

# OUR COSTS IN DETAIL TE TAIPITOPITO O TE UTU

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### Cautionary Note

The financial statements in this document and the figures presented are Masterton District Council's best estimate of the costs and income needed to provide the services in the period reported. The actual financial results achieved for the period covered are likely to vary from the information presented and the variations may be material. There may be minor errors in the figures displayed due to rounding differences. Variations from the planned figures and performance measures will be reported in the Council's Annual Reports for the future years.

# Prospective Financial Statements

MASTERTON DISTRICT COUNCIL												
LONG TERM PLAN 2024-2034												
PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE												
OPERATING REVENUE		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
NZ \$	Notes	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Rates revenue		40,840,994	45,825,188	49,828,389	53,439,153	56,844,993	60,941,972	62,749,928	64,166,754	66,033,536	67,538,443	69,524,577
Rural sewerage schemes capital contrib.		50,303	50,303	50,303	50,303	50,303	44,341	-	-	-	-	-
Financial contributions		2,123,500	1,643,000	3,543,000	2,943,000	2,043,000	2,123,500	2,123,500	2,123,500	2,123,500	2,123,500	2,123,500
Roading subsidies - Waka Kotahi		22,022,968	12,624,454	12,229,550	12,325,392	10,223,572	13,543,582	13,173,959	11,250,286	14,199,515	14,183,137	11,773,766
Fees and charges		10,244,186	11,079,348	11,022,225	11,069,012	11,223,053	11,546,513	11,844,685	12,105,015	12,367,103	12,622,386	12,872,674
Interest and dividends		1,184,750	965,750	1,015,128	1,077,906	1,122,713	1,191,019	1,291,320	1,326,610	1,416,900	1,507,185	1,642,475
Other revenue		6,547,093	7,204,984	4,110,469	1,366,609	1,258,124	1,284,850	1,314,411	1,342,915	1,367,246	1,395,835	1,424,266
Gain on sale of assets		4,333,300	-	4,333,300	-	-	-	-	-	-	-	-
<b>Total Operating Revenue</b>	2	<b>87,347,095</b>	<b>79,393,027</b>	<b>85,932,345</b>	<b>82,271,375</b>	<b>82,765,758</b>	<b>90,675,777</b>	<b>92,497,803</b>	<b>92,315,080</b>	<b>97,507,800</b>	<b>99,370,486</b>	<b>99,361,258</b>
<b>OPERATING EXPENDITURE</b>												
Personnel costs		14,723,796	15,284,916	15,309,354	15,575,759	15,902,415	16,229,070	16,570,589	16,897,246	17,223,907	17,565,420	17,892,076
Finance costs		2,965,665	2,791,468	3,211,262	4,115,367	5,217,628	6,559,973	6,419,840	6,182,889	5,836,675	5,700,541	5,518,539
Depreciation & amortisation		18,946,210	21,007,209	21,542,800	24,346,809	25,215,332	26,419,455	28,043,827	28,889,401	26,958,226	28,916,289	29,914,814
Other Operating costs		27,537,524	30,559,200	30,133,632	30,652,796	31,085,065	31,628,787	32,483,111	32,934,803	33,696,225	34,725,433	35,615,852
<b>Total Operating Expenditure</b>		<b>64,173,195</b>	<b>69,642,793</b>	<b>70,197,048</b>	<b>74,690,731</b>	<b>77,400,440</b>	<b>80,837,285</b>	<b>83,517,367</b>	<b>84,904,339</b>	<b>83,715,033</b>	<b>86,907,683</b>	<b>88,941,281</b>
<b>Net Surplus / (Deficit)**</b>		<b>\$ 23,173,900</b>	<b>\$ 9,750,234</b>	<b>\$ 15,735,297</b>	<b>\$ 7,580,644</b>	<b>\$ 5,365,318</b>	<b>\$ 9,838,493</b>	<b>\$ 8,980,437</b>	<b>\$ 7,410,741</b>	<b>\$ 13,792,767</b>	<b>\$ 12,462,803</b>	<b>\$ 10,419,977</b>
Revaluations		21,172,877	-	88,352,972	14,207,584	-	81,202,486	17,771,242	-	83,886,380	17,734,949	-
<b>Total Comprehensive Revenue &amp; Expenses</b>		<b>\$ 44,346,777</b>	<b>\$ 9,750,234</b>	<b>\$ 104,088,269</b>	<b>\$ 21,788,228</b>	<b>\$ 5,365,318</b>	<b>\$ 91,040,979</b>	<b>\$ 26,751,679</b>	<b>\$ 7,410,741</b>	<b>\$ 97,679,147</b>	<b>\$ 30,197,752</b>	<b>\$ 10,419,977</b>
**Note: Income Tax is nil												
Note: value of rates on Council Properties assumed		737,700	804,200	836,368	869,823	904,616	940,800	978,432	1,017,570	1,058,272	1,100,603	1,144,627

MASTERTON DISTRICT COUNCIL												
LONG TERM PLAN 2024-2034												
PROSPECTIVE STATEMENT OF FINANCIAL POSITION												
NZ \$	Notes	Forecast to 30 June 2024	2024/25 Year 1	2025/26 Year 2	2026/27 Year 3	2027/28 Year 4	2028/29 Year 5	2029/30 Year 6	2030/31 Year 7	2031/32 Year 8	2032/33 Year 9	2033/34 Year 10
<b>CURRENT ASSETS</b>												
Cash & Bank Accounts		7,093,236	6,207,189	6,331,334	6,457,963	6,587,124	6,718,769	6,853,245	6,990,308	7,130,115	7,272,718	7,418,173
Financial Assets - Current		10,110,305	7,147,466	6,809,891	7,308,616	7,527,874	7,753,711	7,986,322	8,732,462	8,969,672	9,238,763	9,515,925
Inventories		674,122	676,622	679,122	681,622	684,122	686,622	689,122	691,622	694,122	696,622	699,122
Debtors & Other Receivables		9,171,304	8,231,443	8,396,072	8,563,993	8,735,273	8,909,979	9,088,178	9,269,942	9,455,341	9,644,448	9,837,337
<b>Total Current Assets</b>		<b>27,048,967</b>	<b>22,262,720</b>	<b>22,216,420</b>	<b>23,012,193</b>	<b>23,534,394</b>	<b>24,069,080</b>	<b>24,616,866</b>	<b>25,684,335</b>	<b>26,249,250</b>	<b>26,852,550</b>	<b>27,470,556</b>
<b>NON-CURRENT ASSETS</b>												
Property, Plant & Equipment		167,995,352	178,753,174	190,788,921	219,576,399	242,637,574	239,354,910	254,528,605	252,568,257	250,964,072	266,757,323	263,733,456
Infrastructural Assets		976,558,279	988,378,783	1,095,477,143	1,109,434,930	1,115,784,086	1,200,080,847	1,199,505,144	1,194,201,986	1,281,961,398	1,282,973,499	1,278,872,350
Intangible Assets		2,733,442	2,322,822	1,971,363	1,716,548	1,563,913	1,235,194	906,474	577,754	309,835	289,290	268,745
Forestry assets		433,901	331,784	307,942	323,339	339,506	356,482	374,306	393,021	324,090	340,294	357,309
Investment Property Assets		-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments		1,320,603	1,170,596	1,320,603	1,320,603	1,320,603	1,320,603	1,320,603	1,320,603	1,320,603	1,320,603	1,320,603
Investments in CCO's & other similar entities		214,507	230,466	232,791	235,119	237,470	239,845	242,243	244,665	247,112	249,583	252,079
Other Non-current financial assets		12,194,836	9,062,068	11,300,801	11,675,763	12,789,939	20,144,760	27,731,474	36,226,645	46,510,688	57,210,935	68,620,417
<b>Total Non-Current Assets</b>		<b>1,161,450,920</b>	<b>1,180,249,713</b>	<b>1,301,399,565</b>	<b>1,344,282,701</b>	<b>1,374,673,091</b>	<b>1,462,732,641</b>	<b>1,484,608,849</b>	<b>1,485,532,932</b>	<b>1,581,637,798</b>	<b>1,609,141,527</b>	<b>1,613,424,960</b>
<b>TOTAL ASSETS</b>		<b>1,188,499,887</b>	<b>1,202,512,433</b>	<b>1,323,615,984</b>	<b>1,367,294,895</b>	<b>1,398,207,485</b>	<b>1,466,801,721</b>	<b>1,509,225,715</b>	<b>1,511,217,267</b>	<b>1,607,887,048</b>	<b>1,635,994,077</b>	<b>1,640,895,515</b>
<b>CURRENT LIABILITIES</b>												
Creditors & Other Payables		13,596,265	12,464,132	12,608,635	12,753,446	13,072,282	13,399,089	13,734,067	14,077,418	14,429,354	14,790,088	15,159,840
Employee Benefits - Current Portion		1,293,352	1,319,219	1,346,603	1,372,515	1,399,966	1,427,965	1,456,524	1,485,655	1,515,368	1,545,675	1,576,589
Provisions - Current Portion		20,000	20,000	10,000	-	-	-	-	-	-	-	-
Financial liabilities - current portion	3	11,200,000	11,800,000	8,000,000	6,400,000	6,454,130	8,000,000	6,983,672	7,155,150	7,700,200	7,816,707	4,628,256
<b>Total Current Liabilities</b>		<b>26,109,617</b>	<b>25,603,351</b>	<b>21,964,238</b>	<b>20,525,962</b>	<b>20,926,378</b>	<b>22,827,055</b>	<b>22,174,263</b>	<b>22,718,223</b>	<b>23,644,921</b>	<b>24,152,470</b>	<b>21,364,685</b>
<b>NON-CURRENT LIABILITIES</b>												
Financial liabilities	3	50,227,803	55,035,530	75,689,302	99,010,312	124,157,169	119,809,749	116,134,857	110,171,706	108,235,643	105,637,371	102,906,617
Derivative financial instruments		2,500	-	-	-	-	-	-	-	-	-	-
Employee benefits		12,428	11,428	2,050	-	-	-	-	-	-	-	-
Provisions & other liabilities		118,292	82,643	92,643	102,643	102,643	102,643	102,643	102,643	102,643	102,643	102,643
<b>Total Non-Current Liabilities</b>		<b>50,361,023</b>	<b>55,129,601</b>	<b>75,783,995</b>	<b>99,112,955</b>	<b>124,259,812</b>	<b>119,912,392</b>	<b>116,237,500</b>	<b>110,274,349</b>	<b>108,338,286</b>	<b>105,740,014</b>	<b>103,009,260</b>
<b>NET ASSETS</b>		<b>\$ 1,112,029,247</b>	<b>\$ 1,121,779,481</b>	<b>\$ 1,225,867,750</b>	<b>\$ 1,247,655,978</b>	<b>\$ 1,253,021,296</b>	<b>\$ 1,344,062,274</b>	<b>\$ 1,370,813,953</b>	<b>\$ 1,378,224,694</b>	<b>\$ 1,475,903,841</b>	<b>\$ 1,506,101,593</b>	<b>\$ 1,516,521,570</b>
<b>EQUITY</b>												
Ratepayers' Equity		485,883,936	498,143,534	511,233,482	518,293,466	522,813,460	525,550,182	527,221,004	525,932,189	529,778,832	531,825,233	531,144,895
Asset Revaluation Reserves		601,331,236	601,331,236	689,684,208	703,891,792	703,891,792	785,094,278	802,865,520	802,865,520	886,751,900	904,486,849	904,486,849
Special funds & restricted reserves	4	24,814,075	22,304,711	24,950,060	25,470,720	26,316,044	33,417,814	40,727,429	49,426,985	59,373,109	69,789,511	80,889,826
<b>TOTAL EQUITY</b>		<b>\$ 1,112,029,247</b>	<b>\$ 1,121,779,481</b>	<b>\$ 1,225,867,750</b>	<b>\$ 1,247,655,978</b>	<b>\$ 1,253,021,296</b>	<b>\$ 1,344,062,274</b>	<b>\$ 1,370,813,953</b>	<b>\$ 1,378,224,694</b>	<b>\$ 1,475,903,841</b>	<b>\$ 1,506,101,593</b>	<b>\$ 1,516,521,570</b>

TREASURY POLICY CHECK												
Net External Debt	38,908,155	50,395,510	65,578,610	86,425,933	110,293,486	99,911,278	87,400,733	72,367,749	60,455,463	47,004,380	29,398,531	
Operating Revenue (excl Gain on Sale)	83,013,795	79,393,027	81,599,045	82,271,375	82,765,758	90,675,777	92,497,803	92,315,080	97,507,800	99,370,486	99,361,258	
Rates Revenue	40,840,994	45,825,188	49,628,369	53,439,153	56,844,993	60,941,972	62,749,928	64,166,754	66,033,536	67,538,443	69,524,577	
Net Interest on Net Debt	1,780,915	1,825,718	2,196,134	3,037,461	4,094,915	5,368,954	5,128,520	4,856,279	4,419,775	4,193,356	3,876,064	
Net Debt as a % of Operating Revenue (limit = 150%)	46.9%	63.5%	80.4%	105.0%	133.3%	110.2%	94.5%	78.4%	62.0%	47.3%	29.6%	
Net Interest expense as a % of Operating Revenue (limit = 10%)	2.1%	2.3%	2.7%	3.7%	4.9%	5.9%	5.5%	5.3%	4.5%	4.2%	3.9%	
Net Interest expense as a % of Rates Revenue (limit = 15%)	4.4%	4.0%	4.4%	5.7%	7.2%	8.8%	8.2%	7.6%	6.7%	6.2%	5.6%	
Number of rateable properties (estimated)	13,499	13,669	13,772	13,875	13,979	14,084	14,189	14,296	14,403	14,511	14,620	
Average rates per property (excl GST)	\$ 3,080	\$ 3,411	\$ 3,664	\$ 3,914	\$ 4,066	\$ 4,327	\$ 4,422	\$ 4,489	\$ 4,585	\$ 4,654	\$ 4,755	
<p>Operating Revenue = revenue/earnings from rates, government grants and subsidies, user charges, interest, recoveries, financial contributions and all other revenue.</p> <p>Net External Debt = Gross External debt (aggregate borrowings of the Council, including any capitalised finance leases) less any financial assets including cash and both current and term treasury investments held.</p> <p>Net Interest Expense = interest paid on any type of debt, including margins, line fees and interest on finance leases less interest earned on financial assets.</p>												

MASTERTON DISTRICT COUNCIL												
LONG TERM PLAN 2024-2034												
PROSPECTIVE STATEMENT OF CHANGES IN EQUITY												
NZ \$	Notes	2023/24 Forecast	2024/25 Year 1	2025/26 Year 2	2026/27 Year 3	2027/28 Year 4	2028/29 Year 5	2029/30 Year 6	2030/31 Year 7	2031/32 Year 8	2032/33 Year 9	2033/34 Year 10
Ratepayer's Equity		472,929,962	485,883,936	498,143,534	511,233,482	518,293,466	522,813,460	525,550,182	527,221,004	525,932,189	529,778,832	531,825,233
Special Funds & Reserves		24,763,138	24,814,075	22,304,711	24,950,060	25,470,720	26,316,044	33,417,814	40,727,429	49,426,985	59,373,109	69,789,511
Revaluation Reserves		574,738,111	601,331,236	601,331,236	689,684,208	703,891,792	703,891,792	785,094,278	802,865,520	802,865,520	886,751,900	904,486,849
<b>EQUITY AT START OF YEAR</b>		1,072,431,211	1,112,029,247	1,121,779,481	1,225,867,750	1,247,655,978	1,253,021,296	1,344,062,274	1,370,813,953	1,378,224,694	1,475,903,841	1,506,101,593
Comprehensive Revenue & Expenses for the year		39,598,036	9,750,234	104,088,269	21,788,228	5,365,318	91,040,979	26,751,679	7,410,741	97,679,147	30,197,752	10,419,977
Total recognised revenue & expenses for the period		\$ 39,598,036	\$ 9,750,234	\$ 104,088,269	\$ 21,788,228	\$ 5,365,318	\$ 91,040,979	\$ 26,751,679	\$ 7,410,741	\$ 97,679,147	\$ 30,197,752	\$ 10,419,977
Ratepayer's Equity		485,883,936	498,143,534	511,233,482	518,293,466	522,813,460	525,550,182	527,221,004	525,932,189	529,778,832	531,825,233	531,144,895
Special Funds & Reserves		24,814,075	22,304,711	24,950,060	25,470,720	26,316,044	33,417,814	40,727,429	49,426,985	59,373,109	69,789,511	80,889,826
Revaluation Reserves		601,331,236	601,331,236	689,684,208	703,891,792	703,891,792	785,094,278	802,865,520	802,865,520	886,751,900	904,486,849	904,486,849
<b>EQUITY AT END OF YEAR</b>		1,112,029,247	1,121,779,481	1,225,867,750	1,247,655,978	1,253,021,296	1,344,062,274	1,370,813,953	1,378,224,694	1,475,903,841	1,506,101,593	1,516,521,570

MASTERTON DISTRICT COUNCIL												
LONG TERM PLAN 2024-2034												
PROSPECTIVE STATEMENT OF CASHFLOWS												
NZ \$	Notes	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
		Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>												
Cash was received from:												
Rates		40,891,298	45,732,196	49,569,331	53,379,896	56,797,378	60,868,525	62,897,950	64,126,021	65,979,866	67,495,177	69,467,476
Grants, subsidies & donations		27,950,537	19,429,556	15,935,359	13,278,808	11,058,406	14,395,571	14,045,257	12,140,122	15,107,890	15,110,050	12,719,218
Petrol tax		200,000	200,000	206,200	210,400	215,200	220,400	225,400	230,200	235,000	240,000	244,800
Other revenue		12,409,594	13,972,034	14,676,389	14,123,875	13,367,015	13,791,521	14,024,490	14,273,948	14,549,273	14,794,381	15,058,659
Regional council rates												
Interest on investments		1,184,750	965,750	1,015,128	1,077,906	1,122,713	1,191,019	1,291,320	1,326,610	1,416,900	1,507,185	1,642,475
		82,636,178	80,299,536	81,402,407	82,070,885	82,560,712	90,467,036	92,284,417	92,096,901	97,288,929	99,146,793	99,132,628
Cash was applied to:												
Payments to suppliers and employees		42,628,610	46,987,031	45,281,476	46,058,882	46,621,194	47,503,050	48,690,163	49,459,567	50,538,483	51,899,812	53,107,262
Interest paid		2,965,665	2,791,468	3,211,262	4,115,367	5,217,628	6,559,973	6,419,840	6,182,889	5,836,675	5,700,541	5,518,539
		45,594,275	49,778,499	48,492,738	50,174,249	51,838,822	54,063,023	55,110,003	55,642,456	56,375,158	57,600,353	58,625,801
Net cash flow from operating activities		37,041,903	30,521,037	32,909,669	31,896,635	30,721,890	36,404,013	37,174,414	36,454,444	40,913,771	41,546,440	40,506,827
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
Cash was received from:												
Sale of fixed assets		5,365,000	20,000	5,365,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Term investments, shares & advances		461,701	3,132,768	-	-	-	-	-	-	-	-	-
Forestry/investment property proceeds		-	117,916	38,506	-	-	-	-	-	84,364	-	-
		5,826,701	3,270,684	5,403,506	20,000	20,000	20,000	20,000	20,000	104,364	20,000	20,000
Cash was applied to:												
Purchase of fixed assets		50,464,217	43,032,355	51,957,008	52,614,241	54,457,180	25,886,577	24,526,269	21,281,236	28,943,247	27,949,626	22,752,283
Term investments, shares & advances		12,369	15,979	3,423,368	398,052	1,137,275	7,378,405	7,609,836	8,518,331	10,306,858	10,723,358	11,432,719
		50,476,586	43,048,334	55,380,376	53,012,292	55,594,456	33,264,982	32,136,105	29,799,568	39,250,105	38,672,984	34,185,002
Net cash flow from investing activities		(44,649,885)	(39,777,650)	(49,976,870)	(52,992,292)	(55,574,456)	(33,244,982)	(32,116,105)	(29,779,568)	(39,145,741)	(38,652,984)	(34,165,002)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
Cash was received from:												
Drawdown of public debt		11,673,800	14,018,862	21,104,063	26,628,520	30,848,300	3,652,580	1,947,880	1,192,000	5,764,136	5,218,436	1,897,500
		11,673,800	14,018,862	21,104,063	26,628,520	30,848,300	3,652,580	1,947,880	1,192,000	5,764,136	5,218,436	1,897,500
Cash was applied to:												
Repayment of public debt (incl Finance Leases)		3,073,993	8,611,135	4,250,291	4,907,509	5,647,314	6,454,130	6,639,101	6,983,672	7,155,150	7,700,200	7,816,707
		3,073,993	8,611,135	4,250,291	4,907,509	5,647,314	6,454,130	6,639,101	6,983,672	7,155,150	7,700,200	7,816,707
Net cash flow from financing activities		8,599,807	5,407,727	16,853,772	21,721,011	25,200,986	(2,801,550)	(4,691,221)	(5,791,672)	(1,391,014)	(2,481,764)	(5,919,207)
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>991,825</b>	<b>(3,848,886)</b>	<b>(213,429)</b>	<b>625,354</b>	<b>348,420</b>	<b>357,481</b>	<b>367,088</b>	<b>883,204</b>	<b>377,016</b>	<b>411,692</b>	<b>422,618</b>
Add cash at start of year (1 July)		8,516,393	17,203,541	13,354,655	13,141,226	13,766,579	14,114,999	14,472,479	14,839,567	15,722,771	16,099,787	16,511,480
<b>BALANCE AT END OF YEAR (30 JUNE)</b>		<b>9,508,218</b>	<b>13,354,655</b>	<b>13,141,226</b>	<b>13,766,580</b>	<b>14,114,999</b>	<b>14,472,480</b>	<b>14,839,567</b>	<b>15,722,771</b>	<b>16,099,787</b>	<b>16,511,480</b>	<b>16,934,098</b>
<b>REPRESENTED BY:</b>												
Cash & bank		4,502,967	6,207,189	6,331,334	6,457,963	6,587,124	6,718,769	6,853,245	6,990,308	7,130,115	7,272,718	7,418,173
Short term deposits		5,005,251	7,147,466	6,809,891	7,308,616	7,527,874	7,753,711	7,986,322	8,732,462	8,969,672	9,238,763	9,515,925
<b>BALANCE AT END OF YEAR (30 JUNE)</b>		<b>9,508,218</b>	<b>13,354,655</b>	<b>13,141,226</b>	<b>13,766,580</b>	<b>14,114,999</b>	<b>14,472,479</b>	<b>14,839,567</b>	<b>15,722,771</b>	<b>16,099,787</b>	<b>16,511,480</b>	<b>16,934,098</b>

The closing balance of 2023/24 is the Plan position. An updated forecast position has been used as the opening balance for 2024/25

NOTE 1 RATES REQUIREMENT STATEMENT											
Prior Year Plan 2023/24		LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$	<b>Roading</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
7,368,578	Subsidised Rooding	8,707,861	9,798,543	10,324,980	11,053,305	11,887,376	11,925,061	12,297,720	13,076,112	12,900,955	13,307,779
1,466,143	Non-subsidised Rooding	1,748,425	1,919,270	2,207,905	2,611,676	2,728,964	2,970,273	3,131,302	3,258,725	3,415,895	3,627,970
	<b>Water Services</b>										
4,522,194	Urban Water supply	5,136,957	5,485,242	6,113,769	6,568,594	7,299,685	7,693,550	7,826,166	7,933,501	8,174,494	8,441,415
152,816	Rural Water supplies & races	167,088	171,452	179,048	182,567	186,442	193,234	196,928	200,254	207,512	210,817
	<b>Wastewater Services</b>										
7,556,951	Urban Sewerage system	8,011,538	8,494,576	8,964,971	8,923,116	9,067,678	9,369,159	9,529,415	9,689,086	10,016,458	10,322,660
441,570	Rural Sewerage systems	474,207	484,813	508,615	521,460	536,104	566,106	589,416	602,868	669,347	712,858
	<b>Stormwater Services</b>										
922,216	Urban Stormwater System	1,041,189	1,168,689	1,344,695	1,574,347	1,599,635	1,718,775	1,750,095	1,754,109	1,871,096	1,894,121
	<b>Solid Waste Services</b>										
260,442	Solid Waste Management	427,851	452,452	466,736	412,384	344,059	412,918	417,683	435,431	460,754	463,144
1,052,515	Waste Minimisation Services	1,127,613	1,104,132	1,029,578	1,056,865	1,100,312	1,141,091	1,036,869	944,549	965,963	989,102
	<b>Community Facilities/Activities</b>										
3,543,263	Parks, Reserves & Sportsfields	4,002,579	4,211,559	4,275,283	4,440,263	4,522,703	4,631,840	4,731,629	4,820,553	4,909,069	5,026,569
1,503,867	Trust House Recreation Centre	1,664,445	1,728,382	1,893,649	2,010,676	2,077,932	2,108,813	2,201,802	2,377,614	2,565,045	2,801,529
167,941	Cemeteries	263,507	262,371	271,353	284,600	292,863	300,089	307,513	314,986	324,363	331,960
2,841,295	Library & Archive	2,886,185	3,293,060	3,793,827	3,907,123	3,961,552	4,065,141	4,150,570	4,224,943	4,297,026	4,388,603
1,734,124	Property	1,917,915	2,042,383	2,488,453	3,529,288	5,328,902	5,420,349	5,619,704	5,851,873	5,949,664	6,045,754
427,755	Airport	524,109	698,025	863,060	852,517	850,811	874,158	860,920	896,507	901,377	917,955
153,971	Mawley Park	243,173	251,158	267,746	285,118	289,232	304,521	317,676	275,206	224,063	231,501
	<b>Regulatory Services</b>										
1,259,158	Resource Management & Planning	1,444,361	1,501,289	1,549,961	1,586,415	1,622,066	1,629,150	1,658,228	1,695,512	1,846,721	1,873,625
712,562	Environmental Services	914,724	994,178	1,014,132	1,057,993	1,074,816	1,112,065	1,121,046	1,136,579	1,179,747	1,200,853
1,144,840	Building Development	1,194,335	1,305,205	1,396,088	1,390,262	1,467,356	1,451,430	1,524,296	1,513,136	1,600,992	1,580,668
2,729	Parking Control	4,004	7,399	10,411	12,125	12,566	13,651	14,233	16,112	(28,334)	(29,442)
138,455	Animal Services	249,799	368,853	342,743	323,995	328,673	328,999	336,733	341,782	348,099	356,368
284,033	Emergency Management	338,218	352,456	364,396	373,269	382,983	393,657	401,624	410,980	421,027	428,953
	Weather Events Recovery	-	-	-	-	-	-	-	-	-	-
	<b>Leadership, Strategy &amp; Corporate Services</b>										
918,808	Representation	932,255	1,031,434	1,043,888	1,093,067	1,102,683	1,142,666	1,141,420	1,198,474	1,195,385	1,242,956
-	Internal Functions (net)	-	-	-	-	-	-	-	-	-	-
1,126,373	Community Development	1,255,136	1,365,949	1,446,089	1,504,145	1,541,849	1,576,689	1,608,455	1,645,027	1,684,175	1,716,388
562,232	Arts and Culture	492,195	511,483	558,213	570,447	585,220	601,802	614,641	629,547	643,342	655,956
912,958	Economic Development	1,035,190	998,321	1,020,627	1,040,205	1,083,628	1,114,376	1,115,661	1,148,680	1,177,363	1,198,097
451,208	Environmental Initiatives	474,832	512,567	619,063	634,089	651,024	668,797	682,579	699,662	717,448	731,045
\$ 41,628,998	<b>Total Rates Requirement</b>	\$ 46,679,691	\$ 50,515,041	\$ 54,359,279	\$ 57,799,912	\$ 61,927,114	\$ 63,728,361	\$ 65,184,324	\$ 67,091,808	\$ 68,639,046	\$ 70,669,204
41,528,998	MDC Rates Revenue*	46,514,691	50,345,916	54,185,926	57,622,225	61,744,984	63,541,678	64,992,974	66,895,675	68,438,009	70,463,142
(50,303)	less rural sewerage capital contributions	(50,303)	(50,303)	(50,303)	(50,303)	(50,303)	(44,341)	-	-	-	-
41,478,694		46,464,388	50,295,612	54,135,622	57,571,921	61,694,681	63,497,337	64,992,974	66,895,675	68,438,009	70,463,142
8.6%	% Change (pre growth) from prior year	12.0%	8.2%	7.6%	6.3%	7.2%	2.9%	2.4%	2.9%	2.3%	3.0%
6.8%	% Change (after growth) from prior year**	10.6%	7.0%	6.6%	5.3%	6.2%	1.9%	1.4%	1.9%	1.3%	2.0%
275,000	Penalty Revenue	350,000	358,750	367,719	376,912	386,335	395,993	405,893	416,040	426,441	437,102
(175,000)	Rates Remissions	(185,000)	(189,625)	(194,366)	(199,225)	(204,205)	(209,311)	(214,543)	(219,907)	(225,405)	(231,040)
\$ 41,578,694	<b>Net Rates Revenue</b>	\$ 46,629,388	\$ 50,464,737	\$ 54,308,975	\$ 57,749,608	\$ 61,876,810	\$ 63,684,020	\$ 65,184,324	\$ 67,091,808	\$ 68,639,046	\$ 70,669,204

## NOTE 2

## PROSPECTIVE SUMMARY OF REVENUE

OPERATING INCOME	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>											
Targeted Rates (including penalties)	40,841	45,825	49,628	53,439	56,845	60,942	62,750	64,167	66,034	67,538	69,525
Rural sewerage schemes capital contrib.	50	50	50	50	50	44	-	-	-	-	-
Financial Contributions	2,124	1,643	3,543	2,943	2,043	2,124	2,124	2,124	2,124	2,124	2,124
Waka Kotahi Subsidy	22,023	12,624	12,230	12,325	10,224	13,544	13,174	11,250	14,200	14,183	11,774
Other Government Grants	5,839	5,733	3,664	911	789	808	826	844	861	879	896
Other Grants	89	1,072	41	42	45	44	45	46	47	48	49
Other Non Exchange Revenue	746	788	810	723	742	761	779	797	814	832	850
Revaluation Gains	55	31	30	30	31	32	33	34	31	32	33
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>											
Interest	1,181	962	1,012	1,074	1,119	1,188	1,288	1,323	1,413	1,504	1,639
Dividends	4	4	4	4	4	4	4	4	4	4	4
Fees & User charges	9,863	10,660	10,587	10,729	10,873	11,187	11,476	11,728	11,981	12,227	12,469
Other Income	200	-	-	-	-	-	-	-	-	-	-
Other Gains/(losses)- Profit on Sale of Assets	4,333	-	4,333	-	-	-	-	-	-	-	-
<b>TOTAL OPERATING REVENUE</b>	<b>87,347</b>	<b>79,393</b>	<b>85,932</b>	<b>82,271</b>	<b>82,766</b>	<b>90,676</b>	<b>92,498</b>	<b>92,315</b>	<b>97,508</b>	<b>99,370</b>	<b>99,361</b>
<b>RATES REMISSIONS</b>											
Rates revenue is shown net of rates remissions.											
Rates remissions estimated per year:	(175)	(185)	(190)	(194)	(199)	(204)	(209)	(215)	(220)	(225)	(231)

**NOTE 3  
PROSPECTIVE STATEMENT OF PUBLIC DEBT (EXTERNAL)**

	Forecast as at 30-Jun-24 (\$ 000)	Year 1 2024/25 (\$ 000)	Year 2 2025/26 (\$ 000)	Year 3 2026/27 (\$ 000)	Year 4 2027/28 (\$ 000)	Year 5 2028/29 (\$ 000)	Year 6 2029/30 (\$ 000)	Year 7 2030/31 (\$ 000)	Year 8 2031/32 (\$ 000)	Year 9 2032/33 (\$ 000)	Year 10 2033/34 (\$ 000)
Opening Balance	51,700	61,428	66,836	83,689	105,410	130,611	127,810	123,119	117,327	115,936	113,454
Loans raised during the year	12,828	14,019	21,104	26,629	30,848	3,653	1,948	1,192	5,764	5,218	1,898
Less repayments during the year	(3,100)	(8,611)	(4,250)	(4,908)	(5,647)	(6,454)	(6,639)	(6,984)	(7,155)	(7,700)	(7,817)
Balance as at 30 June	61,428	66,836	83,689	105,410	130,611	127,810	123,119	117,327	115,936	113,454	107,535
Less current borrowings repayable in 12 months	(8,611)	(4,250)	(4,908)	(5,647)	(6,454)	(6,639)	(6,984)	(7,155)	(7,700)	(7,817)	(4,628)
<b>Closing balance for non-current borrowings</b>	<b>\$ 52,817</b>	<b>62,585</b>	<b>78,782</b>	<b>99,763</b>	<b>124,157</b>	<b>121,171</b>	<b>116,135</b>	<b>110,172</b>	<b>108,236</b>	<b>105,637</b>	<b>102,907</b>

Note: loan repayments shown here differ from the financial stmt which recognises actual loan maturities which are expected to be partially refinanced.

**SCHEDULE OF EXTERNAL LOAN END OF YEAR BALANCES BY GROUPS OF ACTIVITIES**

Roading	4,176	7,015	8,610	10,957	11,429	13,004	14,560	14,105	15,653	17,171	16,559
Water Services	8,089	9,759	14,153	20,312	26,478	26,783	25,837	24,835	23,777	23,943	22,824
Sewerage Services	40,420	32,894	30,136	27,236	24,158	20,959	17,782	14,401	13,330	10,079	8,189
Stormwater Services	362	320	1,535	2,575	2,473	2,365	2,251	2,130	2,068	2,003	1,934
Solid Waste Services	1,226	1,062	886	1,247	1,039	1,301	1,084	948	921	891	861
Leadership & Strategy	121	117	113	108	104	99	94	89	83	77	70
Community Facilities/ Activities	6,712	13,852	26,481	41,245	63,247	61,664	59,927	58,288	58,633	57,877	55,749
Regulatory Services	322	1,817	1,775	1,731	1,684	1,635	1,584	1,530	1,473	1,413	1,349
<b>\$ 61,428</b>	<b>\$ 66,836</b>	<b>\$ 83,689</b>	<b>\$ 105,410</b>	<b>\$ 130,611</b>	<b>\$ 127,810</b>	<b>\$ 123,119</b>	<b>\$ 117,327</b>	<b>\$ 115,936</b>	<b>\$ 113,454</b>	<b>\$ 107,535</b>	

**PUBLIC DEBT (INTERNAL)**

	Forecast as at 30-Jun-24 (\$ 000)	Year 1 2024/25 (\$ 000)	Year 2 2025/26 (\$ 000)	Year 3 2023/24 (\$ 000's)	Year 4 2024/25 (\$ 000's)	Year 5 2025/26 (\$ 000's)	Year 6 2026/27 (\$ 000's)	Year 7 2027/28 (\$ 000's)	Year 8 2028/29 (\$ 000's)	Year 9 2029/30 (\$ 000's)	Year 10 2030/31 (\$ 000's)
Opening Balance	8,548	7,877	7,255	6,685	6,181	5,713	5,257	4,772	4,259	3,715	3,195
Loans raised during the year	-	-	-	-	-	-	-	-	-	-	-
Less repayments during the year	(671)	(622)	(570)	(503)	(468)	(457)	(484)	(514)	(544)	(519)	(550)
<b>Closing Balance as at 30 June</b>	<b>\$ 7,877</b>	<b>7,255</b>	<b>6,685</b>	<b>6,181</b>	<b>5,713</b>	<b>5,257</b>	<b>4,772</b>	<b>4,259</b>	<b>3,715</b>	<b>3,195</b>	<b>2,646</b>

**SCHEDULE OF INTERNAL LOAN END OF YEAR BALANCES BY GROUPS OF ACTIVITIES**

Roading	641	602	570	536	500	462	422	378	333	285	233
Water Services	858	822	783	742	699	652	603	551	496	437	375
Sewerage Services	1,978	1,701	1,470	1,312	1,183	1,069	949	821	685	542	390
Solid Waste Services	199	149	97	55	41	37	32	28	23	17	12
Leadership & Strategy	4	2	-	-	-	-	-	-	-	-	-
Community Facilities/ Activities	4,056	3,843	3,633	3,410	3,171	2,923	2,680	2,381	2,086	1,831	1,560
Regulatory Services	141	136	131	125	120	113	107	99	92	84	75
<b>\$ 7,877</b>	<b>\$ 7,255</b>	<b>\$ 6,685</b>	<b>\$ 6,181</b>	<b>\$ 5,713</b>	<b>\$ 5,257</b>	<b>\$ 4,772</b>	<b>\$ 4,259</b>	<b>\$ 3,715</b>	<b>\$ 3,195</b>	<b>\$ 2,646</b>	



**NOTE 4  
PROSPECTIVE STATEMENT OF SPECIAL FUNDS & RESERVES**

The Council maintains special funds and reserves as a sub-part of its equity. Schedule 10, Part 2 (21) of the LG Act requires certain information to be included in the Annual Plan relating to these reserves. The following presents a summary of reserve funds movements as projected over the term of the LTP. The management of financial reserves forms an integral part of meeting the obligations of prudent financial management. The Council tracks some 30 separate reserve accounts, but many have similar purposes and have been grouped together here.

Council Created Reserves Purpose and application	Forecast Opening Balance 2024	Transfers In 2023/34	Transfers Out 2023/34	Forecast Closing Balance 2034
	\$ 000's	\$ 000's	\$ 000's	\$ 000's
<b>General Capital Reserves</b> These funds have been set aside from the sale of assets. They can be utilised for new asset purchases and to fund one-off Council projects and grants.	4,578	430	1,353	3,656
<b>Investment Interest Fund</b> These funds are generated by receiving the proceeds of interest earnings on investments. The LTP financial model allocates to this fund, all interest income from operating activities. The funds have been applied to offset debt servicing costs on specific projects including the CBD upgrading, Chapel St stormwater line, Castlepoint seawall and rural transfer stations.	886	2,970	2,065	1,791
<b>Reserves &amp; Development Funds</b> These funds represent reserves and development contributions that are generated from the District Plan provisions for financial contributions on development and subdivision. The funds can only be applied to the purpose for which they were taken i.e. development of assets on reserves and general district development.	2,480	4,937	780	6,638
<b>Plant &amp; Equipment Depreciation Funds</b> These funds are built up from depreciation on plant and equipment and are used to fund replacements.	1,187	5,738	6,120	805
<b>Buildings Depreciation Funds</b> The Council has a series of specific depreciation reserve accounts for assets such as senior housing, Trust House Recreation Centre, Waita House, the Library and parks & reserves buildings. Depreciation funds on these assets are accumulated in these funds and used for renewal expenditure as required.	5,225	30,353	15,487	20,091

**PROSPECTIVE STATEMENT OF SPECIAL FUNDS & RESERVES (CONTINUED)**

Council Created Reserves Purpose and application	Forecast Opening Balance 2024	Transfers In 2023/34	Transfers Out 2023/34	Forecast Closing Balance 2034
	\$ 000's	\$ 000's	\$ 000's	\$ 000's
<b>Roading, Bridges &amp; Flood Damage Funds</b>				
Most roading renewal expenditure is funded from rates and NZTA subsidies, but some funding for Council's share of bridge renewals and street furniture is being built up in this fund. Roading contributions taken as per the District Plan financial contributions are accumulated in this fund and a separate fund for responding to road flood damage is also part of this group. Use of these funds can be for roading and bridge renewals, upgrades and flood damage repairs.	4,500	47,183	9,428	42,255
<b>Urban Infrastructure Depreciation Funds</b>				
Depreciation on urban infrastructural assets is accumulated in this fund and applied to renewal of those assets. Infrastructure contributions taken as per the District Plan financial contributions are accumulated in this fund and utilised on renewing and upgrading the network assets.	6,406	65,266	37,199	34,473
<b>Miscellaneous Funds</b>				
These funds are made up of surpluses and deficits of various distinct entities under Council's control. Separate balances are maintained for a number of rural water and sewerage supplies and the Animal Services carry forward surpluses. A separate Special Funds account represents a balance of funds carried forward. They are generally rated for specific items, but not spent. The sums are identified at year end and carried forward so they can be applied to the expenditure for which they were raised. The Council has also utilised, or borrowed from these funds to advance projects and repay back to the fund, e.g. Wairarapa Combined District Plan project.	326	15,924	10,208	6,042
<b>Crematorium Fund - ex Mrs Smart bequest</b>				
To manage a bequest made to establish a crematorium.	115	-	-	115
	<b>\$ 25,702</b>	<b>\$ 172,802</b>	<b>\$ 82,640</b>	<b>\$ 115,865</b>

# Capital Projects

PROSPECTIVE CAPITAL SUMMARY STATEMENT											
Prior Year Plan 2023/24		LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$	<b>Roading</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
27,041,659	Subsidised Roothing	16,040,603	15,135,849	14,922,061	11,008,049	16,766,438	15,939,008	12,343,665	17,447,916	17,247,261	12,786,019
977,420	Non-subsidised Roothing	62,121	2,418,207	4,100,712	3,256,015	70,818	72,371	73,862	75,353	76,906	78,397
	<b>Water Services</b>										
2,550,400	Urban Water supply	5,200,000	8,853,118	10,120,025	9,063,540	3,442,865	3,024,000	2,358,240	2,472,080	3,775,500	2,515,800
37,275	Rural Water supplies & races	30,000	38,080	33,450	40,075	35,250	42,140	36,960	44,100	38,610	46,025
	<b>Sewerage Services</b>										
6,372,250	Urban Sewerage system	2,620,000	3,262,100	2,116,200	2,287,300	2,346,800	2,404,400	2,460,000	5,035,600	3,189,900	4,522,500
42,600	Rural Sewerage systems	40,000	43,520	44,600	45,800	47,000	48,160	123,200	50,400	51,480	52,600
	<b>Stormwater Services</b>										
692,250	Urban Stormwater System	610,000	2,176,000	2,202,125	1,341,325	1,175,000	1,204,000	1,232,000	756,000	772,200	789,000
	<b>Solid Waste Services</b>										
420,920	Solid Waste	-	21,380	546,000	78,260	514,350	23,360	-	24,320	-	25,300
	<b>Community Facilities/Activities</b>										
916,489	Parks & Reserves	1,166,878	910,521	1,442,468	2,250,706	321,510	544,664	198,266	567,068	206,437	589,939
1,263,406	Sportsfields	1,056,340	230,904	746,928	1,583,088	12,573	2,920	11,920	12,160	12,410	12,650
500,000	Trust House Recreation Centre	884,850	1,512,101	400,731	237,910	285,750	292,000	1,490,000	1,520,000	1,551,250	316,250
330,000	Cemeteries	195,000	-	-	22,360	-	-	23,840	-	-	25,300
195,766	Library & Archive	5,176,000	5,944,709	186,732	220,246	201,168	205,568	209,792	214,016	218,416	222,640
1,111,185	Property	3,362,425	7,028,048	15,288,546	22,610,432	243,459	268,640	286,080	291,840	307,148	303,600
3,802,500	Airport	3,559,622	3,917,885	-	-	22,860	-	-	-	24,820	-
	<b>Regulatory Services</b>										
2,000	Environmental Services	58,500	8,552	8,736	8,944	9,144	9,344	9,536	9,728	9,928	10,120
15,000	Building Development	-	-	-	-	-	-	-	-	-	-
2,530,000	Animal Services	2,005,600	1,710	1,747	6,261	1,829	1,869	6,675	1,946	1,986	7,084
	<b>Leadership, Strategy &amp; Corporate Services</b>										
456,000	Corporate Services	940,000	427,600	431,340	346,580	354,330	414,640	369,520	376,960	440,555	392,150
347,070	Development	140,920	26,725	21,840	50,290	22,860	29,185	47,680	30,385	24,820	56,910
-	Roothing Advisory Services	11,000	-	-	-	12,573	-	-	13,376	-	-
\$ 49,604,190	<b>Total Capital expenditure</b>	\$ 43,159,859	\$ 51,957,008	\$ 52,614,241	\$ 54,457,180	\$ 25,886,577	\$ 24,526,269	\$ 21,281,236	\$ 28,943,247	\$ 27,949,626	\$ 22,752,283
	<b>Funded by</b>										
(18,927,329)	Waka Kotahi subsidy (roading)	(8,982,738)	(8,476,076)	(8,356,354)	(6,164,507)	(9,389,205)	(8,925,845)	(6,912,453)	(9,770,833)	(9,658,466)	(7,160,170)
(10,772,531)	Transfers from reserves	(10,785,134)	(14,957,839)	(12,886,140)	(12,600,831)	(7,373,639)	(8,587,261)	(7,745,571)	(7,759,331)	(7,553,864)	(8,068,764)
(11,673,800)	Loan funds	(14,018,862)	(21,104,063)	(26,628,520)	(30,848,300)	(3,652,580)	(1,947,880)	(1,192,000)	(5,764,136)	(5,218,436)	(1,897,500)
(3,375,530)	Rates	(4,104,871)	(4,872,406)	(4,743,227)	(4,843,542)	(5,471,153)	(5,065,284)	(5,431,213)	(5,648,947)	(5,518,859)	(5,625,848)
(4,855,000)	Other (External funding)	(5,268,254)	(2,546,625)	-	-	-	-	-	-	-	-
\$ (49,604,190)		\$ (43,159,859)	\$ (51,957,008)	\$ (52,614,241)	\$ (54,457,180)	\$ (25,886,577)	\$ (24,526,269)	\$ (21,281,236)	\$ (28,943,247)	\$ (27,949,626)	\$ (22,752,283)

ROADING													
Annual Plan 2023/24	Capital Expenditure Summary	Source of Funds	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34	
\$	<b>Capital Projects</b>		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
	<b>Subsidised Roading</b>												
3,201,160	Roading renewals - rural	Rates & Subsidy	5,852,742	4,689,915	6,383,710	6,631,196	7,955,433	6,934,779	7,612,691	8,012,047	7,616,919	7,764,581	
2,398,332	Roading renewals - urban	Rates & Subsidy	1,194,492	2,879,969	1,679,315	1,625,994	1,663,944	1,700,434	1,794,914	1,831,145	1,868,885	1,905,115	
565,777	Footpath upgrading [incl reseals]	Rates & Subsidy	633,167	677,487	718,137	719,087	735,870	752,008	767,500	782,992	799,129	814,621	
1,741,210	Rural/Urban - Improvement projects	Rates & Subsidy	1,648,852	2,826,278	1,998,899	1,786,691	1,828,391	1,868,488	1,906,980	1,945,472	1,985,569	2,024,061	
-	Mataikona Road upgrade	Loan & Subsidy	-	4,062,200	4,142,000	-	4,332,000	4,427,000	-	4,609,400	4,704,400	-	
18,920,000	Cyclone Damage Reinstatement	Loan & Subsidy	6,711,350	-	-	-	-	-	-	-	-	-	
215,180	Cycleways	Rates & Subsidy	-	-	-	245,080	250,800	256,300	261,580	266,860	272,360	277,640	
<b>27,041,659</b>	<b>Total Subsidised Roading</b>		<b>16,040,603</b>	<b>15,135,849</b>	<b>14,922,061</b>	<b>11,008,049</b>	<b>16,766,438</b>	<b>15,939,008</b>	<b>12,343,665</b>	<b>17,447,916</b>	<b>17,247,261</b>	<b>12,786,019</b>	
	<b>Non-subsidised Roading</b>												
62,120	Carpark reseals	Depn Reserve	62,121	66,407	67,712	69,203	70,818	72,371	73,862	75,353	76,906	78,397	
-	Urbanisation of Millard Ave - Roading	Development Contributions	-	2,138,000	3,270,000	-	-	-	-	-	-	-	
-	Judds Road Level Crossing	Loan	-	-	763,000	779,800	-	-	-	-	-	-	
105,300	Queen Street Refresh	Depn Reserve	-	213,800	-	-	-	-	-	-	-	-	
360,000	What's Our Welcome- South Entrance	Loan	-	-	-	-	-	-	-	-	-	-	
-	Chamberlain Rd upgrade	Development Contributions	-	-	-	2,407,012	-	-	-	-	-	-	
450,000	Kitchener to Gordon - link road	Subdiv Contrib	-	-	-	-	-	-	-	-	-	-	
<b>977,420</b>	<b>Total Non-subsidised Roading</b>		<b>62,121</b>	<b>2,418,207</b>	<b>4,100,712</b>	<b>3,256,015</b>	<b>70,818</b>	<b>72,371</b>	<b>73,862</b>	<b>75,353</b>	<b>76,906</b>	<b>78,397</b>	
<b>28,019,079</b>	<b>Total Capital Funding</b>		<b>16,102,724</b>	<b>17,554,056</b>	<b>19,022,773</b>	<b>14,264,064</b>	<b>16,837,256</b>	<b>16,011,379</b>	<b>12,417,527</b>	<b>17,523,269</b>	<b>17,324,167</b>	<b>12,864,415</b>	
(18,927,329)	Waka Kotahi subsidy (roading)		(8,982,738)	(8,476,076)	(8,356,354)	(6,164,507)	(9,389,205)	(8,925,845)	(6,912,453)	(9,770,833)	(9,658,466)	(7,160,170)	
(710,120)	Transfers from reserves		(62,121)	(2,418,207)	(3,337,712)	(2,476,215)	(70,818)	(72,371)	(73,862)	(75,353)	(76,906)	(78,397)	
(5,006,100)	Loan funds		(2,952,994)	(1,787,368)	(2,585,480)	(779,800)	(1,906,080)	(1,947,880)	-	(2,028,136)	(2,069,936)	-	
<b>(24,643,549)</b>	<b>Total other funding</b>		<b>(11,997,853)</b>	<b>(12,681,651)</b>	<b>(14,279,546)</b>	<b>(9,420,522)</b>	<b>(11,366,103)</b>	<b>(10,946,095)</b>	<b>(6,986,314)</b>	<b>(11,874,322)</b>	<b>(11,805,308)</b>	<b>(7,238,567)</b>	
<b>\$3,375,530</b>	<b>Rates Requirement (Capital)</b>		<b>\$4,104,871</b>	<b>\$4,872,406</b>	<b>\$4,743,227</b>	<b>\$4,843,542</b>	<b>\$5,471,153</b>	<b>\$5,065,284</b>	<b>\$5,431,213</b>	<b>\$5,648,947</b>	<b>\$5,518,859</b>	<b>\$5,625,848</b>	







**COMMUNITY FACILITIES / ACTIVITIES**

Annual Plan 2023/24	Capital Expenditure Summary	Source of Funds	LTP Year 1 2024/25	LTP Year 2 2025/26	LTP Year 3 2026/27	LTP Year 4 2027/28	LTP Year 5 2028/29	LTP Year 6 2029/30	LTP Year 7 2030/31	LTP Year 8 2031/32	LTP Year 9 2032/33	LTP Year 10 2033/34
\$			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Parks &amp; Reserves</b>												
12,029	Queen Elizabeth Park Upgrades	Development Contributions	182,000	-	-	-	-	-	-	-	-	-
-	Upgrade Kidz Own Playground	Loan/Reserves	-	-	-	1,677,000	-	-	-	-	-	-
180,000	Urban Playgrounds	Depn Reserve/Reserves	-	320,700	-	335,400	-	350,400	-	364,800	-	379,500
30,000	Recreation trails network (urban & rural)	Development Contributions/Loan	55,000	42,760	152,880	24,596	114,300	-	-	-	-	-
22,500	Street trees renewals & new	Reserves	16,750	17,906	18,258	18,660	19,095	19,514	19,916	20,318	20,737	21,139
-	Castlepoint furniture renewals	Depn Reserve	-	10,690	-	-	-	-	-	-	-	-
75,000	Parks & Open Spaces - Signage	Depn Reserve	125,000	80,175	16,380	16,770	-	-	-	-	-	-
409,200	Henley Lake - lake level management	Loan	-	-	655,200	-	-	-	-	-	-	-
-	Waipoua Cycle/Pedestrian Bridge	Depn Reserve/Development Contributions	10,000	-	-	-	11,400	-	-	-	-	-
-	QE Park Swingsbridge Upgrade	Depn Reserve	-	-	299,750	-	-	-	-	-	-	-
20,920	Henley - landscape development	Reserves	38,628	-	21,840	5,590	-	-	-	-	-	-
5,230	Henley Lake buildings upgrades	Depn Reserve	5,000	26,725	5,460	5,590	5,715	-	-	-	-	-
25,000	QE Park lake alt water source	Loan	23,500	-	-	-	-	-	-	-	-	-
-	Carpark Reseals Urban Reserves	Depn Reserve	200,000	213,800	163,500	167,100	171,000	174,750	178,350	181,950	185,700	189,300
-	Henley Lake power supply upgrade	Reserves	-	90,865	-	-	-	-	-	-	-	-
-	Urban reserves upgrades (Te Korou Reserve)	Depn Reserve/Development Contributions	-	-	-	-	-	-	-	-	-	-
136,610	Riversdale Nthn Reserve Rock Protection	External	100,000	106,900	109,200	-	-	-	-	-	-	-
-			411,000	-	-	-	-	-	-	-	-	-
<b>916,489</b>	<b>Total Parks, Reserves &amp; Sportsfields</b>		<b>1,166,878</b>	<b>910,521</b>	<b>1,442,468</b>	<b>2,250,706</b>	<b>321,510</b>	<b>544,664</b>	<b>198,266</b>	<b>567,068</b>	<b>206,437</b>	<b>589,939</b>
<b>Sportsfields</b>												
1,196,336	Sportsfield buildings renewals	Reserve/External Funds	986,340	115,452	37,128	1,397,500	11,430	2,920	11,920	12,160	12,410	12,650
1,046	Netball facility upgrade	Depn Reserve	10,000	16,035	27,300	55,900	1,143	-	-	-	-	-
20,000	Colin Pugh Sports Bowl - track renewal	Depn Reserve	20,000	-	655,200	-	-	-	-	-	-	-
25,104	South Park Sports Facilities Provision	Depn Reserve	15,000	-	-	-	-	-	-	-	-	-
-	Skatepark upgrade	External Funds/Reserves	15,000	94,072	16,380	-	-	-	-	-	-	-
20,920	Cricket grandstand upgrade	Depn Reserve	10,000	5,345	10,920	129,688	-	-	-	-	-	-
<b>1,263,406</b>	<b>Total Sportsfields</b>		<b>1,056,340</b>	<b>230,904</b>	<b>746,928</b>	<b>1,583,088</b>	<b>12,573</b>	<b>2,920</b>	<b>11,920</b>	<b>12,160</b>	<b>12,410</b>	<b>12,650</b>
<b>Trust House Recreation Centre</b>												
500,000	Building & Services renewals	Depn Reserve	244,850	400,341	400,731	237,910	285,750	292,000	1,490,000	1,520,000	1,551,250	316,250
-	Golden Shears Conference Space Upgrade	Loan	-	1,069,000	-	-	-	-	-	-	-	-
-	Other Plant & Equip	Depn Reserve	640,000	42,760	-	-	-	-	-	-	-	-
<b>500,000</b>	<b>Total Recreation Centre</b>		<b>884,850</b>	<b>1,512,101</b>	<b>400,731</b>	<b>237,910</b>	<b>285,750</b>	<b>292,000</b>	<b>1,490,000</b>	<b>1,520,000</b>	<b>1,551,250</b>	<b>316,250</b>
<b>Cemeteries</b>												
330,000	Cemetery renovations & extensions	Reserves/Loan	195,000	-	-	22,360	-	-	23,840	-	-	25,300
<b>District Buildings</b>												
100,000	Building upgrades	Depn Reserve	200,000	133,625	109,200	39,130	34,290	35,040	35,760	36,480	37,230	37,950
10,000	Queen Street bldg leasehold improv.	Depn Reserve	-	-	-	-	-	-	-	-	-	-
300,000	Civic facility	Loan/External Funds	-	5,345,000	14,927,640	22,360,000	-	-	-	-	-	-
<b>410,000</b>	<b>Total District Buildings</b>		<b>200,000</b>	<b>5,478,625</b>	<b>15,036,840</b>	<b>22,399,130</b>	<b>34,290</b>	<b>35,040</b>	<b>35,760</b>	<b>36,480</b>	<b>37,230</b>	<b>37,950</b>

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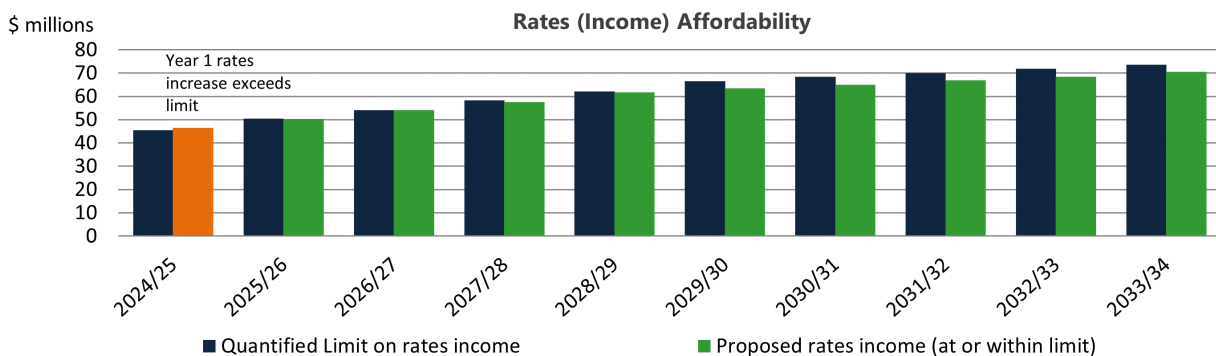
## Financial Prudence Benchmarks

The Local Government Act 2002 (LGA) sets out a number of disclosure requirements for Councils over and above the generally accepted accounting practice (GAAP) information. Local Government (Financial Reporting and Prudence) Regulations 2014 sets out specific requirements in terms of the information to be reported and the format in which it is to be reported.

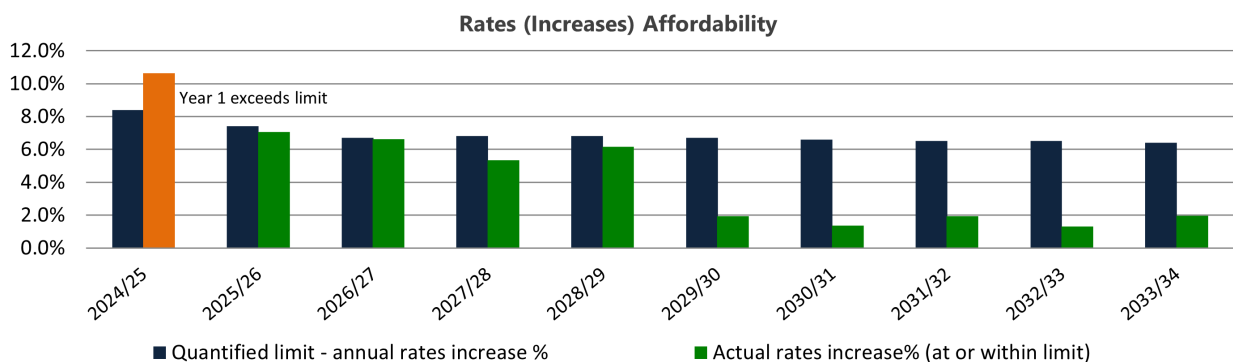
Benchmarks - per Local Government (Financial Reporting and Prudence) Regulations 2014

### Rates affordability benchmarks

The Council has quantified its rates income increase limits as Prior Year rates plus % cost increase (based on LGCI), plus 4.5% plus for Level of Service Growth. The graph below compares the value of rates income projected in the LTP to the value derived from the quantified limit. Growth in the rating base is forecast at 1.4% in year one, 1.2% in year two and then 1% per annum.



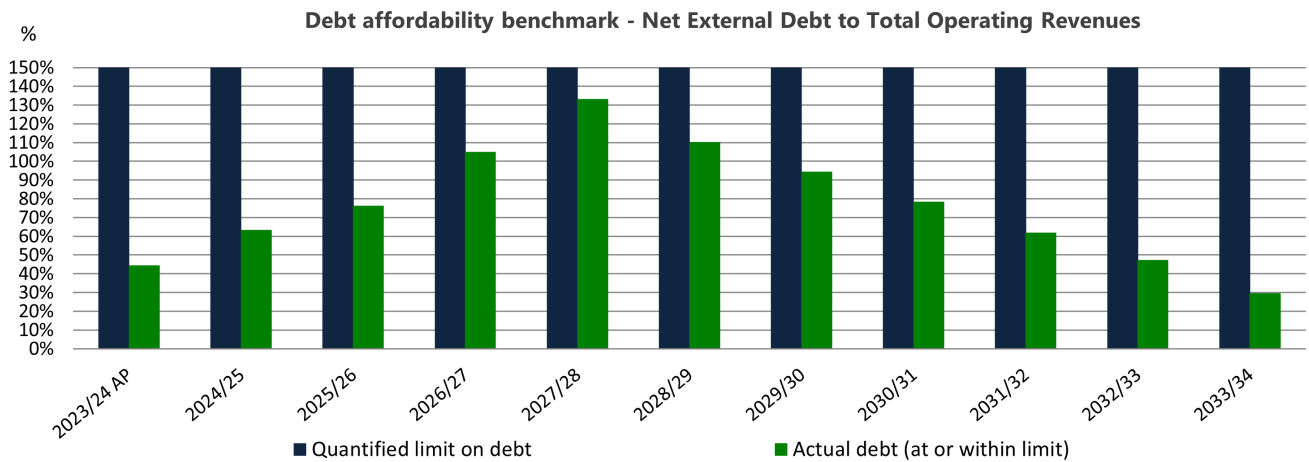
As per above, the Council's quantified rates income increase limits (black bars) as a percentage each year is based on LGCI plus 4.5%. The planned percentage rates increases (after growth) are compared to the limit in the graph below. Year 1 rates increase exceeds the limit for reasons noted elsewhere in this document.



## Debt affordability benchmark

The Council meets the debt affordability benchmark if its planned borrowing is within the Council's quantified limits for borrowing, as set in the Long Term Plan.

The quantified limit is: Net External Debt (1) not to exceed 150% of Total Operating Revenue (2).



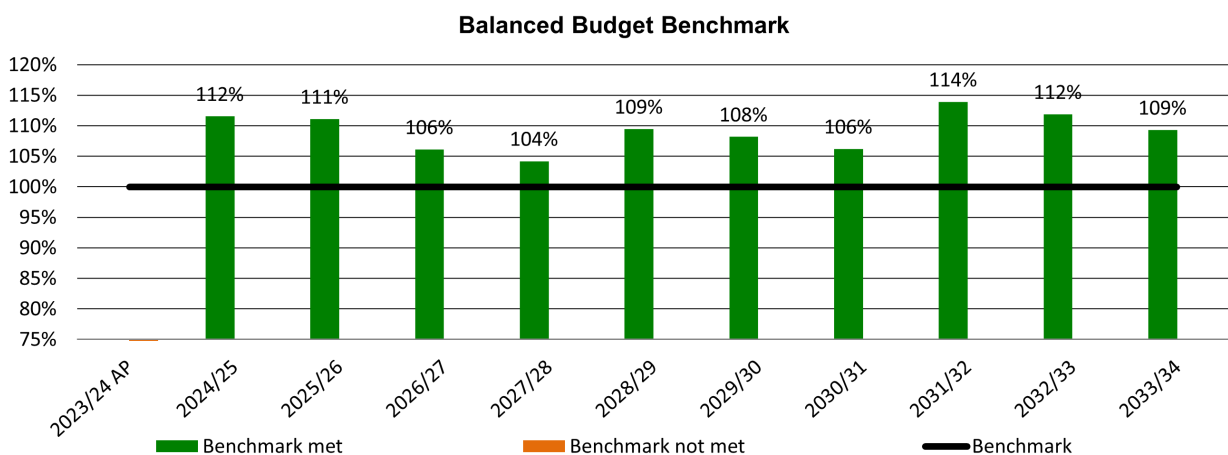
(1) Net External Debt is defined as gross external debt less all financial assets, including cash in bank.

(2) Operating Revenue is defined as all operating revenue as reported in the Prospective Statement of Comprehensive Income.

## Balanced budget benchmark

The graph below shows the Council's forecast operating revenue as a proportion of operating expenses. The Council meets this benchmark if its operating revenue equals or is greater than its operating expenses.

As per the regulations, Operating Revenue definition excludes financial contributions and revaluations of assets.

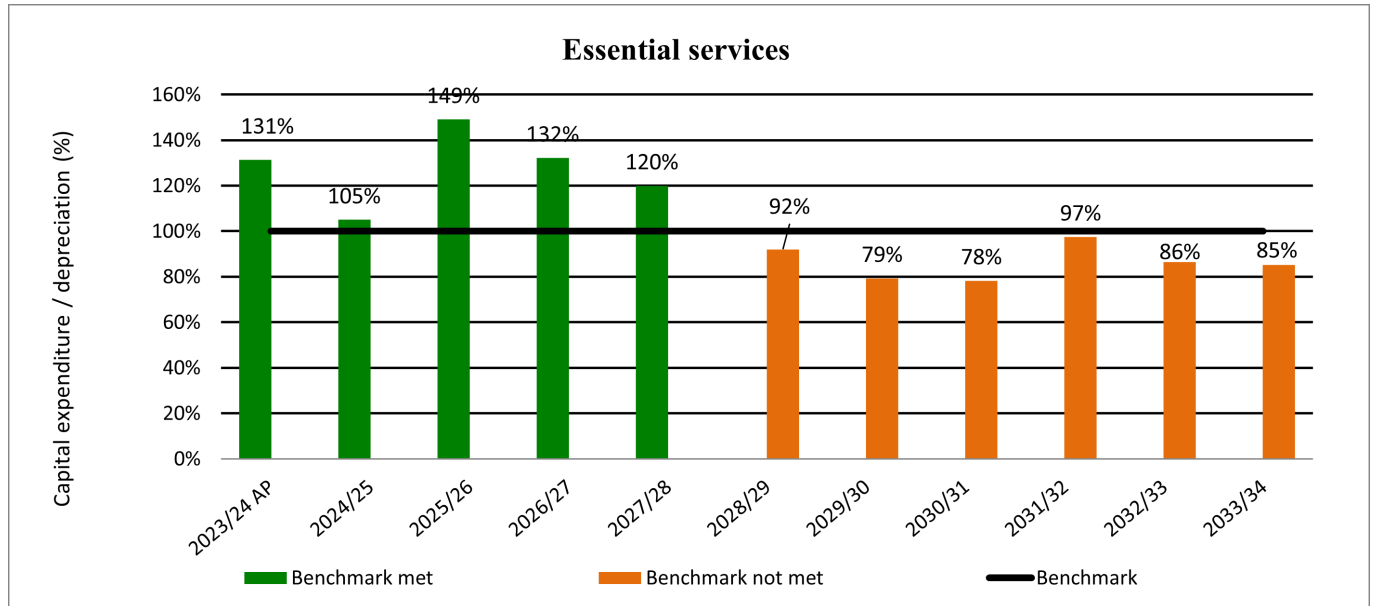


Note: across all years of this LTP the Council will achieve a balanced budget. Reflected in this result is the expectation that the subsidy income on the roading programme (provided by Waka Kotahi/NZTA) is achieved. There are cyclone reinstatement works and Mataikona Road upgrades scheduled and the subsidy for those works has not yet been confirmed but is included in the financial forecasts. The surpluses the Council projects achieving will be used to fund capital expenditure and debt repayment.

## Essential services benchmark

The graph below shows the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on those network services.

Essential services are: roading, water supplies, sewerage systems and stormwater systems.

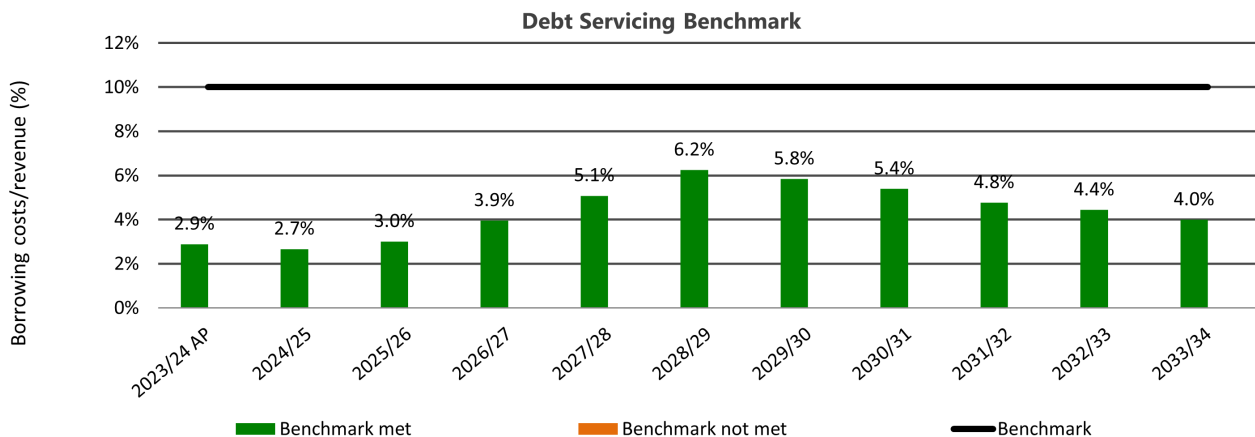


Note: many essential services assets have long lives and are at various stages through those lives. The Council's replacement and renewal expenditure does not automatically follow the accounting measure of decline in service (depreciation). The Council's asset management plans for each service outline the renewal and replacement programmes for each component of the assets employed to deliver the services.

## Debt servicing benchmark

The graph below shows the Council's borrowing costs as a proportion of operating revenue, as required by the regulations. To meet the benchmark the Council must stay within 10%.

This measure uses Operating Revenue definition which excludes financial contributions, vested assets, one-off grants for Capital Expenditure, gains on derivative financial instruments and revaluations of assets.





FUNDING IMPACT STATEMENT	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
<b>Reconciliation</b>											
<b>- between FIS &amp; Financial Statements</b>											
Operating Funding (revenue) - per FIS	57,052	63,468	67,004	70,942	74,527	79,132	81,416	83,245	85,582	87,556	90,044
Capital Funding (revenue)- per FIS	25,906	15,894	14,566	11,299	8,208	11,513	11,049	9,036	11,894	11,782	9,284
	82,958	79,362	81,570	82,241	82,734	90,644	92,465	92,281	97,477	99,338	99,328
Operating Revenue - per Stmt of Comp. Revenue & Expense	87,347	79,393	85,932	82,271	82,766	90,676	92,498	92,315	97,508	99,370	99,361
Less Other Gains/(losses)- on revaluation & disposal	4,389	31	4,363	30	31	32	33	34	31	32	33
	82,958	79,362	81,570	82,241	82,734	90,644	92,465	92,281	97,477	99,338	99,328
Operating Expenditure - per FIS	45,227	48,636	48,654	50,344	52,185	54,418	55,474	56,015	56,757	57,991	59,026
Add depreciation	18,946	21,007	21,543	24,347	25,215	26,419	28,044	28,889	26,958	28,916	29,915
	64,173	69,643	70,197	74,691	77,400	80,837	83,517	84,904	83,715	86,908	88,941
Operating Expenditure - per Stmt of Comp. Revenue & Expense	64,173	69,643	70,197	74,691	77,400	80,837	83,517	84,904	83,715	86,908	88,941
Capital Expenditure - per FIS	49,604	43,160	51,957	52,614	54,457	25,887	24,526	21,281	28,943	27,950	22,752
Capital Expenditure - per Cost of Service Statements	49,604	43,160	51,957	52,614	54,457	25,887	24,526	21,281	28,943	27,950	22,752
Transfer to/(from) Reserves - per COSS	(10,268)	(10,100)	(11,406)	(9,390)	(9,644)	(4,067)	(4,880)	(3,889)	(3,602)	(3,297)	(3,912)
Depreciation transferred to reserves - per COSS	6,324	7,453	8,648	9,890	10,470	11,148	12,170	12,568	13,444	13,693	14,992
Proceeds from sale of assets - Tsf to reserves	5,365	138	5,404	20	20	20	20	20	104	20	20
	1,421	(2,509)	2,645	521	845	7,102	7,310	8,700	9,946	10,416	11,100
Increase/(Decrease) in Reserves - per FIS	1,421	(2,509)	2,645	521	845	7,102	7,310	8,700	9,946	10,416	11,100



















# Rating Funding Impact Statement

## 1. Introduction

1.1 A Funding Impact Statement must be prepared pursuant to Schedule 10 of the Local Government Act 2002.

1.2 Various sections of the Local Government (Rating) Act 2002 refer to the Funding Impact Statement. Those sections require:

- The basis of setting the general rate, i.e. land or capital value (Section 13).
- Any category or categories that will be used for differentiating the general rate (Section 14).
- The function or functions for which a targeted rate will be set (Section 16).
- Any category or categories of land that will be used to set a targeted rate on a differential basis or determine whether a property will be liable for a targeted rate (Section 17).
- Any factor that will be used to calculate liability for a targeted rate (Section 18).
- An indication that Council wishes to set a charge for water supply by volume of water consumed if Council is intending to do so (Section 19).

### 1.3 Important

Throughout this statement a level of rate or charge is specified. These are indicative figures included to give ratepayers an estimate of what their level of rates is likely to be and are based on the rating requirements of year 1 of the Long-Term Plan. These figures are as close an estimate as possible to the actual rates that will be assessed in the coming year. The actual figures will be determined on adoption of the Long-Term Plan and Rates Resolution prior to 30 June 2024.

1.4 All figures for Rates and Charges as shown are inclusive of GST (unless stated). The revenue raised in each instance is the total revenue required by the Council before accounting for GST to central government.

1.5 The net operating expenses (net of user charges, subsidies and other external revenue) of the Council for 2024/25 totals \$53.5 million (incl. GST) and will be provided by the various rating mechanisms outlined within the Revenue & Financing Policy (to be adopted as part of the 2024-34 Long-Term Plan).

1.6 The Policy has been through a full review and public consultation process during the second half of 2023. The changes to the Policy have been incorporated into the proposed rating impact data that is included with the LTP consultation document. The table on the following page illustrates the application of the policy to the funding requirements in the first three years of the Long-term Plan.

1.7 In addition to operating expenditure, the Council has significant capital works programme scheduled for 2024/34 Long-term Plan. The funding sources for that programme are noted in the Capital Expenditure Statements in this document.

### 1.8 Separately Used or Inhabited Part of a Rating Unit.

The following definition applies to the levying of all targeted rates by the Masterton District Council where the Council has determined that the rate shall apply to each separately used or inhabited part of a rating unit:

- A separately used or inhabited part of a rating unit includes any portion inhabited or used by the owner, or person other than the owner, and who has the right to use or inhabit that portion by virtue of a tenancy, lease or other agreement. This definition includes separately used parts, whether or not actually occupied at any



particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner.

- For clarity, a separately used or inhabited portion of a dwelling will have as a minimum, a kitchen sink, bathroom and toilet

**RATING FUNDING IMPACT STATEMENT SUMMARY - Draft LTP 2024-25**

**DISTRICT VALUES**

(ESTIMATED for 30-6-24)	U1	U2	Total Urban	Total Rural	Total District
Differential	1	2.0		-	
District Land Value	2,136,121,000	361,974,500	2,498,095,500	3,250,683,700	5,748,779,200
District Capital Value	4,814,790,500	755,296,000	5,570,086,500	4,932,089,300	10,502,175,800
Targeted Uniform Charges (no.)	9,479	746	10,225	4,026	14,251
Water Charges (no.)	9,480	702	10,181	-	10,181
Sewerage Charges (no.)	9,298	715	10,012		10,012
Recycling Charges (no.)	9,323	710	10,033		10,033

Note: the valuation figures and numbers of charges listed above are an estimate of the values and numbers as at 30 June 2024

All Rates INCLUDING GST at 15%

	Rating Requirement			UNIFORM CHARGES AND RATES IN \$		
	Urban	Rural	Total	Residential	Non-residential	Rural
<b>TARGETED CHARGES</b>	\$ 40,002,693	\$ 13,489,202	\$ 53,491,895			
Uniform Charge	5,524,271	2,728,899	8,253,169	\$ 540.00	\$ 540.00	\$ 678.00
Roading Charge	899,756	2,214,300	3,114,056	\$ 88.00	\$ 88.00	\$ 550.00
Recycling Collection Charge	1,013,283	-	1,013,283	\$ 101.00	\$ 101.00	-
sub total	7,437,309	4,943,199	12,380,508			
	18.59%	36.6%	23.7%			
Water Charge	1,761,313	-	1,761,313	\$ 173.00	\$ 173.00	-
Sewerage Charge	2,743,288	-	2,743,288	\$ 274.00	\$ 274.00	-
sub total	4,504,601	-	4,504,601	\$ 1,176.00	\$ 1,176.00	\$ 1,228.00
	11.3%		8.4%			
<b>TARGETED LAND VALUE RATES</b>						
Roading Rate	3,698,220	5,169,949	8,868,169	0.001293	0.002586	0.001590
	3,698,220	5,169,949	8,868,169	0.001293	0.002586	0.001590
	9.24%	38.3%	16.8%			
<b>TARGETED CAPITAL VALUE RATES</b>						
Representation & Devlpmt Rate	2,660,169	707,134	3,367,303	0.000421	0.000842	0.000143
Regulatory Services Rate	3,523,056	936,509	4,459,564	0.000557	0.001124	0.000190
Sundry Facilities Rate	3,280,108	992,357	4,272,465	0.000519	0.001038	0.000201
Civic Amenities Rate	4,336,509	-	4,336,509	0.000686	0.001372	-
Water Rate	4,125,306	-	4,125,306	0.000633	0.001266	-
Sewerage Rate	6,401,714	-	6,401,714	0.000977	0.001954	-
sub total	24,326,863	2,635,999	26,962,862	0.003792	0.007594	0.000533
	60.8%	19.5%	50.4%			
<b>OTHER TARGETED RATES</b>						
Beach refuse & recycling collection	Targeted Chrg	134,130		\$ 255.00	Beach collections	
Opaki water race	Targeted LV rate	89,571		0.001483	per \$LV of serviced properties	
Tinui water supply	Targeted Chrg	17,806		\$ 574.00	per connection	
Castlepoint sewerage	Targeted Chrg	134,270		\$ 652.00	per connection	
*RBCSS - connected charge	Targeted Chrg	292,851		\$ 717.00	per property using the system	
RBCSS - service available	Targeted Chrg	10,720		\$ 160.00	per servicable, but not connected property	
RBCSS - Capital TP Yr 15 of 20	Targeted Chrg	52,424	time payments	\$ 1,643.40	31.9	paying off capital
Tinui sewerage - TP stage I	Targeted Chrg	213	time payments	\$ 212.50	1	paying off stage I
Tinui sewerage - TP stage I & II	Targeted Chrg	5,212	time payments	\$ 744.50	7	paying off stage I & II
Tinui sewerage - operating	Targeted Chrg	10,749	operating	\$ 566.00	per connection	
Sewerage tmt charge (liquid only)		35,700		\$ 525.00	per equivalent connection	
<b>Total Rates</b>	\$ 40,002,693	\$ 13,497,092	\$ 53,499,785			

TP = time payment

\*RBCSS = Riversdale Beach Community Sewerage Scheme

**RATING FUNDING IMPACT STATEMENT - RATES REVENUE BY RATE TYPE**

\$000's

 (All figures exclude GST)  
 (NZ\$ 000's)

		2024/25 LTP Year 1			2025/26 LTP Year 2			2026/27 LTP Year 3			
		Amount to be Collected by Ward			Amount to be Collected by Ward			Amount to be Collected by Ward			
		Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total	
Targeted Differential Rates across the District											
Roading Rate	LV rate	3,216	4,496	7,711	3,531	5,087	8,618	3,795	5,444	9,239	
Representation & Development Rate	CV rate	2,314	615	2,929	2,411	641	3,052	2,562	681	3,243	
Regulatory Services Rate	CV rate	3,070	814	3,884	3,277	869	4,146	3,413	905	4,318	
Sundry Facilities & Services Rate	CV rate	2,853	863	3,716	3,053	928	3,981	3,549	1,054	4,603	
Targeted Uniform Charge	Chrg	4,801	2,374	7,175 *	5,352	2,573	7,925 *	5,921	2,748	8,670 *	
Targeted Rooding Charge	Chrg	782	1,925	2,708 *	880	2,181	3,061 *	925	2,332	3,256 *	
		17,036	11,087	28,123	18,504	12,282	30,784	20,165	13,166	33,328	
Targeted Rates											
Recycling Collection Charge	Chrg	881	-	881 *	907	-	907 *	890	-	890 *	
Civic Amenities Rate	CV rate	3,772	-	3,772	4,073	-	4,073	4,261	-	4,261	
Urban Water Supply Rate	CV rate	3,587	-	3,587	3,829	-	3,829	4,263	-	4,263	
Urban Water Supply Charge	Chrg	1,532	-	1,532	1,638	-	1,638	1,833	-	1,833	
Urban Sewerage Rate	CV rate	5,566	-	5,566	5,902	-	5,902	6,233	-	6,233	
Urban Sewerage Charge	Chrg	2,385	-	2,385	2,533	-	2,533	2,673	-	2,673	
Beach Collections Charge	Chrg	-	117	117	-	117	117	-	117	117	
Rural water & sewerage rates**	Chrg	27	483	510	27	417	445	31	445	476	
		17,750	600	18,350	18,910	534	19,444	20,183	562	20,745	
<b>Total Rates**</b>		<b>34,786</b>	<b>11,687</b>	<b>46,473</b>	<b>37,414</b>	<b>12,816</b>	<b>50,228</b>	<b>40,348</b>	<b>13,728</b>	<b>54,073</b>	
Percentage Change (after growth)		9.3%	15.1%	10.6%	6.4%	8.7%	7.0%	6.7%	6.1%	6.6%	
<b>* Charges (per sec 21(2)(b)) as % of Total Rates not to exceed 30%</b>				<b>23.1%</b>					<b>23.7%</b>		
** Note: figures above exclude Riversdale & Tinui capital contributions											
Riversdale Beach sewerage capital contributions			46	46		46	46		46	46	
Tinui sewerage capital contributions			5	5		5	5		5	5	

# Rating Funding Impact Statement – Setting the Rates

## 2. DIFFERENTIAL RATES ACROSS THE DISTRICT

2.1 The Council proposes to continue its practice of not having one 'General Rate' but instead having a number of targeted rates charged across the district, set on a differential basis (see urban/rural cost allocations by service) and levied on either land value or capital value, as described in the Revenue & Financing Policy.

2.2 The separate targeted rates will be set on a differential basis using rating areas (urban and rural) and land use to determine the categories.

2.3 Rating areas are defined as:

**Urban rating area** – all rating units within the urban area of Masterton as defined by the District Plan.

**Rural rating area** – all rating units in the rural area of Masterton district, including beach settlements.

2.4 The differential categories are explained as follows:

- Category 1 U1 (Differential 1.0 applied to urban value-based rates)

Urban Residential – all rating units in the urban rating area used primarily for residential purposes, or for public halls, for sporting purposes or are vacant land

- Category 2 U2 (Differential 2.0 applied to urban value-based rates)

Non-residential urban – all rating units in the urban rating area used for purposes other than residential use (as defined in above)

- Category 3 R1 (Differential 1.0 applied to rural value-based rates)

Rural – all rating units in the rural rating area.

2.5 Properties which have more than one use (or where there is doubt on the relevant primary use) will be split with a rating unit division so that each division allows the rates to be levied according to the relevant use of the property. Note that subject to the rights of objection to the rating information database set out in Section 28 of the Local Government (Rating) Act 2002, the Council is the sole determiner of the categories.

2.6 The four targeted rates charged on all rateable properties, with costs allocated between urban and rural wards as per the Revenue and Financing Policy allocation table and charged on a differential basis will be as follows:

**Roading Rate** – estimated per dollar of Land Value for 2024/25 will be:

U1	0.001293 per dollar of land value raising	\$2,762,000
U2	0.002586 per dollar of land value raising	\$936,000
R1	0.001590 per dollar of land value raising	\$5,170,000
	Total	\$8,868,000

The Rooding rate will be used to provide the following services:

- Subsidised road maintenance and renewals programme on the district roading network.
- Non-subsidised roading maintenance in the urban area.
- Non-subsidised roading maintenance in the rural area.

**Representation & Development Rate** – estimated per dollar of Capital Value for 2024/25 will be:

U1	0.000421 per dollar of capital value raising	\$2,025,000
U2	0.000842 per dollar of capital value raising	\$636,000
R1	0.000143 per dollar of capital value raising	\$707,000
	Total	\$3,36834,000

The Representation and Development Rate will be used to provide the following services:

- Governance and Representation
- Environmental Initiatives
- Arts and Culture
- Economic Development
- District Amenities (security cameras, under-verandah lighting)

**Regulatory Services Rate** – estimated per dollar of Capital Value for 2024/25 will be:

U1	0.000557 per dollar of capital value raising	\$2,682,000
U2	0.001114 per dollar of capital value raising	\$841,000
R1	0.000190 per dollar of capital value raising	\$937,000
	Total	\$4,460,000

The Regulatory Services rate will be used to provide the following services:

- Resource Management and District Planning
- Environmental Health and Building Control Services
- Civil Defence and Emergency Management

**Sundry Facilities & Services Rate** – estimated per dollar of Capital Value for 2024/25 will be:

U1	0.000519 per dollar of capital value raising	\$2,497,000
U2	0.001038 per dollar of capital value raising	\$784,000
R1	0.000201 per dollar of capital value raising	\$992,000
	Total	\$4,273,000

The Sundry Facilities and Services rate will be used to provide the following services (see Allocation Table in the Revenue and Financing Policy for urban/rural share of each service cost):

- Waste, Recycling and Composting (excluding specific rural waste services)
- Urban Stormwater (urban ward only)
- Public Conveniences
- District Buildings
- Mawley Park
- Airport
- Rural halls
- Other property costs and other rural services (eg water supply testing)

### 3. DIFFERENTIAL TARGETED CHARGE – TARGETED ANNUAL CHARGE (TAC)

3.1 In addition to the district-wide rates collected on a differential basis, the Council proposes to set a targeted annual charge, differentiated between urban and rural wards, and levied on each separately used or inhabited part of a rating unit. The urban/rural differential is based on costs of services allocated per the Revenue and Financing Policy.

3.2 The estimated Targeted Annual Charges for 2024/25 will be:

U1 and U2	\$540.00 per part of rating unit raising	\$5,524,000
R1	\$678.00 per part of rating unit raising	\$2,729,000
	Total	\$8,253,000

3.3 The Targeted Annual Charge will be used to provide the following services:

- Library and Wairarapa Archive
- Recreation Centre
- Sports Fields (rural rating area only)
- Parks and Reserves (rural rating area only)
- Community Development
- Cemeteries (rural rating area only)
- Animal Control
- Rural Refuse and Transfer Stations (excluding beach collections rate)

### 4. DIFFERENTIAL TARGETED CHARGE – ROADING CHARGE

4.1 In addition to the roading rate collected on a differential basis, Council proposes to set a differential targeted roading charge on each separately used or inhabited part of a rating unit.

4.2 The estimated roading charge for 2024/25 will be:

U1 and U2	\$88.00 per part of rating unit raising	\$900,000
R1	\$550.00 per part of rating unit raising	\$2,214,000
	Total	\$3,114,000

4.3 The Roading charge will be used to fund a portion of the roading costs allocated to each ward – as per the Revenue and Financing Policy.

### 5. DIFFERENTIAL TARGETED RATES

5.1 Civic Amenities (urban only), Water, Sewerage, Urban Recycling collection and Beach collections.

Differential based on costs allocated to rating area and location of service.

## 6. CIVIC AMENITIES RATE

Civic Amenities Rate – estimated per dollar of Capital Value for 2024/25 will be:

U1	(0.000686 per dollar of capital value) raising	\$3,301,000
U2	(0.001372 per dollar of capital value) raising	\$1,036,000
	Total	\$ 4,337,000

The Civic Amenities rate will be used to fund the urban share of the following services:

- Parks and Reserves
- Sports fields
- Cemeteries
- Aerodrome

## 7. SERVICES DIFFERENTIALS

The Council proposes to use the following differential categories to assess rates on rating units for water supply, sewerage and the recycling collection rates.

Availability of Service for:

### Urban Water Supply Rate

The differential categories for the proposed uniform water supply rates are:

**Connected** – any separately used or inhabited part of a rating unit that is connected to the Masterton urban water supply.

**Serviceable** – any separately used or inhabited rating unit that is not connected to the Masterton urban water supply but is within 100 metres of such water supply and within the urban rating area and not charged by metered usage:

### Urban Sewerage Rate

The differential categories for the proposed sewage disposal rate are:

**Connected** – any separately used or inhabited part of a rating unit that is connected to the Masterton public sewerage system.

**Serviceable** – any separately used or inhabited part of a rating unit that is not connected to the Masterton public sewerage system but is within 30 metres of such a service and within the urban rating area.

### Urban Recycling Collection Rate

**Urban** – on every separately used or inhabited part of a rating unit situated within the urban area of Masterton to which the Council is prepared to provide the service.

**Rural** – on every separately used or inhabited part of a rating unit situated in the rural area of Masterton, to which the Council is prepared to provide a service.

### Beach Refuse and Recycling Collection Rate

Riversdale Beach and Castlepoint – on every separately used or inhabited part of a rating unit situated within the two beach settlements to which the Council is prepared to provide the service.



# Riversdale Beach Sewerage Rate

Residential Equivalents (REs) were established during the development of the Riversdale Beach Sewerage Scheme in order to allocate the shares of capital contribution. This RE unit will be the basis of charging annual operating rates as per the Local Government (Rating) Act 2002, schedule 3, clause 8.

## 8. URBAN WATER SUPPLY RATES

Targeted using a Uniform Basis and a Capital Value Rate, differentiated as per clause 2.4.

8.1 The Council proposes to set a targeted capital value rate on a differential basis, plus a uniform charge for water supply. The uniform charge will be assessed on each separately used or inhabited part of a rating unit throughout the serviced area where rating units are connected to the urban water supply scheme. The capital value rate will be levied on properties where a service connection is available (i.e., they are 'serviceable' per definition in clause 7).

8.2 The charge will be set on a differential basis based on the availability of service (the categories being 'connected' and 'serviceable'). Rating units that are not connected will not be liable for the water supply charge.

8.3 The estimated rates for 2024/25 are:

### Urban Water Supply Charge

Connected	\$173.00	raising \$1,761,000
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Urban Water Supply Rate charged on connected and serviceable - estimated per dollar of capital value for 2024-25 will be:

U1+R1	(0.000633 per dollar of capital value) raising	\$ 3,080,000
U2	(0.001266 per dollar of capital value) raising	\$1,045,000
	Total	\$ 4,125,000

Raising a total of \$5,886,000

### Urban (Metered) Water Supply on metered properties

8.4 The Council proposes to set a targeted rate for water supplied to metered rural properties from the urban water supply, based on volumes of water supplied through water meters. The Water Supply Charge will also apply to these properties.

8.5 The estimated rates for 2024/25 are as follows:

Price per cubic metre for between 50 and 100m <sup>3</sup> per quarter	\$1.91
Price per cubic metre for consumption over 100m <sup>3</sup> per quarter	\$2.45

Minimum charge per quarter of \$78.20 for 50m<sup>3</sup> per quarter or below

## 9. URBAN SEWERAGE RATES

Targeted using a Uniform Basis and a Capital Value Rate differentiated as per clause 2.4.

9.1 The Council proposes to set a targeted capital value rate and a uniform charge for urban sewerage. The uniform charge will be levied on each separately used or inhabited part of a rating unit throughout the district where properties are connected to the Masterton urban sewerage scheme. The capital value rate will be levied on properties where connection is available (i.e. they are 'serviceable' as per the definition in clause 7).

9.2 The charge will be set on a differential basis based on the availability of service (the categories are 'connected' and 'serviceable'). Rating units not connected to the scheme will not be liable for the urban sewerage charge.

9.3 The estimated rates for 2024/25 are:

### Urban Sewerage Charge

Connected	\$274.00	raising \$2,743,000
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Urban Sewerage Rate charged on connected and serviceable rating units - estimated per dollar of capital value for 2024/25 will be:

U1 + R1	(0.000977 per dollar of capital value) raising	\$4,790,000
U2	(0.001954 per dollar of capital value) raising	\$ 1,612,000
	Total	\$ 6,402,000

Raising a total of \$9,145,000

## 10. RECYCLING COLLECTION RATE

10.1 The Council proposes to set a targeted rate for the urban recycling collection costs on the basis described in clause 7.

10.2 The rate for 2024/25 is proposed as: Serviced Property \$101.00 raising \$1,013,000.

## 11. RURAL TARGETED SERVICES RATES

11.1 The Council proposes to set a targeted rate for **Beach Refuse and Recycling Collection** services on the basis of a fixed charge per property at Castlepoint and Riversdale Beach to which the services are available.

The uniform charge per property for 2024/25 is: \$255.00

Raising a total of \$134,000.

11.2 The Council proposes to set targeted rates for the **Opaki Water Race** on the basis of land value of the properties serviced. The land value rate for 2024/25 is \$0.001483.

Raising a total of \$89,600.

11.3 Council proposes to set targeted rates for the **Tinui Water Supply** on the basis of connected rating units.

The uniform charge per property for 2024/25 is: \$574.00.

Raising a total of \$17,800.

11.4 The Council proposes to set targeted rates for the **Castlepoint Sewerage Scheme** on the basis of connected rating units. The uniform charge per connection for 2024/25 is: \$652.00.

Raising a total of \$134,300.

11.5 The Council proposes to set two targeted rates for the operation of the **Riversdale Beach Sewerage Scheme**. These are:

- A connected rate based on a rating unit's residential equivalent connections to the scheme (as was assessed through the scheme development phase).
- A serviceable rate (i.e. empty sections yet to have a dwelling built) will be charged on each rating unit which is within 30 metres of the service.

Connected - a uniform charge per residential equivalent connection for 2024/25 will be: \$717.00 raising a total of approximately \$293,000.

Serviceable - a uniform charge per serviceable rating unit for 2024/25 will be: \$160.00 raising a total of approximately \$10,700.

**Capital Contributions** - as per the Amendment to the LTCCP for 2009/19 and the Capital Project Funding Plan for the Riversdale Beach Sewerage Scheme, the capital costs of the scheme will be charged per residential equivalent (RE). The following payment options remain relevant for Riversdale Beach property owners paying off their capital contributions over time:

**Time Payment Year 15 of 20** - the RE levied as a targeted rate spread over 20 years, with interest applied at 7.5 % (equates to \$1,643.40 pa including GST).

11.6 The Council proposes to set three targeted rates for the **Tinui Sewerage Scheme** for the 2024/25 year, on the basis of connected properties and their elected capital contributions for stages I and II of the scheme's upgrade. One rate will cover the annual operating costs of the scheme. The other rates will be levied on the connected properties as per their elected capital contribution payment options.

The Operating Costs rate per connection (including Tinui School as 5 connections) for 2024/25 is: \$566.00 raising a total of approximately \$10,750.

The Part Capital Contribution Stage I, year 19 of 20 (1 property) for 2024/25 is: \$212.50.

The Part Capital Contribution Stage I & II, year 19 of 20 (7 properties) for 2024/25 is: \$744.50.

11.7 The Council proposes to set a targeted rate called the **Sewage Treatment Charge** on the basis of connected properties in the rural area discharging septic tank outflows (liquid effluent) to the urban sewerage system. One charge per residential equivalent (RE - assumed to be 600 litres/day). Properties assessed as having multiple residential equivalents will be charged multiple charges based on assessed volume of discharge (including Rathkeale College).

The uniform charge per RE property for 2024/25 is: \$525.00 raising a total of \$35,700.

## 12. FUTURE TARGETED RATES – FLAGGED FOR INFORMATION

### 12.1 Private costs recovered

The Council may set a targeted rate in 2025/26 or future years in order to recover the costs of work the Council has had done relating to private property. This work may include undertaking earthquake assessments on commercial buildings or repairing faults in the sewer network on private property. The basis of the rates will be the recovery of costs incurred by the Council in order for an owner to comply with Council requirements e.g. supply of information under the Council's earthquake building assessment policies, stormwater maintenance or sewer repairs on private property to reduce inflow and infiltration in the sewer network.

### 12.2 Water-by-meter charging

The Council has signaled in its 2024/34 Long-term Plan and Revenue and Financing Policy that it intends implementing a charging regime that includes utilising the smart meters that have been installed on the Masterton urban connected properties. The policy basis of this regime will be developed over 2024/25.

## 13. OUT-OF-DISTRICT WATER & SEWERAGE CHARGES

13.1 The Council proposes to charge for non-metered water supply and sewerage services which are supplied or the service is available to properties outside the Masterton district on the following basis:

Water supply – \$0.001266 per dollar of Capital Value on serviceable properties, plus a \$173.00 fixed charge per separately identifiable connection. Note: metered connections will be required to pay the water meter charges note above.

Sewerage – \$0.001954 per dollar of Capital Value on serviceable properties, plus \$274.00 charge per connected property, plus any charges under the Trade Waste bylaw regime.

## 14. DUE DATES FOR PAYMENT OF RATES

All rates will be payable in four instalments with due dates as follows:

1st instalment 20 August 2024

2nd instalment 20 November 2024

3rd instalment 20 February 2025

4th instalment 20 May 2025

## 15. PENALTY CHARGES

**Arrears Penalties** will be charged as follows:

There will be a 10% penalty charged on any rate arrears as at 1 July 2025.

**Instalment Penalties** will be applied as follows:

10% charged on the balance of the first instalment of rates remaining unpaid after 20 August 2024.

10% charged on the balance of the second instalment of rates remaining unpaid after 20 November 2024.

10% charged on the balance of the third instalment of rates remaining unpaid after 20 February 2025.

10% charged on the balance of the fourth instalment of rates remaining unpaid after 20 May 2025.

## Roundings

Rates statements may be subject to roundings. The rates due will be calculated to the nearest cent, but rounded to the nearest 10 cents.

# Calculate Your 2024-25 Rates

The rates below are indicative only. Actual rates-in-the-dollar and charges will be set as part of the adoption of the Long Term Plan at the end of June 2024. The result you calculate will not include the Greater Wellington Regional Council (GWRC) rates. Further assistance in explaining the effects of the policy changes, 2023 revaluation and rates increases on your individual properties can be obtained from the Council's Rates Department.

## Rural Property

Write in your most recent Land Value .....(a)

Write in your most recent Capital Value .....(b)

Land Value (LV) Rates 0.001590 X (a) = .....

Value (CV) Rates 0.000534 X (b) = .....

Targeted Annual Charge (where applicable) \$678.00

Targeted Roothing Charge (where applicable) \$550.00

Beach collections (where application) \$255.00

Castlepoint Sewerage (where applicable) \$652.00

Riversdale Sewerage (where applicable) \$717.00

Tinui Sewerage (where applicable) \$566.00

Tinui Water Supply (where applicable) \$574.00

Sewage treatment (liquid waste to urban sewer) \$525.00

(Note: result excludes GWRC rates)

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## Urban (residential)

Write in your most recent Land Value .....(a)

Write in your most recent Capital Value .....(b)

Land Value (LV) Rates 0.001293 X (a) = .....

Capital Value (CV) Rates 0.003792 X (b) = .....

Targeted Annual Charge \$540.00

Targeted Roothing Charge \$88.00

Recycling Collection Charge \$101.00

Water Supply Charge (where applicable) \$173.00

Sewerage Charge (where applicable) \$274.00

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## Urban (non-residential)

Use the Urban (residential) figures above, but double the LV & CV Rates (i.e. LV x 2 x (a) and CV x 2 x (b)). Then add the charges where applicable.

## Rates Examples

RATES EXAMPLES									
INCLUDING GST	NEW CAPITAL VALUE (AT SEP 2023)	% change in CV	2023/24 MDC RATES ONLY	2024/25 MDC RATES - OLD VALUES	Budget & Policy % Change	2024/25 MDC RATES - NEW VALUES	% Change Due to Revaluation	Overall \$ Change	Overall % Change
Masterton - residential example 1	\$ 380,000	7%	\$ 2,617	\$ 2,912	11.3%	\$ 2,850	-2.4%	\$ 233	8.9%
Masterton - residential example 2	\$ 500,000	6%	\$ 3,243	\$ 3,563	9.9%	\$ 3,453	-3.4%	\$ 211	6.5%
Masterton - residential example 3	\$ 660,000	12%	\$ 3,677	\$ 4,014	9.2%	\$ 4,002	-0.3%	\$ 325	8.8%
Masterton - residential example 4	\$ 760,000	12%	\$ 4,038	\$ 4,388	8.7%	\$ 4,355	-0.8%	\$ 318	7.9%
Masterton - residential example 5	\$ 1,090,000	11%	\$ 5,435	\$ 5,840	7.5%	\$ 5,755	-1.6%	\$ 321	5.9%
Masterton - central, small area	\$ 540,000	2%	\$ 3,507	\$ 3,838	9.4%	\$ 3,566	-7.8%	\$ 59	1.7%
Riversdale Beach	\$ 880,000	29%	\$ 3,043	\$ 3,442	13.1%	\$ 3,465	0.7%	\$ 422	13.9%
Castlepoint	\$ 850,000	31%	\$ 2,802	\$ 3,170	13.1%	\$ 3,256	3.1%	\$ 454	16.2%
Rural - lifestyle	\$ 1,180,000	19%	\$ 2,471	\$ 2,832	14.6%	\$ 2,732	-4.0%	\$ 261	10.6%
Rural - forestry	\$ 2,340,000	43%	\$ 4,513	\$ 5,270	16.8%	\$ 6,007	16.3%	\$ 1,494	33.1%
Rural - hill country farm	\$ 6,840,000	27%	\$ 12,687	\$ 14,727	16.1%	\$ 15,377	5.1%	\$ 2,690	21.2%
Rural - dairy farm	\$ 3,880,000	18%	\$ 8,043	\$ 9,305	15.7%	\$ 9,186	-1.5%	\$ 1,142	14.2%
Commercial - industrial	\$ 1,000,000	25%	\$ 8,554	\$ 9,092	6.3%	\$ 10,037	11.1%	\$ 1,483	17.3%
Commercial - motel	\$ 1,200,000	18%	\$ 11,177	\$ 11,824	5.8%	\$ 11,996	1.5%	\$ 819	7.3%
Commercial - large retail	\$ 7,680,000	38%	\$ 53,013	\$ 55,349	4.4%	\$ 65,782	19.7%	\$ 12,769	24.1%
Commercial - Queen St shop	\$ 475,000	6%	\$ 5,405	\$ 5,815	7.6%	\$ 5,533	-5.2%	\$ 129	2.4%

Note: All rates exclude Wellington Regional Council rates. Percentage changes are subject to roundings.



# Statement of Accounting Policies

## Reporting Entity

Masterton District Council (the Council) is a Territorial Authority within the definition of the Local Government Act 2002 (LGA).

The measurement base adopted is that of historical cost, modified by the revaluation of certain assets.

Reliance is placed on the fact that the Council is a 'going concern' and that sufficient funds are available, or will be received, to allow MDC to operate at the levels of activity estimated.

The financial statements contained within this Long-Term Plan follow the appropriate legislative requirements of the LGA, and generally accepted accounting practices recognised as appropriate and relevant for the reporting of financial information in the public sector.

The Council is a Public Benefit Entity whose primary objective is to provide goods and services for community or social benefit and objective rather than for a financial return. All available reporting exemptions allowed under the framework for Public Benefit Entities have been adopted.

The financial statements are in full compliance with Financial Reporting Standard 42 (PBE FRS 42) 'Prospective Financial Statements'.

The Consultation Document and Supporting Information were authorised by the Council on 3 April 2024 and issued for consultation on 5 April 2024. The Supporting Information comprises an Infrastructure Strategy, a Financial Strategy, financial statements, activity statements and a range of policies that will form the basis of the Council's Long Term Plan for 2024/34. That plan is expected to be adopted before the end of June 2024.

## Accounting Policies

### Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Council and the revenue can be measured. Revenue is recognised at fair value. The following specific criteria must also be met before revenue is recognised.

### Subsidy Revenue

Subsidy revenue is recognised in the period when expenditure to which the subsidy relates has been incurred.

### Rates

Rates are recognised on the due date for each instalment.

### Fees and Charges

Fees and charges are recognised as revenue when the obligation to pay arises or, in the case of licence fees, upon renewal of the licence. Expenditure is recognised when the service has been provided or the goods received.

### Other Revenues

Other revenues are recognised when the service is provided. Other grants, bequests and assets vested in the Council are recognised as revenue when control over the asset is obtained.

## Interest

Interest revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the life of the financial instrument) to the net carrying amount of the financial asset.

## Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

## Financial Contributions

Financial contributions are recognised when invoiced. Any difference in timing between receipt of the contribution and the completion of the assets they relate to is not considered material.

## Expenditure

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

## Borrowing Costs

Borrowing costs are recognised as an expense when incurred.

## Accounts Receivable

Accounts receivable are stated at expected realisable value after providing for doubtful debts and uncollectable debts. Rates and water rates are invoiced quarterly with payment due within 20 days. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

## Inventories

Inventories are valued at the lower of cost (determined on a weighted average basis) and fair value after making adequate provision for obsolescence.

## Investments

Share investments are valued at market value at 30 June 2023 for the purposes of the Prospective Statement of Financial Position. Other investments are also stated at market value (as per PBE IPSAS). Some of the Council's property assets are regarded as investment properties (under PBE IPSAS).

## Properties Held for Sale

Properties held for sale are separately recognised as a current asset when the sale of a property is highly probable and management are committed to a plan to sell the asset, which is expected to occur within one year. Properties held for sale are valued at lower of the carrying value and the fair value less disposal costs.

# Property Plant and Equipment

## Operational Assets

Motor vehicles, plant, computer equipment and software, furniture and fittings are valued at cost less accumulated depreciation.

Land, buildings and improvements are based on the market valuation dated 30 June 2021, plus/minus additions, disposals & depreciation and an estimated revaluation on 30 June 2024. Fair value for buildings and improvements has been determined to be the depreciated replacement cost. The Council's policy is to revalue every three years. Additions to assets between valuations are recorded at cost.

The Library collection is valued using the depreciated replacement method.

Forestry assets will be valued annually (as biological assets under NZ IFRS) using the discounted net present value method.

## Infrastructural Assets

These are the utility systems that provide a continuing service to the community and are not generally regarded as tradeable. They include roads, bridges, water and wastewater services and stormwater systems. Each asset type includes all items that are required for the network to function. The infrastructural assets were revalued using the Depreciated Replacement Value method, as at 30 June 2023. An estimate of the value with 2023/24 additions has been included in the forecast position.

Renewals and extensions of service capacity between valuations are capitalised. For roading assets, this renewals expenditure includes the rehabilitation and resealing programme. Landfills do not have a specific asset value, other than within the land and buildings category, but a provision is recognised to reflect the future costs of closure and aftercare.

Land under the roading network was valued at 30 June 2000 and this valuation is considered deemed cost. The land under roads was valued by determining the average value of the land adjoining the roading network using a series of localities within the district.

Additions to assets between valuations are recorded at cost.

## Impairment

For those network assets where there is no intention that there be an end to their useful life, the provision of depreciation on a straight line basis over the remaining life of the asset is regarded as appropriate. The Council's Asset Management Plans contain detailed component listings to which National Asset Management Manual (NAM) asset life and condition factors are applied and replacement years derived. The depreciation is derived from the depreciated replacement value spread over the remaining economic life of each component.

The Council's engineers design the roading programme of general maintenance, reseals and rehabilitation in order to maintain the roading network in a constant condition. The physical condition is regularly audited by Waka Kotahi and the roading Asset Management Plans provides sufficient detailed information on the network to enable ongoing programme design. The decline in service potential of the roading network, although assumed to be rectified by the annual roading programme, has been calculated on a straight line depreciation basis on the estimated lives of the depreciable components of the network.

## Revaluations

Following initial recognition at cost, operation land and buildings and infrastructural assets are carried at a revalued amount, which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and infrastructural assets and accumulated impairment losses.

Fair value is determined by reference to market-based evidence, which is the amount which the assets could be exchanged between a willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Where no market exists for assets, for example for infrastructural assets, the fair value is the depreciated replacement costs.

Any revaluation surplus is credited to the appropriate asset revaluation reserve included in the equity section of the Statement of Financial Position unless it reverses a revaluation decrease of the same class of asset previously recognised in the Statement of Financial Performance. Revaluation changes are recorded on a class of assets basis.

Any revaluation deficit is recognised in the Statement of Financial Performance unless it directly offsets a previous surplus in the same asset class in the asset revaluation reserve. In addition, any accumulated depreciation as at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is re-stated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Independent valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance date. An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

## Depreciation and Decline in Service Potential

Depreciation is provided on all fixed assets other than land, road formation, stopbanks and items under construction, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their remaining useful lives. Straight line depreciation is calculated on the following assets:

Asset	Depreciation Rate	Useful Life
<b>Fixed Assets</b>		
Buildings	1.4% to 20%	5 to 70 years (depending on component life)
Vehicles and plant	10% or 15%	10 years plant, 6.67 years vehicles
Computer hardware and software	25%	4 years
Furniture, fittings and equipment	20%	5 years
Library books	14.3% or 33%	3 to 7 years (depending on type of collection)
<b>Infrastructural Assets: Roading</b>		
Pavement (15% sub-base, 50% basecourse)	2.5% or 1.25%	(40 years rural, 80 years urban)
Seal (2 <sup>nd</sup> coat and 1 <sup>st</sup> coat)	5.9% and 2.5%	(17 years and 40 years)
Kerb and channel	1%	(100 years)
Seal on carparks and footpaths (chip/AC/concrete)	6.67%	(6.67%, 5.55%, 2%)
Streetlighting (lamps, fittings, poles)	20%, 6.67%, 2%	(5/15/50 years)

Asset	Depreciation Rate	Useful Life
Street furniture and pavers	3.33% and 2%	(30 years furniture, 50 years pavers)
Bridges	1.25% to 1%	(base life 80 to 100 years, modified by NAMs factors)
<b>Infrastructural Assets: Water Supply</b>		
Pipes	1.25% to 1.6%	60-80 years (base life 60 years, modified by NAMs factors)
Hydrants, valves, connections	2%	50 years
Treatment plant	1.25% to 10%	10-80 years (depending on components)
<b>Infrastructural Assets: Sewerage</b>		
Reticulation	1.25% to 1.67%	60 to 80 years (base life 60 years, modified by NAMs factors)
Treatment	10% to 80%	10 to 80 years (on plant and equipment and structures)
<b>Infrastructural Assets: Stormwater</b>		
Pipes and culverts	1%	100 years (base life 100 years, modified by NAMs factors)
Stopbanks	not depreciated	
Weirs	1%	100 years
Rural Water and Sewage systems	1% to 2%, 10%	50 to 100 years reticulation, 10 years plant

## Goods and Services Tax (GST)

All amounts in the financial statements are stated exclusive of GST except receivables, contract retentions, and payables, which are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the Inland Revenue Department - Te Tari Taake is included as part of receivable or payable in the Statement of Financial Position.

## Landfill Aftercare Provision

The Council has a legal obligation under the resource consents to provide ongoing maintenance and monitoring services at its former landfill sites. A provision for post-closure costs has been recognised as a liability. The provision is based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure. The discount rate used is a rate that reflects current market assessments of the time value of money and the risks specific to the Council.

## Financial Instruments

The Council is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, investments, debtors, creditors and loans. All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

## Employee Entitlements

Provision is made in respect of the Council's liability for annual leave and retirement gratuities. Annual leave has been calculated on an actual entitlement basis at current rates of pay while the other provisions have been calculated on an actuarial basis at current rates of pay. There is no long service leave. Accumulated sick leave carried forward, which is anticipated to be taken in future periods, is low in value and not considered to change significantly from the 2020 level. A review of accumulated sick leave and past take-up of prior period balances is completed annually so materiality can be considered.

## Leases

*The Council as a lessor* - Leases where the Council effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Revenue under these leases is recognised as income in a straight-line basis over the term of the lease.

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified as finance leases. These are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The lease assets and corresponding lease liabilities are recognised in the Statement of Financial Position.

*The Council as a lessee* - Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are recognised as expenditure on a straight-line basis over the term of the lease. Leases which effectively transfer to the Council substantially all the risks and benefits incidental to ownership of the leased item are classified as finance leases. These are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The lease assets and corresponding lease liabilities are recognised in the Statement of Financial Position.

The leased assets are depreciated over the period the Council is expected to benefit from their use.

## Equity

Equity is the community's interest in the Council as measured by total assets less total liabilities. Public equity is disaggregated and classified into a number of reserves to enable clearer identification of the specified uses that the Council makes of its accumulated surpluses.

The components of equity are:

- ratepayers Equity,
- restricted reserves (Special Funds),
- the Council-created reserves (Special Funds), and
- asset revaluation reserves.

## Special Funds

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Special Funds may be legally restricted or created by the Council. Restricted reserves are those reserves subject to specific conditions accepted as binding by the Council and which the Council may not revise without reference to the Courts or third parties. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

The Council-created reserves are reserves established by Council decision. The Council may alter them without reference to any third parties or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Asset revaluation reserves represent unrealised gains on assets owned by the Council.

The gains are held in the reserve until such time as the gain is realised and a transfer can be made to accumulated funds.

## Cost of Service Statements

The Cost of Service Statements, as provided in the Activity Statements in the supporting information, show the cost of services for the activities and services of the Council, and any revenue earned or allocated to those activities.

## Cost Allocations

Where costs are identifiable, support departments charge out the cost of their services direct to activities using those services. The remaining costs of administrative and financial service type activities are allocated to operational activities. Operational activities are those which provide a service direct to the public. The basis of the corporate overhead allocation is "estimated use of service" which is reviewed each year, based on transaction samples and levels of expenditure and rates required.

## Inflation

The projected net costs of service for the 10 years shown in the financial statements have been adjusted for inflation. The inflation rate assumptions are listed in the supporting documents.

## Changes in Accounting Policies

There are no changes to accounting policies, which result in any significant items.