,142	683	199	13	1	8	12	11	7	5	1

(B) Other Accounts Restricted By Law	Forecast Annual Plan Year 0 2008/09 (\$ 000)	Forecast LTCCP Year 1 2009/10 (\$ 000)	Forecast LTCCP Year 2 2010/11 (\$ 000)	Forecast LTCCP Year 3 2011/12 (\$ 000)	Forecast LTCCP Year 4 2012/13 (\$ 000)	Forecast LTCCP Year 5 2013/14 (\$ 000)	Forecast LTCCP Year 6 2014/15 (\$ 000)	Forecast LTCCP Year 7 2015/16 (\$ 000)	Forecast LTCCP Year 8 2016/17 (\$ 000)	Forecast LTCCP Year 9 2017/18 (\$ 000)	Forecast LTCCP Year 10 2018/19 (\$ 000)
Dog Control Account	24	43	26	13	1	8	12	11	7	5	1
Water Rate Account	372	344	173	0	0	0	0	0	0	0	0
Stormwater Rate Account	0	0	0	0	0	0	0	0	0	0	0
Wastewater Rate Account	746	296	0	0	0	0	0	0	0	0	0
Total Other Accounts Restricted By Law	1,142	683	199	13	1	8	12	11	7	5	1

Notes to the Financial Statements

19	Asset Revaluation Reserves	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
		Annual Plan Year 0 2008/09 (\$ 000)	LTCCP Year 1 2009/10 (\$ 000)	LTCCP Year 2 2010/11 (\$ 000)	LTCCP Year 3 2011/12 (\$ 000)	LTCCP Year 4 2012/13 (\$ 000)	LTCCP Year 5 2013/14 (\$ 000)	LTCCP Year 6 2014/15 (\$ 000)	LTCCP Year 7 2015/16 (\$ 000)	LTCCP Year 8 2016/17 (\$ 000)	LTCCP Year 9 2017/18 (\$ 000)	LTCCP Year 10 2018/19 (\$ 000)
	Opening Balance	148,094	252,730	252,730	252,730	252,900	284,158	297,543	297,543	297,543	297,859	324,882
	Change in Asset Revaluation Less Revaluation Attributed to Assets Sold	20,301 0	0 0	0 0	170 0	31,258 0	13,385 0	0 0	0 0	316 0	27,023 0	15,024 0
	Closing Balance as at 30 June	168,395	252,730	252,730	252,900	284,158	297,543	297,543	297,543	297,859	324,882	339,906
	Consists of:											
	General Asset Revaluation Reserve	5,836	21,922	21,922	22,092	22,092	35,477	35,477	35,477	35,793	35,794	50,818
	Land Asset Revaluation Reserve	3,510	3,355	3,355	3,355	3,355	3,355	3,355	3,355	3,355	3,355	3,355
	Roading Asset Revaluation Reserve	59,025	73,288	73,288	73,288	89,950	89,950	89,950	89,950	89,950	103,910	103,910
	Stormwater Asset Revaluation Reserve	27,138	54,651	54,651	54,651	59,709	59,709	59,709	59,709	59,709	62,965	62,965
	Hutt Valley Wastewater Scheme	0	17,269	17,269	17,269	15,112	15,112	15,112	15,112	15,112	10,989	10,989
	Wastewater Asset Revaluation Reserve	48,188	47,820	47,820	47,820	55,270	55,270	55,270	55,270	55,270	64,922	64,922
	Water Asset Revaluation Reserve	24,698	34,425	34,425	34,425	38,670	38,670	38,670	38,670	38,670	42,947	42,947
	Total Asset Revaluation Reserves	168,395	252,730	252,730	252,900	284,158	297,543	297,543	297,543	297,859	324,882	339,906
20	Contingencies	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
		Annual Plan Year 0 2008/09 (\$ 000)	LTCCP Year 1 2009/10 (\$ 000)	LTCCP Year 2 2010/11 (\$ 000)	LTCCP Year 3 2011/12 (\$ 000)	LTCCP Year 4 2012/13 (\$ 000)	LTCCP Year 5 2013/14 (\$ 000)	LTCCP Year 6 2014/15 (\$ 000)	LTCCP Year 7 2015/16 (\$ 000)	LTCCP Year 8 2016/17 (\$ 000)	LTCCP Year 9 2017/18 (\$ 000)	LTCCP Year 10 2018/19 (\$ 000)
	Contingent Liabilities											
(A)	Guarantees	0	0	0	0	0	0	0	0	0	0	0
(B)	Other Legal Proceedings	339	119	119	119	119	119	119	119	119	119	119
	Total Contingent Liabilities	339	119	119	119	119	119	119	119	119	119	119

(A) Guarantees

The value of guarantees disclosed as contingent liabilities reflects Upper Hutt's City Council's assessment of any loans guaranteed by council to local sporting groups.

Currently Upper Hutt City Council has made no guarantees.

Notes to the Financial Statements

(B) Unquantified Claims

Upper Hutt City Council has eight claims outstanding: three have proceedings issued on them.

Contingent Assets

Upper Hutt City Council operates a scheme whereby sports clubs are able to construct facilities (e.g. club rooms on Council owed reserve land).

The club control the use of these facilities and Upper Hutt City Council will only gain control of the asset if the club vacates the facility.

Until this event occurs these assets are not recognised as assets in the Prospective Statement of Financial Position. As at 30 June 2008 there are 17 facilities having an approximate value of \$4.437 million. This estimate is based on Government valuation for this area.

21 Discontinued Activities

Under this LTCCP Activation ceases in the fifth year 2013/14.

22 Expressions Arts and Entertainment Centre

Expressions Arts and Entertainment Centre is managed by an independent trust however Upper Hutt City Council owns the building assets.

23 Net Operating Surplus (Deficit)

In accordance with Section 100 of the Local Government Act 2002, Council must ensure that each year's projected operating revenues are set at a level sufficient to meet that years projected operating expenses. However, Council may set projected operating revenues at a different level from that required by Section 100 if it resolves that it is financially prudent to do so, having regard to:

- (a) the estimated expenses of achieving and maintaining the predicted levels of service provision set out in the Long Term Council Community Plan (LTCCP), including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
- (b) the projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
- (c) the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life; and
- (d) the funding and financial policies adopted under Section 102.

As covered in Council's 2009-2019 Long Term Community Plan, Revenue and Financing Policy, Council has not expressly funded depreciation as a separate fund. For that reason operating revenues do not always cover operating expenses, including depreciation. Operating revenues are set at such a level that they cover direct operating expenses (excluding depreciation), capital renewals for infrastructure, loan repayments and interest.

The fact that recent revaluations (2007, 2008 and 2009) for all Council assets have been undertaken means that current depreciation expense (consumption of the economic benefits of an asset over its useful life) does not reflect intended replacement plans and the Council would be overfunding these assets if it was to 'fund' for depreciation on this basis.

Notes to the Financial Statements

24 Inflation	Forecast Annual Plan Year 0 2008/09	Forecast LTCCP Year 1 2009/10	Forecast LTCCP Year 2 2010/11	Forecast LTCCP Year 3 2011/12	Forecast LTCCP Year 4 2012/13	Forecast LTCCP Year 5 2013/14	Forecast LTCCP Year 6 2014/15	Forecast LTCCP Year 7 2015/16	Forecast LTCCP Year 8 2016/17	Forecast LTCCP Year 9 2017/18	Forecast LTCCP Year 10 2018/19
Compounding Average General Inflation rate	0.00%	0.00%	2.88%	5.53%	8.16%	10.81%	13.48%	16.31%	19.13%	21.85%	24.67%
General Inflation per Year	0.00%	0.00%	2.88%	2.65%	2.63%	2.65%	2.67%	2.83%	2.82%	2.72%	2.82%

The average percentages as shown above have been applied to most items within the published accounts for the years shown. Refer also to the note on Inflation, Accounting Assumptions, Policies, in the LTCCP 2019.

The inflation price level change adjustors published in September 2008 have been used. The revised price level change adjustors published in March 2009 were reviewed, but the changes did not materially impact the indices applied and thus no subsequent adjustment was made.

25 Reconciliation of Surplus Before Appropriation To Cashflow From Operating Activities	Forecast Annual Plan Year 0 2008/09 (\$ 000)	Forecast LTCCP Year 1 2009/10 (\$ 000)	Forecast LTCCP Year 2 2010/11 (\$ 000)	Forecast LTCCP Year 3 2011/12 (\$ 000)	Forecast LTCCP Year 4 2012/13 (\$ 000)	Forecast LTCCP Year 5 2013/14 (\$ 000)	Forecast LTCCP Year 6 2014/15 (\$ 000)	Forecast LTCCP Year 7 2015/16 (\$ 000)	Forecast LTCCP Year 8 2016/17 (\$ 000)	Forecast LTCCP Year 9 2017/18 (\$ 000)	Forecast LTCCP Year 10 2018/19 (\$ 000)
Surplus/ (Deficit) Before Appropriations	(1,742)	(1,529)	(1,156)	(1,013)	99	225	(1,359)	(21)	88	(431)	415
Add Non Cash Items											
Depreciation	7,633	10,672	10,550	10,560	10,517	11,118	11,372	11,371	11,363	11,407	11,780
Vested Assets	0	(2,301)	(2,343)	(2,332)	(2,374)	(2,416)	(2,458)	(2,502)	(2,547)	(2,590)	(2,635)
Loss on Derivative	0	0	44	44	0	0	0	0	0	0	0
Gain on Derivative	0	(27)	(76)	(49)	(9)	(9)	0	0	0	0	0
	<u>7,633</u>	<u>8,344</u>	<u>8,175</u>	<u>8,223</u>	<u>8,134</u>	<u>8,693</u>	<u>8,914</u>	<u>8,869</u>	<u>8,816</u>	<u>8,817</u>	<u>9,145</u>
Add/Less Items Classified as Investing or Financing Activities											
Loss on disposal of Fixed Assets	0	322	292	607	541	566	703	756	663	850	28
	<u>0</u>	<u>322</u>	<u>292</u>	<u>607</u>	<u>541</u>	<u>566</u>	<u>703</u>	<u>756</u>	<u>663</u>	<u>850</u>	<u>28</u>
Movements in Working Capital Items											
(Increase)/Decrease in Trade Receivables	0	(1,081)	0	0	0	0	0	0	0	0	0
Increase /(Decrease) in Employee Entitlements	0	75	0	0	0	0	0	0	0	0	0
Increase/(Decrease) in Trade and Other Payables	0	2,100	0	0	0	0	0	0	0	0	0
	<u>0</u>	<u>1,094</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Inflow /(Outflow) from Operating Activities	5,891	8,231	7,311	7,817	8,774	9,484	8,258	9,604	9,567	9,236	9,588