

**Reprint  
as at 1 May 2014**



## **Local Government (Financial Reporting) Regulations 2011**

(SR 2011/249)

Local Government (Financial Reporting) Regulations 2011: revoked, on 1 May 2014, by regulation 25 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (LI 2014/76).

Anand Satyanand, Governor-General

### **Order in Council**

At Wellington this 11th day of July 2011

Present:

The Right Hon John Key presiding in Council

Pursuant to section 259(1)(da) and (db) of the Local Government Act 2002, His Excellency the Governor-General, acting on the advice and with the consent of the Executive Council, makes the following regulations.

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**Note**

Changes authorised by subpart 2 of Part 2 of the Legislation Act 2012 have been made in this official reprint.

Note 4 at the end of this reprint provides a list of the amendments incorporated.

**These regulations are administered by the Department of Internal Affairs.**

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## Regulations

- 1 Title**  
These regulations are the Local Government (Financial Reporting) Regulations 2011.
- 2 Commencement**  
These regulations come into force on the 28th day after the date of their notification in the *Gazette*.
- 3 Interpretation**  
In these regulations,—  
**Act** means the Local Government Act 2002  
**targeted rate for water supply** means a targeted rate levied under section 19 of the Local Government (Rating) Act 2002.
- 4 Information to be disclosed in financial statements**
- (1) This regulation applies to a local authority's financial statements in its annual plan, long-term plan, and annual report.
  - (2) A local authority's statement of comprehensive income must disclose separately the amount of income received or to be received from each of the following sources:
    - (a) rates other than a targeted rate for water supply; and
    - (b) development and financial contributions; and

- (c) subsidies and grants.
- (3) A local authority's statement of financial position must specify the sum of the amounts of the authority's investments in council-controlled organisations and in entities listed in section 6(4) of the Act.
- (4) The notes to a local authority's financial statements must specify, in relation to each group of activities, the combined depreciation and amortisation expense for assets used directly in providing the group of activities.

**4A Information about core assets to be disclosed in financial statements in annual report**

- (1) This regulation applies to a local authority's financial statements in its annual report relating to the period 1 July 2013 to 30 June 2014, and subsequent years.
- (2) The notes to a local authority's financial statements must disclose the financial information listed in subclause (3) in relation to the following assets:
  - (a) water supply, distinguishing between—
    - (i) treatment plants and facilities; and
    - (ii) other assets (such as reticulation systems):
  - (b) sewerage, distinguishing between—
    - (i) treatment plants and facilities; and
    - (ii) other assets (such as reticulation systems):
  - (c) stormwater drainage:
  - (d) flood protection and control works:
  - (e) roads and footpaths.
- (3) The financial information that must be disclosed for each of the assets listed in subclause (2) is—
  - (a) closing book value:
  - (b) the value of acquisitions made during the relevant financial year, distinguishing between—
    - (i) assets constructed by the local authority; and
    - (ii) assets transferred to the local authority:
  - (c) the local authority's most recent estimate of the replacement cost, unless the asset is valued on a historic cost or deemed cost valuation basis.

Regulation 4A: inserted, on 1 February 2014, by regulation 4 of the Local Government (Financial Reporting) Amendment Regulations 2013 (SR 2013/468).

**5 Form of funding impact statement**

- (1) The funding impact statement to be included in the long-term plan in accordance with clause 5 of Schedule 10 of the Act must be in form 1 of the Schedule.
- (2) The funding impact statement to be included in the long-term plan in accordance with clause 15 of Schedule 10 of the Act must be in form 2 of the Schedule.
- (3) The funding impact statement to be included in the annual plan in accordance with clause 20 of Schedule 10 of the Act must be in form 3 of the Schedule.
- (4) The funding impact statement to be included in the annual report in accordance with clause 26 of Schedule 10 of the Act must be in form 4 of the Schedule.
- (5) The funding impact statement to be included in the annual report in accordance with clause 30 of Schedule 10 of the Act must be in form 5 of the Schedule.

**6 Directions for preparation of funding impact statements**

A funding impact statement prepared by a local authority must comply with the following accounting policies:

*Timing*

- (a) a method of accounting that is regarded as accrual accounting under generally accepted accounting practice must be used to record the effects of transactions when they occur:

*Balance*

- (b) the total sources of funding must equal the total applications of funding.

**7 Transitional provision for specified plans and reports**

These regulations do not apply to—

- (a) a long-term plan beginning on 1 July 2009 and still in force on 27 November 2010; and
- (b) an annual plan that relates to the period—
  - (i) 1 July 2010 to 30 June 2011; or
  - (ii) 1 July 2011 to 30 June 2012; and
- (c) an annual report that relates to the period—
  - (i) 1 July 2010 to 30 June 2011; or

(ii) 1 July 2011 to 30 June 2012.

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**Schedule**  
**Forms of funding impact statement**

Form 1

Funding impact statement for long-term plan (group of activities)

*Clause 5, Schedule 10, Local Government Act 2002*

**[Name of council]: Funding impact statement for [period] for [group of activities]**

	*[Year -1] Annual plan (\$000)	[Year 1] (\$000)	[Year 2] (\$000)	[Year 3] (\$000)	[Year 4] (\$000)	[Year 5] (\$000)	[Year 6] (\$000)	[Year 7] (\$000)	[Year 8] (\$000)	[Year 9] (\$000)	[Year 10] (\$000)
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties											
Targeted rates (other than a targeted rate for water supply)											
Subsidies and grants for operating purposes											
Fees, charges, and targeted rates for water supply											
Internal charges and overheads recovered											

Form 1—continued

	*[Year -1] Annual plan (\$000)	[Year 1] (\$000)	[Year 2] (\$000)	[Year 3] (\$000)	[Year 4] (\$000)	[Year 5] (\$000)	[Year 6] (\$000)	[Year 7] (\$000)	[Year 8] (\$000)	[Year 9] (\$000)	[Year 10] (\$000)
Local authorities fuel tax, fines, infringement fees, and other receipts											
<b>Total operating funding (A)</b>											
<b>Applications of operating funding</b>											
Payments to staff and suppliers											
Finance costs											
Internal charges and overheads applied											
Other operating funding applications											
<b>Total applications of operating funding (B)</b>											
<b>Surplus (deficit) of operating funding (A – B)</b>											

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1 May 2014

Local Government (Financial Reporting)  
Regulations 2011

Schedule

Form 1—continued

	*[Year -1] Annual plan (\$000)	[Year 1] (\$000)	[Year 2] (\$000)	[Year 3] (\$000)	[Year 4] (\$000)	[Year 5] (\$000)	[Year 6] (\$000)	[Year 7] (\$000)	[Year 8] (\$000)	[Year 9] (\$000)	[Year 10] (\$000)
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure											
Development and financial contributions											
Increase (decrease) in debt											
Gross proceeds from sale of assets											
Lump sum contributions											
<b>Total sources of capital funding (C)</b>											
<b>Applications of capital funding</b>											
Capital expenditure											
—to meet additional demand											
—to improve the level of service											



Form 1—continued

	*[Year -1] Annual plan (\$000)	[Year 1] (\$000)	[Year 2] (\$000)	[Year 3] (\$000)	[Year 4] (\$000)	[Year 5] (\$000)	[Year 6] (\$000)	[Year 7] (\$000)	[Year 8] (\$000)	[Year 9] (\$000)	[Year 10] (\$000)
—to replace existing assets											
Increase (decrease) in reserves											
Increase (decrease) of investments											
<b>Total applications of capital funding (D)</b>											
<b>Surplus (deficit) of capital funding (C - D)</b>											
<b>Funding balance ((A - B) + (C - D))</b>											

\*Specify the actual years of the long-term plan. The actual year for [year -1] is the year before the first year of the long-term plan.

Form 2  
 Funding impact statement for long-term plan (whole of council)  
 Clause 15, Schedule 10, Local Government Act 2002

**[Name of council]: Funding impact statement for [period] (whole of council)**

	*[Year -1] Annual plan (\$000)	[Year 1] (\$000)	[Year 2] (\$000)	[Year 3] (\$000)	[Year 4] (\$000)	[Year 5] (\$000)	[Year 6] (\$000)	[Year 7] (\$000)	[Year 8] (\$000)	[Year 9] (\$000)	[Year 10] (\$000)
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties											
Targeted rates (other than a targeted rate for water supply)											
Subsidies and grants for operating purposes											
Fees, charges, and targeted rates for water supply											
Interest and dividends from investments											
Local authorities fuel tax, fines, infringement fees, and other receipts											
<b>Total operating funding (A)</b>											

Form 2—continued

	*[Year -1] Annual plan (\$000)	[Year 1] (\$000)	[Year 2] (\$000)	[Year 3] (\$000)	[Year 4] (\$000)	[Year 5] (\$000)	[Year 6] (\$000)	[Year 7] (\$000)	[Year 8] (\$000)	[Year 9] (\$000)	[Year 10] (\$000)
<b>Applications of operating funding</b>											
Payments to staff and suppliers											
Finance costs											
Other operating funding applications											
<b>Total applications of operating funding (B)</b>											
<b>Surplus (deficit) of operating funding (A – B)</b>											
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure											
Development and financial contributions											
Increase (decrease) in debt											
Gross proceeds from sale of assets											

Form 2—continued

	*[Year -1] Annual plan (\$000)	[Year 1] (\$000)	[Year 2] (\$000)	[Year 3] (\$000)	[Year 4] (\$000)	[Year 5] (\$000)	[Year 6] (\$000)	[Year 7] (\$000)	[Year 8] (\$000)	[Year 9] (\$000)	[Year 10] (\$000)
Lump sum contributions											
<b>Total sources of capital funding (C)</b>											
<b>Application of capital funding</b>											
Capital expenditure											
—to meet additional demand											
—to improve the level of service											
—to replace existing assets											
Increase (decrease) in reserves											
Increase (decrease) of investments											
<b>Total applications of capital funding (D)</b>											
<b>Surplus (deficit) of capital funding (C - D)</b>											
<b>Funding balance ((A - B) + (C - D))</b>											

Form 2—continued

\*Specify the actual years of the long-term plan. The actual year for [year -1] is the year before the first year of the long-term plan.

Other information to be included

[Include the information specified in clause 15(3) to (5) of Schedule 10 of the Local Government Act 2002 where relevant.]

Form 3  
Funding impact statement for annual plan  
(whole of council)  
*Clause 20, Schedule 10, Local Government Act 2002*

**[Name of council]: Funding impact statement for [period]  
(whole of council)**

	* <i>[Year -1]</i> Annual plan (\$000)	<i>[Year 1]</i> Long-term plan (\$000)	<i>[Year 1]</i> Annual plan (\$000)
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties			
Targeted rates (other than a targeted rate for water supply)			
Subsidies and grants for operating purposes			
Fees, charges, and targeted rates for water supply			
Interest and dividends from investments			
Local authorities fuel tax, fines, infringement fees, and other receipts			
<b>Total operating funding (A)</b>			
<b>Applications of operating funding</b>			
Payments to staff and suppliers			
Finance costs			
Other operating funding applications			
<b>Total applications of operating funding (B)</b>			
<b>Surplus (deficit) of operating funding (A - B)</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt			
Gross proceeds from sale of assets			

Form 3—*continued*

	* <i>[Year -1]</i> Annual plan (\$000)	<i>[Year 1]</i> Long-term plan (\$000)	<i>[Year 1]</i> Annual plan (\$000)
Lump sum contributions			
<b>Total sources of capital funding (C)</b>			
<b>Application of capital funding</b>			
Capital expenditure			
—to meet additional demand			
—to improve the level of service			
—to replace existing assets			
Increase (decrease) in reserves			
Increase (decrease) of investments			
<b>Total applications of capital funding (D)</b>			
<b>Surplus (deficit) of capital funding (C - D)</b>			
<b>Funding balance ((A - B) + (C - D))</b>			

\*Specify the actual year of the annual plan and the same year for the long-term plan. The actual year for *[year - 1]* is the year before the year of the annual plan.

**Other information to be included**

*[Include the information specified in clause 20(3) to (5) of Schedule 10 of the Local Government Act 2002 where relevant.]*

Form 4  
Funding impact statement for annual report  
(group of activities)

*Clause 26, Schedule 10, Local Government Act 2002*

**[Name of council]: Funding impact statement for [period] for  
[group of activities]**

	* <i>[Year -1]</i> Long-term plan (\$000)	<i>[Year 1]</i> Long-term plan (\$000)	<i>[Year 1]</i> Actual (\$000)
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties			
Targeted rates (other than a targeted rate for water supply)			
Subsidies and grants for operating purposes			
Fees, charges, and targeted rates for water supply			
Internal charges and overheads recovered			
Local authorities fuel tax, fines, infringement fees, and other receipts			
<b>Total operating funding (A)</b>			
<b>Applications of operating funding</b>			
Payments to staff and suppliers			
Finance costs			
Internal charges and overheads applied			
Other operating funding applications			
<b>Total applications of operating funding (B)</b>			
<b>Surplus (deficit) of operating funding (A - B)</b>			



Form 4—*continued*

	* <i>[Year -1]</i> Long-term plan (\$000)	<i>[Year 1]</i> Long-term plan (\$000)	<i>[Year 1]</i> Actual (\$000)
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure			
Development and financial contributions			
Increase (decrease) in debt			
Gross proceeds from sale of assets			
Lump sum contributions			
<b>Total sources of capital funding (C)</b>			
<b>Application of capital funding</b>			
Capital expenditure			
—to meet additional demand			
—to improve the level of service			
—to replace existing assets			
Increase (decrease) in reserves			
Increase (decrease) of investments			
<b>Total applications of capital funding (D)</b>			
<b>Surplus (deficit) of capital funding (C - D)</b>			
<b>Funding balance ((A - B) + (C - D))</b>			

\*Specify the actual years.

The actual year for *[year -1]* is the year before the current year of the long-term plan.

The actual year for *[year 1]*, in both cases, is the year of the long-term plan to which the annual report relates.

Form 5  
Funding impact statement for annual report  
(whole of council)

*Clause 30, Schedule 10, Local Government Act 2002*

**[Name of council]: Funding impact statement for [period]  
(whole of council)**

	*[Year -1] Annual plan (\$000)	[Year -1] Annual report (\$000)	[Year 1] Annual plan (\$000)	[Year 1] Actual (\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charge, rates penalties				
Targeted rates (other than a targeted rate for water supply)				
Subsidies and grants for operating purposes				
Fees, charges, and targeted rates for water supply				
Interest and dividends from investments				
Local authorities fuel tax, fines, infringement fees, and other receipts				
<b>Total operating funding (A)</b>				
<b>Applications of operating funding</b>				
Payments to staff and suppliers				
Finance costs				
Other operating funding applications				
<b>Total applications of operating funding (B)</b>				
<b>Surplus (deficit) of operating funding (A - B)</b>				

Form 5—*continued*

	* <i>[Year –1]</i> Annual plan (\$000)	<i>[Year –1]</i> Annual report (\$000)	<i>[Year 1]</i> Annual plan (\$000)	<i>[Year 1]</i> Actual (\$000)
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure				
Development and financial contributions				
Increase (decrease) in debt				
Gross proceeds from sale of assets				
Lump sum contributions				
<b>Total sources of capital funding (C)</b>				
<b>Application of capital funding</b>				
Capital expenditure				
—to meet additional demand				
—to improve the level of service				
—to replace existing assets				
Increase (decrease) in reserves				
Increase (decrease) of investments				
<b>Total applications of capital funding (D)</b>				
<b>Surplus (deficit) of capital funding (C – D)</b>				
<b>Funding balance ((A – B) + (C – D))</b>				

\*Specify the actual years.

The actual year for [*year –1*], in both cases, is the year before the year of the annual plan.

The actual year for [*year 1*], in both cases, is the year of the annual plan to which the annual report relates.

Rebecca Kitteridge,  
Clerk of the Executive Council.

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Issued under the authority of the Legislation Act 2012.  
Date of notification in *Gazette*: 14 July 2011.

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## **Reprints notes**

### **1     *General***

This is a reprint of the Local Government (Financial Reporting) Regulations 2011 that incorporates all the amendments to those regulations as at the date of the last amendment to them.

### **2     *Legal status***

Reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by any amendments to that enactment. Section 18 of the Legislation Act 2012 provides that this reprint, published in electronic form, has the status of an official version under section 17 of that Act. A printed version of the reprint produced directly from this official electronic version also has official status.

### **3     *Editorial and format changes***

Editorial and format changes to reprints are made using the powers under sections 24 to 26 of the Legislation Act 2012. See also <http://www.pco.parliament.govt.nz/editorial-conventions/>.

### **4     *Amendments incorporated in this reprint***

Local Government (Financial Reporting and Prudence) Regulations 2014 (LI 2014/76): regulation 25  
Local Government (Financial Reporting) Amendment Regulations 2013 (SR 2013/468)

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