

# Prospective statement of reserve and special funds

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. The council holds seven reserves, of which three 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 council, outlining the purpose for holding each reserve as well as the activity to which the reserve relates.

	Prospective opening balance 1 July 2017 \$000	Revenue/ transfers from accumulated funds \$000	Expenditure/ transfers to accumulated funds \$000	Prospective closing balance 30 June 2018 \$000
<b>Council restricted reserves</b>				
<b>Waikanae Property Fund</b> 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).	85	6	-	91
<b>Waikanae Capital Improvement Fund</b> The purpose of the reserve is to fund capital improvements in the Waikanae Ward and also 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.	1,145	47	(30)	1162
<b>Plant Purchase and Renewal Fund</b> The purpose of the reserve is to fund ongoing replacement of plant and vehicles when required. The reserve is funded from the depreciation charge on current plant and vehicles.	392	292	(457)	227
<b>Total council restricted reserves</b>	<b>1,622</b>	<b>345</b>	<b>(487)</b>	<b>1,480</b>

	Prospective opening balance 1 July 2017 \$000	Revenue/ transfers from accumulated funds \$000	Expenditure/ transfers to accumulated funds \$000	Prospective closing balance 30 June 2018 \$000
<b>Council created reserves</b>				
<b>Road Reserve Upgrading Contributions</b> 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.	785	-	-	785
<b>Election Reserve</b> The purpose of the reserve is to fund the three yearly election cycle. The reserve is funded from rates.	-	-	-	-
<b>Contingency Fund</b> The purpose of the reserve is to fund unexpected expenditure across the District, e.g. leaky home claims, flood events and insurance excess.	6	150	-	156
<b>Paekākāriki Campe Estate</b> The purpose of the reserve is to fund administration of the Paekākāriki Campe Estate for the benefit of the youth of Kāpiti. The source of the funds is the proceeds from sale of the property owned by Mr Campe plus interest earned on the capital sum.	115	8	-	123
<b>Total council created reserves</b>	906	158	-	1,064
<b>Total reserve and special funds</b>	2,528	503	(487)	2,544