

The 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 pages 197 to 207).

Capital Endowment Fund Movements	2003/04
	\$
Inflation Adjusted Capital	78,640,406
Civic and Community Funds Unallocated from Earlier Years	142,000
Total Projected Opening Balance 1 July 2003	78,782,406
Plus Net Interest Earnings	4,150,222
Less Drawdowns for Projects (Funding Allocations)	(2,577,414)
Projected Closing Balance 30 June 2004	80,355,214

Capital Endowment Fund - Funding Allocations

	2003/04 \$	2004/05 \$	2005/06 \$
Estimated Total Available Income from Fund after management expenses	2,577,414	2,632,463	2,688,611
Less not to be allocated until later years (25%)		(658,116)	(672,153)
Total available for allocation this year	2,577,414	1,974,347	2,016,458
Economic Development 70%			
Less already allocated:			
Unspecified Economic Development	1,804,190	1,382,043	1,411,521
	(1,804,190)		
Balance available for Economic Development Projects	0	1,382,043	1,411,521
Civic and Community 30%			
Less already allocated:			
Unspecified Community Projects*	773,224	592,304	669,307
Special Character Area Precinct Upgrade	(40,724)		
Canterbury Museum Trust Board Building and Development Project Grant	(200,000)	(732,500)	(732,500)
	(532,500)		
Balance available for Civic and Community Projects	0	(140,196)	(127,563)

* Unspecified provision for 2002/03 and 2003/04 to be accumulated and not specified out until at least 2004/05.