

Supplementary Information

New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi Incorporated
For the year ended 31 March 2017

Uncommitted cash reserves

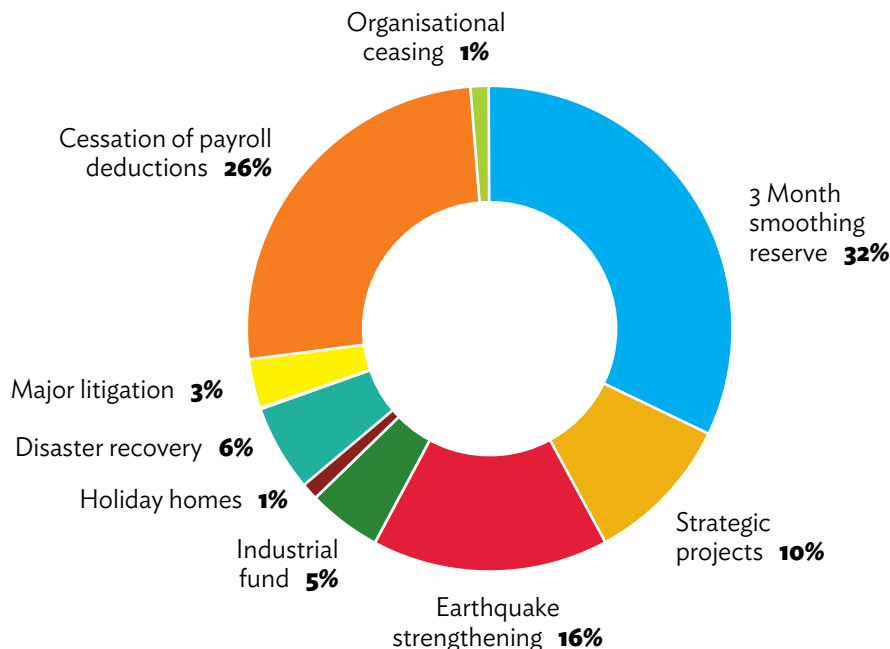
PSA has a reserves policy which identifies the potential use of its uncommitted cash reserves. Uncommitted cash reserves are calculated by cash and near cash assets less current liabilities and annual leave liabilities (i.e. what we are committed to pay in the near future).

The Executive Board and management believe holding appropriate reserves is an important part of their fiduciary duties to the members and to ensure the organisation can

continue in delivering its strategic goals. The reserves are part of an extensive policy and are a mix of fixed level issue specific amounts and amounts relating to current budgeted overall expenditure.

Details of the various reserves are set out below and total \$17,640,000.

It is important to note that the equity figure in the Statement of Financial Position is backed by cash and non-cash assets.



3 Month smoothing	This reserve exists to provide sufficient cash reserves to enable the PSA to pay staff , rent and overheads in the event that cash flows are uneven.
Strategic projects	To fund one-off projects set up to further the PSA's strategic goals.
Earthquake strengthening	To fund bringing PSA house up to 100% of earthquake code.
Industrial fund	To support members in the event of industrial action resulting in a significant loss of wages.
Holiday homes	To fund an ongoing expansion of holiday homes for the benefit of members.
Disaster recovery	This reserve is for disaster preparation and recovery after a disaster.
Major litigation	To fund any major legal action to support our members or strategic goals.
Cessation of payroll deductions	To fund the loss of income & costs to change to alternative fee collection methods .
Organisational ceasing	To fund the obligations (leases , redundancies) if PSA ceased to operate.