

capital endowment fund

Background

In April 2001, the Council set up a Capital Endowment Fund. This fund was established using a share of the proceeds from the sale of Orion's North Island gas company.

A sum of \$75M was set aside in the Fund in order to provide an ongoing income stream which can be applied to economic development and civic and community projects.

(The policies relating to the Capital Endowment Fund are contained within the Investment Policy (see the Investment Policy in volume 3 for details).

Capital Endowment Fund Movements

	2004/05 \$'s
Inflation Adjusted Capital	78,979,194
Total Projected Opening Balance 1 July 2004	78,979,194
Plus Net Interest Earnings	4,162,431
Less Drawdowns for Projects (Funding Allocations)	(2,582,847)
Projected Closing Balance 30 June 2004	80,558,778

Capital Endowment Fund - Funding Allocations

	2004/05 \$'s	2005/06 \$'s	2006/07 \$'s
Estimated Total Available Income from Fund after management expenses	2,582,847	2,638,132	2,694,524
Less not to be allocated until later years (25%)		(659,533)	(673,631)
Total available for allocation this year	2,582,847	1,978,599	2,020,893
Economic Development 70%	1,807,993	1,385,019	1,414,625
Less already allocated			
Unspecified Economic Development - Canterbury Economic Development Fund	(1,707,993)	(1,285,019)	(1,314,625)
CDC - New Economic Development Initiatives	(100,000)	(100,000)	(100,000)
Balance available for Economic Development Projects	-	-	-
Civic and Community 30%	774,854	593,580	606,268
Less already allocated			
Unspecified Community Projects	(42,354)	138,920	126,232
Canterbury Museum Trust Board Building and Development Project Grant	(732,500)	(732,500)	(732,500)
Balance available for Civic and Community Projects	-	-	-