

From: LGOIMA
To: farm.house@xtra.co.nz
Subject: 861 Reserve account requests, Response
Date: Monday, 18 August 2025 11:50:00 am
Attachments: [Six Month Report on Council Reserves.pdf](#)

Dear Frank Hocken,

Re information relating to reserve accounts (Our ref. 861).

We received your request by telephone on 18 September, requesting the **'amounts in the reserve accounts'**.

The information requested is available on the Council website under MDC Meetings and Agendas. This information is reported to Council in a six-monthly report to Audit and Risk Committee.

Please find attached a PDF copy of the current report, and also links below to location on MDC website:

MDC Meetings and Agendas: <https://www.mackenzie.govt.nz/council/meetings-and-agendas>

Audit and Risk Committee, Tues 4th March 2025
<https://docspublished.com.au/mackenzie/document/44556a0b-bec3-4a58-924a-abb1263778a8>

Please note, as outlined in the candidate handbook, all LGOIMA requests lodged by electoral candidates during this time are required to be made available to all other candidates. The Candidate Handbook is available online

https://www.mackenzie.govt.nz/_data/assets/pdf_file/0007/1024828/LGE25-MackenzieDC-Candidate-Handbook-v9.pdf. Printed copies are available on request.

'Council is required to respond to information requests made under the Local Government Official Information and Meetings Act 1987 (LGOIMA). Any information supplied to a candidate as part of a LGOIMA request response will be shared to all candidates as soon as possible after the original information release.'

Details of the request, the response, and any information provided by council will be published on the council website, in the 'elections' section. All candidates will be notified by email when the response is posted to the website.

If you wish to discuss this further with us, please feel free to contact me.

Yours sincerely,

Nic

1.1 Six Month Report on Council Reserves

Author: Sandy Hogg (Manager - Finance)

Attachments: Nil

Strategic Focus Areas

Infrastructure Resilience

Valuing our Environment

Community Development

Supporting Housing

Government Reform and Advocacy

Purpose of Report

To provide Council with a 6-month report on Council Reserves.

Background

The Council's capital is its equity (or ratepayers' funds), which comprises retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires Council to manage its revenue, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long-Term Plan (LTP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. And the Act sets out the factors the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

Council has the following Council created reserves:

- Special funds reserves;
- Separate reserves;
- Asset revaluation reserves

Special funds reserves

Special reserves have been set up for specific purposes. Their use is restricted to the purpose for which they were set up. They retain their surplus or deficit but are used to meet the costs that comply with their purpose.

Other reserves - Other reserves consist of funds which have been received over time by the Council, usually by way of a donation or bequest, the terms of which restrict the use of funds.

Each amount has been set up as a trust fund to maintain a degree of independence from general Council funds.

Restricted reserves - Restricted reserves are those reserves subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

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

Separate reserves

These are reserve balances where activities are funded either by targeted rates or a combination of targeted rates and general rates. They hold a surplus or deficit balance from year to year, and the fund is only held for that specific activity. For example, each water supply activity has its own reserve balance.

Internal borrowing – Internal borrowing is held as part of separate reserves. Internal borrowing enables Council to provide longer term assets but benefits future generations but does not put the full cost onto current ratepayers. The effect of the use of internal borrowing is to lessen the costs of borrowing for Council and ratepayers, which would otherwise require higher rates increases due to the use of external deposits and borrowings. Repayment terms are set within Council's Treasury Management Policy.

As previously notified to Council, loan repayments and new loans are completed annually in June prior to year end, and subsequently the table for internal borrowings shows no movements year to date as a result of this. Interest on internal borrowings is charged monthly and these transactions form part of the operating costs for each activity that has an internal loan, movements would be shown as part of the activity's operating reserve.

Asset revaluation reserves

These reserves relate to:

- The revaluation of property, plant and equipment to fair value including operational and infrastructure assets, and
- The revaluation of financial assets including shares and bond stock held. This reserve comprises of the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense, (FVTOCRE).

	2024-2025 6 months to December 2024			
	Opening Balance	Transfers Into	Transfers Out	Closing Balance
Special Reserves				
Albury War Memorial	5,034	114	0	5,148
Albury Water Supply	41,829	949	0	42,778
Ashwick/Allandale War Memorial	7,191	163	0	7,354
Carpark Development	266,941	6,056	0	272,997
Davidson Bequest - Cemetery	1,967	45	0	2,011
Emergency Management	61,420	1,393	0	62,814

Enid Hutt Fairlie Beautifying Fund	35,000	794	0	35,794
Gillingham Bequest - Library	488	11	0	499
Gould Bequest - Cemetery	1,962	45	0	2,006
Heritage Fund	9,348	212	0	9,560
Housing Replacement	7,523	171	0	7,693
Insurance	3,200,000	0	0	3,200,000
Land Subdivision	961	22	0	982
Land Subdivision - Opuha	224,933	28,488	0	253,419
Land Subdivision - Pukaki	2,324,505	51,033	(149,720)	2,225,817
Land Subdivision - Tekapo	1,930,908	42,441	(120,000)	1,853,349
Mackenzie County Scholarship Trust	90,385	102,537	0	192,922
Masonic Lodge Scholarship	44,006	998	0	45,004
Paterson's Ponds	10,427	237	0	10,664
Pensioner Housing Amenities	2,453	56	0	2,508
Real Estate Investment	4,836,160	109,708	0	4,945,868
Sherwood Downs Sports Trust	217	5	0	222
Strathconan Pool Capital	1,510	34	0	1,545
Watertight Building	45,978	1,043	0	47,021
	13,151,143	346,553	(269,720)	13,227,977

	2024-2025 6 months to December 2024			
	Opening Balance	Transfers Into	Transfers Out	Closing Balance
Separate Reserves				
Administration - Capital Reserve	(4,723)	72	0	(4,651)
Albury Hall	6,411	0	(1,817)	4,594
Albury Water Supply	(8,259)	0	(2,661)	(10,920)
Allandale/Spur Road Water	(124,517)	13,382	(31,719)	(142,853)
Animal Control	76,484	56,338	0	132,822
Ashwick/Opuha Water	16,050	0	(6,381)	9,670
Cemeteries - Capital Reserve	(93,558)	2,172	0	(91,386)
Civil Defence - Capital Reserve	487	8,698	0	9,185
Council Building - Fairlie - Capital Reserve	(147,726)	0	(17,390)	(165,116)
Council Building - Twizel - Capital Reserve	23,971	11,289	0	35,260
Depot - Tekapo	152	438	(1,259)	(669)
Depot - Twizel	3,996	2,460	(1,837)	4,619
District Council - Capital Reserve	(920)	0	0	(920)
District General - Capital Reserve	(228,769)	0	0	(228,769)
District Wide Roading	(1,941,467)	0	(415,558)	(2,357,025)
Downlands Water Supply	150,890	0	0	150,890
Downlands Water Supply	771,317	0	0	771,317
Eversley Sewer	(380)	0	(14)	(395)
Fairlie Camping Ground	13,089	12,120	(3,991)	21,218
Fairlie Community Board	19,795	20,721	0	40,516

Fairlie Medical Centre - Capital Reserve	84,656	8,820	0	93,476
Fairlie Township	(170,297)	(4,622)	(66,751)	(241,670)
Forestry	8,445,639	0	(181,423)	8,264,217
Information and Engagement - Capital Reserve	(185,517)	0	0	(185,517)
Investment Management	10,445,870	0	(501,604)	9,944,266
IT Support - Capital Reserve	(29,036)	74,738	0	45,701
Kimbell Water	27,966	634	0	28,600
Lake Tekapo Community Board	49,744	2,814	0	52,557
Lake Tekapo Community Hall	(12,904)	30,750	0	17,846
Lake Tekapo Township	(665,464)	0	(189,770)	(855,234)
Mackenzie Community Centre	55,865	15,372	(16,423)	54,814
Old Library Café	157,121	9,968	0	167,089
Other Reserves - Lake Alexandrina	886,255	69,251	(8,124)	947,382
Pensioner Housing	210,128	25,404	(24,847)	210,685
Plant Account	12,939	36,224	0	49,163
Public Toilets - Capital Reserve	71,020	0	(368,026)	(297,006)
Pukaki Airport Board	1,795,054	22,729	0	1,817,784
Pukaki Visitor Centre	58,083	5,580	(204)	63,459
Real Estate	1,165,797	343,694	(33,529)	1,475,962
Responsible Camping	3,797	103,726	(12,638)	94,884
Roading Professional Services BU	(852,691)	(1,710)	(63,599)	(917,999)
Rural Works and Services	214,956	3,653	(9,761)	208,848
School Road Water	42,237	0	(2,073)	40,164
Sherwood Downs Hall and Reserve	63,862	1,562	0	65,424
Skipton Hall	(1,443)	187	0	(1,257)
Swimming Pool - Strathconan	(162,265)	50,100	(9,054)	(121,219)
Swimming Pool - Twizel	(348,370)	58,917	(12,508)	(301,961)
Tourism and Development	(137,698)	557,758	(393,653)	26,407
Twizel Community Board	14,495	19,006	0	33,500
Twizel Community Centre	(218,458)	0	(108,121)	(326,579)
Twizel Township	(830,539)	(1,147)	(258,211)	(1,089,897)
Urban Stormwater	553,985	0	(47,112)	506,873
Urban Wastewater	4,909,765	0	451,155	5,360,920
Urban Water	(4,775,725)	435,490	(463,559)	(4,803,795)
Waste Management	116,297	49,676	0	165,973
	19,527,446	2,046,262	(2,802,463)	18,771,242

	2024-2025 6 months to December 2024			
	Opening Balance	Transfers Into	Transfers Out	Closing Balance
Internal Borrowing				
Administration - Internal Loan	(31,113)	0	0	(31,113)
Allandale/Spur Road Water - Internal Loan	(236,538)	0	0	(236,538)

Animal Control - Internal Loan	(2,894)	0	0	(2,894)
Cemeteries - Internal Loan	(150,000)	0	0	(150,000)
Civil Defence - Internal Loan	(107,800)	0	0	(107,800)
Council Building - Fairlie - Internal Loan	(1,300,000)	0	0	(1,300,000)
Council Building - Twizel - Internal Loan	(270,000)	0	0	(270,000)
District Wide Roding - Internal Loan	(5,475,000)	0	0	(5,475,000)
Information and Engagement - Internal Loan	(72,000)	0	0	(72,000)
IT Support - Internal Loan	(144,000)	0	0	(144,000)
Lake Tekapo Township - Internal Loan	(116,280)	0	0	(116,280)
Public Toilets - Internal Loan	(270,000)	0	0	(270,000)
Resource Planning - Internal Loan	(6,590,661)	0	0	(6,590,661)
Swimming Pool - Strathconan - Internal Loan	(290,000)	0	0	(290,000)
Swimming Pool - Twizel - Internal Loan	(735,000)	0	0	(735,000)
Twizel Community Centre - Internal Loan	(304,500)	0	0	(304,500)
Twizel Township - Internal Loan	(64,198)	0	0	(64,198)
Urban Water - Internal Loan	(9,150,000)	0	0	(9,150,000)
	(25,309,984)	0	0	(25,309,984)

	2024-2025 6 months to December 2024			
	Opening Balance	Transfers Into	Transfers Out	Closing Balance
Asset Revaluation Reserves				
Share Revaluation	11,186,684	0	0	11,186,684
Investment Revaluation	0	0	0	0
<i>Infrastructural Assets Revaluation Reserves</i>				
- Land	44,782,651	0	0	44,782,651
- Water Supplies	31,490,228	0	0	31,490,228
- Downlands Water Supply	1,585,511	0	0	1,585,511
- Wastewater Schemes	22,869,163	0	0	22,869,163
- Stormwater Schemes	6,304,879	0	0	6,304,879
- Roding	129,878,715	0	0	129,878,715
- Plant	(286)	0	0	(286)
- Buildings	14,630,226	0	0	14,630,226
	262,727,768	0	0	262,727,768