

Draft long term plan 2018-38
Consultation - supporting information

Statement of reserve funds



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Reserves are held to ensure that funds received for a specified purpose are applied to that purpose and any surplus result is managed in accordance with the purpose for which the reserve was established. Surpluses held in reserves are credited with interest. The Council holds eight reserves, three of the reserves are classified as restricted reserves.

Restricted reserves are subject to rules under legal obligation that restrict the uses to which Council may apply the funds. The remaining Council-created reserves are discretionary reserves which have been established for the fair and transparent use of funds. Reserves are not separately held in cash and the funds are managed as part of the council's treasury management activities.

Below is a list of current reserves held by the Council, outlining the purpose for holding each reserve as well as the activity to which the reserve relates. Summary financial information across the twenty year period covering the long term plan is reflected as follows:

	Projected opening balance July 2018 \$000	Revenue/ deposits \$000	Expenditure/ transfers \$000	Projected closing balance June 2038 \$000
Council restricted reserves				
Waikanae Property Fund The purpose of the reserve is to fund improvements to council-owned properties in Waikanae. The source of funds is the proceeds from the sale of other Council property in the Waikanae Ward (excluding district wide funded properties).	93	179	0	272
Waikanae Capital Improvement Fund The purpose of the reserve is to fund capital improvements in the Waikanae Ward and to provide capital grants to Waikanae organisations in accordance with approved criteria. The source of funds is the Waikanae Ward's share of the property assets of the Horowhenua County Council and interest earned on the capital sum.	1,215	966	896	1,285
Plant Purchase and Renewal Fund The purpose of the reserve is to fund ongoing replacement of plant and vehicles when this falls due. The reserve is funded from the depreciation charge on current plant and vehicles.	710	8,116	8,116	710

	Projected opening balance July 2018 \$000	Revenue/ deposits \$000	Expenditure/ transfers \$000	Projected closing balance June 2038 \$000
Council created reserves				
Road Reserve Upgrading Contributions The purpose of the reserve is to fund road upgrading works. The source of funds is the road upgrading development contributions from developers and interest earned on the capital sum.	785	0	0	785
Election Reserve The purpose of the reserve is to fund the three yearly election cycle. The reserve is funded from rates on an annual basis.	0	2,137	2,137	0
LTP Reserve The purpose of the reserve is to fund the three yearly audit of the long term plan. The reserve is funded from rates on an annual basis.	0	1,057	937	123
Contingency Fund The purpose of the reserve is to fund unexpected expenditure across the district, e.g. leaky home claims, flood events and insurance excess. The source of funds includes rates and rates penalties.	6	13,223	13,233	6
Paekakariki Campe Estate The purpose of the reserve is to fund administration of the Paekakariki Campe Estate for the benefit of the youth of Kapiti. The source of the funds is the proceeds from sale of the property owned by Mr Campe plus interest earned on the capital sum.	113	249	249	113